

Annex

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Contents

Sitting of Monday, 7 March 1977

Resumption of session, p. 1 — Tribute, p. 1 — Earthquake in Romania, p. 2 — Appointment of Members, p. 2 — Membership of committees, p. 2 — Petitions, p. 2 — Documents received, p. 3 — Texts of treaties forwarded by the Council, p. 4 — Authorization of reports, p. 5 — Order of business, p. 5 — Action taken by the Commission on the opinions of Parliament, p. 5 — Oral question with debates: Community social policy in the future, p. 5 — Oral question without debate: Action to combat poverty, p. 14 — Oral question with debate: Health care in the European Community, p. 16 — Approval of the minutes, p. 22 — Closure of the session, p. 22.

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.

SITTING OF MONDAY, 7 MARCH 1977

Contents

1. Resumption of the session	1	<i>Coûté, on behalf of the Group of European Progressive Democrats; Mrs Kellett-Bowman, on behalf of the European Conservative Group; Sir Brandon Rhys Williams; Mr Vredeling</i>	6
2. Tribute	1		
3. Earthquake in Romania	2		
4. Appointment of Members	2		
5. Membership of committees	2	13. Oral question without debate — Action to combat poverty (Doc. 565/76):	
6. Petitions	2	<i>Mr Dondelinger, author of the question . . .</i>	14
7. Documents received	3	<i>Mr Vredeling, Vice-President of the Commission</i>	
8. Texts of treaties forwarded by the Council	4	14. Oral question with debate — Health care in the European Community (Doc. 563/76):	
9. Authorization of reports	5	<i>Mr Mitchell, author of the question</i>	16
10. Order of business	5	<i>Mr Vredeling, Vice-President of the Commission; Mr 'bn, on behalf of the Christian-Democratic Group; Mr Meintz, on behalf of the Liberal and Democratic Group; Mrs Kellett-Bowman, on behalf of the European Conservative Group; Mr Nyborg; Sir Brandon Rhys Williams; Mr Giraud; Mr Vredeling; Mrs Kellett-Bowman; Mr Vredeling</i>	16
11. Action taken by the Commission on the opinions of Parliament:		15. Approval of the minutes	22
<i>Mr Vredeling, Vice-President of the Commission</i>	5	16. Closure of the session	22
12. Oral question with debate — Community social policy in the future (Doc. 561/76):			
<i>Mr Adams, author of the question</i>	5		
<i>Mr Vredeling, Vice-President of the Commission; Mr Meintz, on behalf of the Liberal and Democratic Group; Mr</i>			

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);

President

- 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

Vredeling

sectors, in certain badly affected regions, or for the benefit of vulnerable groups such as young people, old people, women and the handicapped. The present Social Fund is characterized by impracticable administrative provisions resulting in — as I have seen for myself — tremendous administrative bustle. Bureaucracy runs riot, delays occur and supervision becomes extremely difficult. To overcome this situation, which I feel is quite inadmissible, the Commission will submit a series of proposals to improve the situation.

I have also been busy with a second major project during the last two months, the preparation of the next Tripartite Conference. This will have to be prepared very carefully so that it can produce a constructive and balanced discussion. No decisions have yet been taken as regards the date or the subjects to be discussed.

Mr Adams asked if it was true that I said in an interview that the conference would be held in July. Mr Adams probably did not read the original text of my interview but only reports based on it. These reports state that a tripartite conference would be held in July. However, what I actually said — perhaps in a burst of somewhat youthful overconfidence after my debut — was that if it were possible to hold such a conference this summer, then the Commission would do everything in its power to bring this about.

In the meantime, it has become clear to me that preparations for the next Tripartite Conference obviously cannot ignore what was agreed at the last conference, Mr Adams has pointed out quite properly that a number of very precise objectives were drawn up. I can only say that these objectives were not very practical. They were more like declarations of intent.

The practical angle is still lacking. But it has become very clear that the trade unions in particular expect the Commission to produce ideas which are capable of being put into effect. This is of course much better, but the preparation of appropriate proposals obviously takes much longer than the drafting of unanimous declarations of intent. It is, therefore, only logical to conduct an enquiry into what has so far been undertaken to bring about the realization of these objectives and why it has not been possible to attain the objectives. The objectives which were agreed between the parties at the Tripartite Conference have, of course, not been attained. However, in my opinion it is totally inadequate to convene such a conference simply and solely to consider this question and simply to find an answer to it. Then there is a danger that the conference might degenerate into a settling of old scores between the social partners, the Commission and the Member States' governments. That could lead to a serious confrontation which I should not duck. But a confrontation by itself, without any concrete result, seems totally pointless.

If we want positive results, as the Commission does, then we must include another practical subject on the agenda. One could think in this context of the

extremely topical subject of the link between investments and employment and related subjects. One of the great problems in our Community is of course the lack of investments, which does not improve employment opportunities, or the risk that if investments are made they may not be placed to their best effect, and instead of creating jobs they quite frequently lead to redundancies. Given the present unemployment situation, we must endeavour to prevent this.

These are all extremely complex questions. The preparation of a well-planned conference therefore requires the proper amount of time and so we could not, in my opinion, have by now prepared concrete proposals for this summer. And then the President of the Commission has said that the Commission feels that the conference should not be held until the autumn, so that we have more preparation time.

In discussing these problems I wrote last week to the chairman of the European Trade Union Confederation, the chairman of the European Employers' Organization and to the President-in-Office of the Council, inviting them to come and discuss the situation.

I also think that the Standing Committee on Employment which is due to meet at the beginning of May, should consider the proceedings of the Tripartite Conference so that the instruments and bodies we have at our disposal can be mobilized in organizing this year's conference and enabling it to produce concrete results. I hope, therefore, that it will be possible to lay down guidelines for the preparation of the conference at the highest level.

Let me now pass on to some other plans. The most important are concerned with employment problems. This will not surprise Parliament. For today I shall restrict myself to three aspects of the activities which I intend to develop. First of all, we feel that, as you were told in January, it will be worthwhile to submit a comprehensive document on employment problems to the appropriate bodies. In this document we shall lay down the guidelines which must be chosen for coordinated action to achieve full employment by 1980. To avoid any misunderstanding, I must tell you here and now that there can be no question of miracle solutions. Unfortunately, they do not exist. However, we must strive towards the pursuit of a consistent and coherent policy, the success of which depends on the social partners — employers and employees — and on the governments. When this document has been approved by the Commission, I intend it to be submitted for discussion this summer to the Council, Parliament, the Economic and Social Committee and the social partners. From the results of this consultation, we shall be able to see what conclusions must be drawn. This is of course, also important in view of the Tripartite Conference. Here we must aim not at uniformity but at clear cooperation so that the measures taken in the various Member States do not conflict with each other as is the case at present.

Vredeling

Instead, they must be linked to each other so that they are mutually beneficial.

A second field of activity stems from the employment aspects of the policies pursued by the Community in various other areas. Here I am thinking in particular of economic and monetary policy, industrial policy, regional policy and competition policy. In considering the proposals relating to these policies, we must enquire closely as to their consequences for employment. This is my particular task. I shall, of course, work in close consultation with my colleagues in this matter.

Two aspects stand out. Firstly, we must find a solution to the social consequences of rationalization and modernization in various sectors: textiles form a good example. Another sector which requires close attention at the moment is the steels sector. We must also utilize the resources we have available to find positive solutions to employment problems. In other words we must make every effort to create an industrial structure which is healthy from the social and economic point of view and which creates employment. This is a new, difficult, laborious but essential job.

Finally, I hope that the meetings at sectoral level between the social partners will be given a new impetus and that it will be possible in this way, in carefully chosen sectors and in mutual consultation, to set up an enquiry into all the problems relating to employment including matters such as the time spent at work and working conditions. I am convinced that this is a sensible task for the Social Fund in its new form.

I believe that the proposed policy which I have just outlined tallies with what the Community can in fact undertake in the most important areas. We must, of course, be ambitious but at the same time realize that our opportunities are limited. The solution of problems relating to employment is not only dependent on the fiat of this or that government but also on the will of the majority of the social partners in the Community and on the coordination and consistency of their actions. Mr Adams has just pointed this out quite correctly. Besides Council decisions, where only the governments commit themselves to anything, the future of our social development is largely defined by the conduct of the social partners.

A second limit is placed on our actions by the amount of money available. In the expenditure sphere, the Social Fund is only interested in the fact that in 1977, 617 m u. a. are available. Let me point out that 617 m u. a. is approximately half of what was set aside in 1976 within the framework of the common agricultural policy for milk alone! In this matter the Treaty is not very helpful and furthermore the Commission has only a limited staff available. I should like to point out once again to Parliament that the Directorate-General for Employment and Social Affairs, Directorate-General V, has somewhat more than 250 members of staff, including

the doorman. That is approximately the same as, or even less, than the staff of the National Service Department of the Ministry of Defence in little Holland! Yet for the Community as whole, a little over 250 people are employed on social policy. Now, I know very well that this comparison is not totally justified, but it speaks volumes. And it prompts me to be fairly modest, as I said at the beginning. Despite the constraints placed on us, we must make every possible effort. Of course, Parliament will demand that we do. And we are strengthened in this matter by the conviction that nowadays the world's most important problems can no longer be solved nationally. From ten years' efforts towards coordination in the economic sector we can learn an important lesson. If social problems remain unsolved, the economy will make no progress. But the Commissioner for Social Affairs must make his choice and concentrate his actions on a few key problems, at all times asking himself whether this action in these matters is in line with the internal cohesion required in the Community. Of course, I cannot do everything at one and the same time. I shall try to grasp what is essential and make every effort there. In doing so I shall take the initiative to propose directives, regulations and decisions as often as this is possible and necessary. I have the impression that in the past, people have been too easily satisfied with action programmes and recommendations. Of course, I shall have to act in close cooperation with my colleagues Mr Ortoli and Viscount Davignon. And I shall of course make every effort to gain Parliament's agreement, because I am aware that this is a precondition for any successful search for solutions to the extremely complex problem of the present social situation in our Community.

President. — I call Mr Meintz to speak on behalf of the Liberal and Democratic Group.

Mr Meintz. — (*F*) Few political matters are aired as repeatedly and at such close intervals in this Parliament as social questions; one feels sometimes, therefore, that all has been said and that one can only reiterate what has been said before. Certainly, if I had to re-examine the report on the social situation in 1975, which I had the honour to present to you, there is nothing I should wish to change either in the analysis of the situation or in the guidelines for the future. I shall thus confine myself to a few brief remarks.

The Heads of State or Government are not unaware that the delays we have known until recently in the social progress of Europe are one of the main reasons for public disenchantment with the European Economic Community. It needed thus to be demonstrated, first of all, that social questions are no longer being allowed to trail in the wake of the economic, that we would no longer content ourselves with diagnosing the social damage caused by other policies, but that social objectives must be found for positive Community action.

Meintz

I feel that the main merit of the Council of Ministers' meeting was that it enabled each member to state his views on the basic guidelines and options of future social policy. We all recognize that conditions vary between our countries and that the measures which must be taken are not necessarily everywhere the same. But what should concern us here is the role the Commission should play, since it is the Commission alone, as has already been pointed out, that can carry out any genuinely Community policy. As regards, for example, one of the objectives laid down by the Council, the fight against unemployment, we are of the opinion that only if parallel action is taken against inflation can we hope for satisfactory results. What is essential in this action is not simply all the measures that can be taken at Community level, and particularly in the social area, but whether or not we are prepared to accord to the Commission the leading role which is its due and which it must exercise if it is to be able to carry out a really effective joint economic policy, both at the structural and at the conjunctural level.

I do not propose to review here the various directives adopted at that Council meeting; let me rather, Mr President, mention two problems still unresolved. First, the directive on the schooling of migrant workers' children, already much curtailed in comparison with the Commission's original proposal, still remains to be adopted. It is to be hoped that the Council will take a decision on the matter at its next meeting devoted to social questions, after consulting in particular, the domestic authorities in the United Kingdom and in the Federal Republic of Germany.

As for the amendment of the regulation on the standardization of the system of family allowance payments to workers whose families are resident in a country other than the country of employment, we hope that the Commission will try as soon as possible to find, in cooperation with the Member States concerned France, Italy and Belgium — the best means of reaching an agreement.

I think, Mr President, that these two examples suffice to show that what we want is not a centralized European social policy but a polymorphic Community whose citizens can exercise, within their own society, all the basic social rights in the manner that suits them best.

President. — I call Mr Cousté to speak on behalf of the Group of European Progressive Democrats.

Mr Cousté. — (*F*) Mr Adams' very apt question gives me the opportunity to speak of social policy.

Before I begin, I should like to say how pleased we are to be back again in Strasbourg, in these elegant surroundings, after an interruption due to construction work, the results of which we can now see.

It is good that we should be discussing social policy in the Community. As the authors of this question point out, it is important to review at this stage the progress of the social action programme in the years 1974-1976 and to see what it has achieved. I have just been listening to Mr Vredeling and should like to congratulate him on the optimistic tone of his speech. He is right. Community policy has one very positive aspect, the real progress that has been made in the Social sphere I think, however, that today we must go beyond drawing up balance sheets or forecasts for the immediate future. Of course, the Commission must propose definite guidelines — and Mr Vredeling has just done so — but we must also broaden the scope of our considerations — and I believe that they should turn on this fundamental issue: why do we need an active Community social policy? It seems to me that if such a policy is to be above all a policy of harmonization among the nine Member States, then we should recognize that efforts towards such harmonization have been undertaken: to achieve the 40 hour week, the 4 weeks' annual leave and equal pay for men and women — and this policy must certainly be pursued.

But the basic question remains: should we be harmonizing? It is seriously questionable whether this harmonization is really in the ultimate interest of the Community, that is of the large unified market that it represents. Let me remind you that in the United States, which also constitutes one large market and where there is harmonization, care is taken to preserve the special characteristics of the constituent parts. I do not see that we can do otherwise. In any event, diversity stimulates progress; did not Paul Valéry say that we must draw wealth from our variety? I think that in social policy, side by side with the necessary harmonization, there is an essential need for cooperation among the States which themselves have an enormous potential for action. Clearly, social policy is made at the national level, but, in addition to harmonization, we must leave room for creativity and imagination. This is why we should ask ourselves which initiatives should be taken at Community level and which should remain, at least at the present stage of the Community's development, within the competence of the individual States. Let me quote just one example. Two years ago the idea was launched in this very city — and I should like to pay tribute to its author — that in the fight against unemployment, benefits should be harmonized at Community level. Well, it is obvious, that such a harmonization measure would have been easy to institute and quite impossible to implement. It is unemployment itself that we must combat; and we can only welcome the first steps that have now been taken to this end for a genuine coordination of economic and employment policies. Mr Vredeling has just let it be understood that he supported this action and that in the process of bringing the social partners together, the content, the objectives, in a word, the political will for Europe's economic prosperity, will not be overlooked.

Cousté

I should like to quote another example which, in my view, should persuade us to take more definite action and induce the Commission to make more definite proposals. The Tripartite Conference of June 1976 was a good thing. But why was it good? Not simply because clearly targeted measures were decided and useful objectives set. I think that its essential value was that it succeeded in overcoming partisanship and achieved convergence of some strictly national attitudes.

A Community social policy should have two essential features: it should first of all be imaginative, and then it should be realistic. Imagination and realism, you may say, are incompatible. And yet it is Community actions in many areas which appear incompatible at first sight that nevertheless lead to progress.

We need, first of all, imagination—because our social policy must not be a tenth set of measures duplicating what is being done under the other nine. Here I refer to one of the concerns expressed by the President of the Commission. We must find ways and means of turning this policy into a stimulant and a complement to the policies pursued by the main agents in the economic and social field, that is the individual States. For instance, the poverty action programme is largely, and happily, in the nature of a stimulant. We can also expect much of the Vocational Training Centre in Berlin and of the Foundation for living and working conditions in Dublin.

But the policy must also be realistic, for we must go forward together always keeping clearly in sight our financial resources and our economic conditions. Thus, as a result of unemployment in the Community, all the countries have more or less had to stop immigration. Now, is not this precisely the moment to take the opportunity to improve the condition of migrant workers? I think it is, at the very least in the matter of schooling for their children.

Take yet another example: unemployment. It is not possible to combat unemployment globally at Community level, but it is possible to take definite measures, as was done in the case of unemployment among young job-seekers under the age of 25. There, too, we have achieved a remarkable success.

I believe the fundamental condition for any progress is to have Community labour legislation and we certainly all realize that the humanization of working conditions is where our future lies. These are the matters that it is essential to deal with, not to mention the abuses of competition, of conveyor belt work, of shift work. In concluding, I should like to say that this debate offers us the opportunity — for which I thank Mr Adams — to express once again our belief in the European idea, a belief that should inspire all the Member States, saving us from the twin dangers of egoism and isolationism.

President. — I call Mrs Kellett-Bowman to speak on behalf of the European Conservative Group.

Mrs Kellett-Bowman. — Mr President, I was very glad indeed to hear the Commissioner say that we must not be satisfied merely with action programmes but that we must have something very much more concrete in the years ahead of us. We desperately need new guidelines at the moment because, of course, the economic climate today is completely different from and very much more hostile than that which prevailed when the previous programme was drawn up. Our new priorities must take full account of the new situation. In drawing up these guidelines we have really got to learn a lesson from this, in that we must remember that they must be flexible enough to cope with the present situation and very probably a wholly different situation in only a very few years' time, before they are actually replaced by new ones.

Clearly, at the present time the twin priorities — and I prefer twin priorities to just one priority, because I think they are so closely linked — the twin priorities are to defeat inflation and combat the appalling unemployment which reached almost 6 million in January 1977. As usual, of course, I am sorry to say that women continue to be hit harder than men, as female unemployment rose ten times as fast as male between January 1976 and January 1977. But unemployment, Mr Commissioner, is not solved merely by building new factories and retraining unemployed workers, however important these aspects may be. Apart from age, housing is the factor which contributes most to the immobility of labour, and the new Social Fund should be so framed as to enable the Community to play an effective part in the housing field, just as the European Coal and Steel Community does. I would like the Commission to give a very high priority to drawing up a scheme under which the Community could help to provide low-cost housing loans for workers who have to move to new areas to find jobs. This could be done either on a sectoral or a regional basis.

But it really is hopeless trying to work out Community guidelines on anything unless we have accurate, up-to-date information which is comparable between Community States. Now the 1973 action programme had as one of its objectives the institution of a system of objective and comprehensive statistical information on all forms of income and assets. Now I cannot believe that it is essential to have information about assets, but I do believe that it is extremely important to have it about incomes, and this should continue to be a priority. It is quite true that between 15 September and 29 November 1975 a shopping price survey was undertaken in all the Community States, but the results were not available until last autumn, by which time they were hopelessly out of date, since both the internal prices and the rates of exchange had diverged very widely in this period, and their usefulness was further diminished by the fact that they were

Kellett-Bowman

expressed in national currencies. This was, however, the first time that such an exercise had been undertaken and I hope that with the experience gained it will in future be possible to speed up the information and that the various prices can be expressed in the number of minutes it takes to earn an item at an average wage. We had some fascinating figures in the United Kingdom on 3 March on these lines because of the very hard work put in by my honourable friend, Mr Howell, who is always asking questions about this and elicits some extremely useful information.

The Commissioner said that in fact we are very short of staff in the DG. I appreciate this point but we do have two Community institutions referred to by Mr Cousté which could do some very useful practical work if we would let them do so. I refer, of course, to the Vocational Training Centre in Berlin and the European Foundation for the Improvement of Living and Working Conditions in Dublin. But at the moment they are planned to be essentially involved in research programmes, in coordinating the efforts of those who design vocational training programmes and in studying various aspects of vocational training policy and the humanization of work. I do not think that that is enough, Mr Commissioner. Both these institutions should be able to undertake projects of an experimental nature and to monitor their progress and pass on the results to national authorities. The differences in attitudes to work and working conditions are very striking in the Community. Undoubtedly they have an impact on industrial productivity and therefore contribute to those differences in economic progress among the Member States that constitute one of the main problems of the Community. I believe that much more practical research on this matter is needed.

These Community institutes could therefore help to initiate vocational training or humanization of work projects in each Member State in such a way that the existence of the Community is clearly demonstrated as a major initiator of social policy reforms; they could suggest possible reforms to authorities of those Member States whose policies on, for example, vocational training or retraining, are actually constituting a drag on their economic progress or recovery. I believe that unless the two institutes demonstrate the value of their existence in some such practical way they really have very little in the way of a future, and I think they should be one of the most useful arms that we can use in the coming months.

May I conclude by hoping that the new social policy will encounter and help to engender very much happier social conditions than exist at the present time and had to be fought by the last fund.

President. — I call Sir Brandon Rhys Williams.

Sir Brandon Rhys Williams. — Mr President, the Commissioner has given us an interesting and sincere

reply to Mr Adam's question but to my way of thinking a wholly inadequate one. We know how concerned the Commission is in matters of social policy with the problems of employment. Their concern is for retraining and conditions of work, the interests of migrant workers and we are all glad, I am sure, to hear that the Commissioner is giving his personal attention to organizing a further tripartite conference. That is certainly an event that we shall look forward to with eager anticipation.

But the social problem in our Community takes in much more than working life. The Commission's concern must include the whole quality of life — the standard of living not just of the breadwinner but of his wife and children as well; it must include concern for those who have withdrawn from work through age or sickness; it must take note of social trends and changes such as the new status of women. The Commission must certainly be concerned about the continuing presence of poverty in the midst of plenty in our Community. The Commission should certainly take note of the acute differences in living standards in the Member States and also *within* the Member States, as the President of the Commission so well brought out in his recent speech to the European Parliament in Luxembourg. All this is not taking us away from the narrow interpretation of social policy as being concerned with the relations between a man and his employer and his conditions of work, because the expectations of the worker and his family are essential factors in his attitude to wages and working conditions. The choice made by millions of women, for instance, either to seek work outside the home or to stay at home and raise their families has a major impact on the supply of labour.

Above all, if the Commission is really seeking to make an economic union of the Member States, we must study the impact of the main sources of income of families outside their regular wages: the food and housing subsidies which differ from State to State so widely; the levels of family allowances — it is reputed, for instance, that in Belgium the level of family allowances is six times what it is in the United Kingdom. But if I try to ascertain whether that is an accurate figure or not the Commission reply is that they have no time to make such calculations nor the necessary staff to do that kind of research. But all that I am asking for is a comparison of known facts. If the Commission cannot do that, then reform is needed because Parliament is entitled to have this essential data and the Commission ought to be in a position to provide it. I am particularly concerned about family allowances because I believe that the European Parliament needs to take note of the acute problems that arise for the larger families when inflation raises the cost of individual essential goods — foodstuffs and clothing and heating — but wages only rise by an average figure related to the average change in cost of living. I think we need to know much more about the

Rhys-Williams

different pension systems, what pensions cost and how much benefit they give and the differential impact of taxation on families of different sizes, on workers in different countries, men and women in different circumstances. We cannot have an intelligent view of European social policy without the necessary data of the most elementary kind. At the moment we are having to labour without the necessary data on which to formulate our policies. We have to look to the Commission to give us the essential information about comparative social conditions within Member States.

So although we welcome the Commissioner's concern about unemployment, about conditions of work, relations between workers and employers, we also hope that the new Commissioner will lift his eyes to the wider horizon, recognizing that the Community is a Community of compassion and not only of economic success.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, my comments on the points raised by the various speakers will be brief, since I do not feel that any questions as such have been put to me. A number of observations have been made, but they do not call for any reaction on my part since I agree with them. I understand that Parliament deplores the lack of practical proposals from the Commission and in particular the fact that no further progress can be made at the moment with the Social Fund. But that is the fault of the Treaty, Mr President, a Treaty which was ratified by a number of the representatives here in their national parliaments. If the honourable Members feel that I am not sufficiently forthcoming, it is not me they should blame but the Treaty, which they probably ratified without being able to amend. And that is the anomaly which the Commission faces today. Let me give you an example: under the EEC Treaty, neither the Commission nor the Social Fund may even make a proposal. The Treaty stipulates that the Commission may give the Council its opinion and no more, however strange this may seem. In drawing up the Treaty, social aspects were not taken sufficiently into consideration which is a pity. But these are the limits within which the Commission can act. When the Commission next meets the Council of Ministers, the latter will not fail to remind it that its powers are limited. So I feel that we should begin by being realistic. I cannot make generous promises here only to come back later and tell you that the Council would not agree. I am convinced that all of you have been in politics long enough to see things as realistically as a Dutch politician. I refuse to raise false hopes here: this would serve no purpose, especially since we are all aware that any initiatives taken in the past failed because of the Council. The only thing I can do is concentrate on matters which are urgent and which Member States have so far been unable to solve individually. The most important such problem is unemployment, and not the difference in family allowances

between Belgium and France or Great Britain. The latter, I must admit, gives me indeed very little cause for concern. To me the fact that England has more than 1 million unemployed is far more important than the fact that family allowances are lower in England than in Belgium. And unemployment in Belgium is far more important to me than the fact that family allowances there are six times higher — if this is indeed the truth — than in England. So you see, Mr President, we must get our priorities right and learn to restrict ourselves.

I was myself for many years a Member of this Parliament and its Committee on Social Affairs, and consequently I am aware of the frustration which work in this committee can bring, in the form of plenty of good intentions and wishes, without being able to do anything practical. Unfortunately this is still the case, Mr President, but now we face the worst problem of all, that is permanent, structural unemployment.

This is our real enemy number one. All other problems must, in my view, take second place and wait for long-term solutions to be found. This is why we shall now do our utmost, together with Mr Ortoli and Mr Davignon, who are responsible for economic and monetary policy and industrial policy, to formulate such comprehensive and practical proposals that the Council will have to answer with a clear yes or no. And I for one hope that the Council will lack the political courage to say no. I would like to see more attention paid to the problem of unemployment and less to that of social harmonization, social legislation and the like. We must now concentrate above all on the problem of unemployment, particularly in certain sectors, and the Social Fund must be reviewed in that light. With the help of the social partners we must try and formulate realistic, viable and practical proposals. This will help to give social policy the place it deserves. I think we can proceed more effectively along these lines than if we simply continue to harmonize statistics and social provisions. These are long-term Community objectives, and must wait until priority problems such as unemployment have been solved.

President. — The debate is closed.

13. *Oral question without debate:*
Action to combat poverty

President. — The next item is the oral question without debate (Doc. 565/76) by Mr Dondelinger to the Commission of the European Communities on action to combat poverty:

Can the Commission communicate to Parliament the report drawn up as at 31 December 1976 on the initial phase of the action to combat poverty? Can it state the criteria on the basis of which it has renewed this action for 1977? Does the Commission intend to encourage public opinion campaigns in the Member States to develop permanent solidarity in the struggle against the social exclusion of certain categories of people?

I call Mr Dondelinger.

Mr Dondelinger. — (*F*) Mr president, after the problem of future Community social policy which we have just been considering, my question on action to combat poverty — on which I was rapporteur at an earlier stage, will throw additional light on several aspects of the preceding problem.

In line with the commendable intentions expressed by the heads of State or Government at the Paris Summit of October 1972, the Commission, in the social action programme which it drew up in 1973, proposed a number of projects which were hastily — I think too hastily — dubbed 'poverty action programmes'. Too hastily, because these in fact are not programmes to combat poverty on the lines of those that are launched from time to time in the United States. They are, much more modestly, programmes of research on the degree of poverty in certain social strata, research to determine the poverty threshold, and especially to determine what is the poverty threshold above which families stop receiving the social assistance to which they are entitled.

Of course, the principle of such research is very laudable, but I am convinced that, as in fact is often the case with Community matters, a number of questions arise as to the means, and a number of criticisms can be made.

The questions concern essentially the financing of these projects. The appropriations made available to the Commission were ultimately halved by the Council, which only agreed to 2.5 million u.a. instead of the 5 million asked by the Commission for the first stage of the operations in 1976.

Does the Commission expect to obtain more for the second stage? Is the overall report on the implementation of the project, which Mr Hillery promised to Parliament on 15 September 1976, ready at last?

Is the Commission now in a position to assess the first results of this research? Is it satisfied with the Progress of the operation, and when does it expect to take practical action on its basis?

The criticisms, and the remedies needed, concern much more fundamental issues. They are to do with the principle itself of these research and study projects. It would seem, in the first place, that the European Community is trying to salve its conscience by appearing to do something for the poor who, goodness knows, are still numerous enough in Europe! These research and study projects are in fact always represented in the press as programmes to combat poverty. But 2.5 million units of account or even 5 million is not going to eradicate poverty in the Community. This unfortunate misunderstanding will persist as long as the Community's executive bodies, the Commission and the Council, fail to tackle the structural and institutional causes of poverty in Europe. I know I shall be told that it is to discover

these structural causes that the research projects are needed. But to this I reply: there is no shortage of such studies and they are recent enough. The institutional and structural causes of residual poverty in Europe are sufficiently well known. I will even say that we also know what the remedies are. The trouble is — and this no doubt dampens the zeal of the Community executive bodies — these remedies require a political will. There exist certain entrenched situations which do need changing quite a bit if meaningful results are to be obtained. If, above a certain poverty threshold, families are not able to draw social assistance which is their due, what is the use, for instance, of increasing benefits?

What we must do is tackle the structural causes. It is that we are short of ideas for remedies? The Commission can find some very relevant suggestions in the remarkable writings on Europe by one of its former and most eminent directors-general, Mr Pierre Uri, now member of the Social and Economic Council of the French Republic and economic adviser to the First Secretary of the French Socialist Party, Mr François Mitterrand. In 'L'Europe se gaspille' and especially in 'Stratégie pour l'Europe', in the chapter on social policy, Mr Pierre Uri deals with the cruel problem of social inequalities which are the true reason for the existence of poverty in our so-called developed society. What kind of structural remedy does he propose? He suggests basically four, which I make so bold as to offer for your and the Commission's consideration.

First, the obstacles existing in our societies in access to secondary education, and particularly to higher education, for the children of labourers, of migrant workers, small traders and clerks, must be removed. Let the Commission draw up at last, on the basis of the Treaties of Paris and Rome, directives that will enforce equality of opportunity and the harmonization of legislation. If there is to be free competition and free movement of persons, everybody must have an equal chance of education.

Secondly we must combat unemployment — as indeed was stressed in connection with the previous question — and especially the unemployment of the young. It has been observed that most frequently the reason for this unemployment is under-employment which pushes young people into poverty. The so-called 'alienated' young come mostly from among those who have failed to find a job.

Thirdly, there must be a radical change in the method of granting credit to private enterprise. As this depends either on turnover or on assets or on the guarantees which the beneficiary can offer, credit facilities always serve to entrench the position of those already established in the market. Newcomers are at a disadvantage. Not only are the opportunities for growth very restricted for small enterprises, but there

Dondelinger

is an effective barrier to new entry. Such a state of affairs reinforces monopoly situations and increases the share of profits relative to salaries and wages.

While it cannot be claimed that the establishment of a capital market in Western Europe would improve the chances of new entrants into the business world, it does seem nevertheless essential to increase the number of specialized finance agencies which would grant credit on the basis of individual ability and creative ideas.

Fourthly, and this I think is the fundamental point, we need radical change in the rules of wealth inheritance in the Community. For all the existing differences, the common main feature of the present system is the disparity between the rate of death duties in direct succession and other types of duties. This automatically results in a dynastic type of wealth accumulation, with no practical possibility of wealth redistribution through bequests. Actual examples illustrate the injustice and absurdity of the present system. An orphaned five-year-old child has to pay the same amount of duty as that payable by a fifty-year-old man who is already a dollar millionaire. An agricultural worker who inherits a cottage from his uncle is taxed so heavily that he has to sell this inheritance to pay the duties. These examples show that it is necessary to completely recast our system of death duties.

While minors should be given considerable concessions, the differences in rate of duty according to the degree of relationship should be radically reduced. The tax-free allowances should be increased in all cases, but above this limit, the duties should be made steeply progressive with the amount of wealth of the heir. Such a reform would encourage savings, as testators are given more freedom to dispose of their wealth. It would also contribute to a redistribution of wealth to the benefit of charitable institutions or people on low incomes, instead of favouring, as it does at present, those already privileged. Thus the right of ownership and management of enterprises would no longer be automatically acquired by birth.

The Commission claims to have a programme of social action. Let it then use it to propose directives which will finally oblige the States to make these obsolete, insensitive and iniquitous systems of taxation more fair.

Mr President, my dear colleagues, the Community can only combat poverty by getting to the root of the trouble. There are countries, one of which — Denmark — belongs to our Community which have largely succeeded in doing this, countries like Sweden, Norway and others. We should be inspired by their example. It is time we got rid of these shameful sores on the living body of Western society: poverty, illiteracy, chronic disease and unemployment. These are, after all, the prime objectives that the Treaties prescribed for us, urging us in the preambles to raise the standard of living, guarantee the right to work and eliminate inequalities.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Since this question was tabled, Parliament has received the Commission's report on pilot schemes and studies to combat poverty published on 12 January 1977. In answer to Mr Dondelinger's second question I would point out that in 1975 the Commission approved 21 schemes and two international studies. A time-limit of more than two years was set for all these schemes, the agreement between the Commission and the Member States being that, where they proved practical and useful, they would continue to be financed beyond the initial period provided adequate funds were available in the budget and the Council was prepared to give the projects a legal basis. I would also point out that Parliament, and in particular Mr Dondelinger, was instrumental in ensuring that 3.5 m u.a. were set aside in the budget for measures to combat poverty. The Council did not originally intend to spend so much. So a word of thanks is also due to Parliament. The original schemes were all submitted by the Member States in accordance with the criteria laid down in the Council Decision of 22 July 1975, which specified that such projects should involve the trial and development of new methods, should be initiated and executed as far as possible with the participation of those concerned, and should be of value to the Community as a whole. Two of the schemes, which were to be carried out in Luxembourg, failed to get off the ground because the government withdrew its financial support. The other 19 are going well and promise to yield good results. It would therefore seem worthwhile to extend the programme, in particular by carrying existing schemes through to the point where they yield useful results. This argument is advanced in the Commission's report. Discussions are at present being held in the Member States on the adoption of the 1978 budgets for all the schemes, and consideration is being given to the possibility of a modest increase in the number of projects.

Returning for a moment to the first question, I should also like to say that the aim of the programme is not only to introduce new measures to combat poverty but also to stimulate an awareness of the problems involved. The best way to do this is to publish the results of the projects. In addition, however, we also intend to arrange regular study meetings to promote discussion and to place the European programme in the context of national programmes to combat poverty. An initial meeting of this kind has already been held. This took place in Brussels in 1974. The French Government has proposed that a second meeting should be held this year in France. In addition, reports on the programme appear regularly in the press and on radio and television. An initial publication on the programme will give the results of an opinion poll covering the entire Community. This poll sought to investigate the approach to the concept of poverty at all levels of society and to ascertain what

Vredeling

views were held on the poor and on measures to combat poverty. Preparations are also being made for comparative study of poverty in certain poor areas of London, Cologne and Paris. In addition, the initial results of a number of Irish schemes should shortly be available.

President. — This item is closed.

14. Oral question with debate: Health care in the European Community

President. — The next item is the oral question with debate (Doc. 563/76) by Mr Molloy, Mr Mitchell, Mr Willi Muller, 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 Communities :

Having regard to

- the need to ensure that individual citizens are aware that Europe is a better place to live in,¹
- the need to achieve a measure of forward planning, so that we can identify the problems of the future and set ourselves on a path to their solution now,²
- the Social Action Programme of the European Communities adopted by Resolution of the Council of 21 January 1974,³ and the desirability of establishing an initial action programme relating in particular to the health of workers,
- the recent progress towards mutual recognition of qualifications, greater exchange of information, the expansion of research and more intensive study of the economics of health care,

is the Commission prepared to consider :

- (i) the improvement of existing facilities for the reciprocity of health care within the Communities ?
- (ii) the diminution of the marked differentials which exist between the required payments for medical, dental and hospital services at the time of need ?
- (iii) the initiation of studies with a view to the provision, in the medium term, of a comprehensive Community health service which shall be free at the time of need ?

I call Mr Mitchell.

Mr Mitchell. — Unfortunately, Mr President, Mr Molloy, whose question this was and who, I am sure, would have liked to be here to ask it, is no longer a Member of this Parliament, and so he has asked me if I will ask it in his stead.

I think the point he is trying to make and the information he is seeking relates to the fact that there are very many different methods of operating and financing health-care in the various EEC countries. As

is well known, in Britain we have a National Health Service, the architect of which was that great Socialist Aneurin Bevan and the principle of which was that it should be free at source. For various financial reasons we have not been able to keep to that exactly : we now have charges for things like teeth and spectacles and for prescriptions and this has always created quite a stir in Britain, on one occasion, I think, leading to the resignation of three leading ministers. It has always been a very controversial position.

Now we realize that this is not an easy problem : there are very different systems in the different countries ; other countries in the Community rely much more on the insurance principle. We know that there are numerous reciprocal agreements between the various countries in the Community, but these are often very complicated and the ordinary citizen from Britain who falls ill while travelling doesn't quite know the difference between falling ill in Belgium and falling ill in Holland or Germany or any of the other Community countries. It is a very complicated business in which masses of forms are usually involved. So one of the things we are asking is whether the Commission has given any thought to simplifying these reciprocal agreements. We realize, of course, that there is an EEC regulation on this subject — No 1408/71 — made under Article 51 of the Treaty ; but there is a big gap in that regulation in that it only applies to employed persons.

There is therefore no safeguard under that regulation for the self-employed or the non-employed person. I therefore like to ask the Commission whether they have given any attention to this matter to see whether the self-employed and non-employed could be included under a similar regulation.

Finally, the major question — covering I realize, medium-term and may be even long-term policy — is : has the Commission in fact given any thought at all and done any research on the possibility of establishing a comprehensive Community health service ? I recognize again that it would certainly be a medium-term and possibly a long-term project.

What we would like to hear from the Commission today is what progress they have made or what thought they have given to the simplification of all the regulations and rules and reciprocal agreements and to the major question of a comprehensive Community health service.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, in reply to the question put by Mr Mitchell on behalf of Mr Molloy, who is no longer a Member of Parliament, I would point out that a regulation, dating back to 1971, already exists at European level concerning the coordination of social security arrangements for migrant workers and their families. The system set out therein applies to the whole

¹ cf President Jenkins 11. 1. 1977

² cf President Crosland 12. 1. 1977

³ Bulletin Supplement 2/74

Vredeling

Community and is not just a collection of reciprocal bilateral agreements between particular Member States. On the whole, it guarantees the migrant worker the same degree of protection as is offered in each country through the social security system. There are similar arrangements for socially insured persons staying temporarily in another Member State. The self-employed and the non-employed are excluded from both systems, as Mr Mitchell has pointed out. In the committee which deals with the social security of migrant workers, discussion on the preparation of a regulation extending the system to the self-employed has already reached an advanced stage. So I am optimistic that results will be achieved in the near future.

Details concerning the coordinating arrangements and those applicable to health care were recently supplied by the Commission in answer to question by Mr Dondelinger and Mr Spicer. There are indeed marked differences between the Member States as regards the cost of health care and the extent to which patients must contribute themselves to the cost of treatment. The progress which the Commission has recently achieved in the area of the mutual recognition of medical qualifications and the free movement of pharmaceutical products should in itself contribute to reducing these differences. Proposals relating to the mutual recognition of dentists' qualifications, nursing staff and midwives are also on the Council's desk now and a proposal concerning pharmacists is in preparation. In addition, a number of studies are being carried out on behalf of the Commission into the differences in the area of costs and supervision arrangements as regards the cost of hospital treatment and pharmaceutical products.

The Commission is seeking to achieve harmonization in the area of social security but this should not be interpreted as an attempt to standardize the various systems. What it is trying to do is to adopt a number of minimum standards. This policy was traced out in the guidelines on the social action programme published in 1973.

In accordance with this policy of minimum standards the Commission has submitted a proposal for a recommendation concerning the extension of social security to persons currently not benefiting from that system. This explicitly includes health care. In this connection I would also point out in passing that we are making an effort to comply with the request in the Creed report, which was debated by Parliament at a recent part-session, that the possibility of using a more powerful legal instrument than a recommendation should be investigated.

In addition, the Commission has submitted a proposal for a directive on the equal treatment of men and women in the area of social security. In most countries, at least in certain sectors of health care, patients are required to make a contribution to the costs of treatment and the Commission takes the view that to

propose that this method be completely abolished would be going further than proposing certain minimum standards. In this area each country has its own priorities, needs and values which are reflected in its social services. I should like to make it quite clear that the Commission has no intention, at the current stage of political and socio-economic integration of our Community, of attempting to eliminate these differences.

On the last question I can be very brief. The Commission has no intention of providing a comprehensive Community health service, which would naturally have to be financed at Community level and would have to replace existing national systems. The Commission will, however, attempt to improve the health care of the citizens of the Community by coordinating and harmonizing certain existing arrangements, as I explained in my answer to the two preceding questions.

President. — I call Mr Jahn to speak on behalf of the Christian-Democratic Group.

Mr Jahn. — (*D*) Mr President, ladies and gentlemen, let me say quite clearly at the outset that we have mixed feelings about the oral question tabled by Mr Molloy and his colleagues. Now none of us, of course, would wish to deny that there is a certain room for improvement in the matter of health care in all our Member States, but whether this can be carried out at the present time at Community level is something that seems to me to be very doubtful, and I am very grateful to Commissioner Vredeling for speaking out in a clear and forthright manner on this question.

First and foremost, the European Treaties afford no legal basis for what is being asked by our colleagues. The only place where one might seek such legal grounds is in Article 118 of the EEC Treaty, which comes under Title III on Social Policy and says only that the Commission shall have the task of promoting close cooperation between Member States in the social field and in the area of occupational health care. We have been doing this for years in this Parliament in our debates on the General Report, when we examine how the matter of health care for workers has been neglected or can be better promoted. In this matter, however, the Commission's activities are confined, as Commissioner Vredeling has just pointed out, to surveys, opinions and the preparation of consultations.

Article 118 does not provide for any cooperation by the European Parliament in this activity on the part of the Commission. Article 117 is couched in even more general terms and merely contains a declaration on the part of the Member States to the effect that there is a need to promote improved working conditions and an improved standard of living for workers so as to make possible their harmonization while the improvement is being maintained. This House will agree with me that these vague formulae afford no

Jahn

support for the development of a comprehensive Community health service free of charge to those who need it, which is what is being sought by the colleagues who have framed this question. This idea is therefore doomed to failure at the very outset for want of a proper legal basis. At this point I should like particularly to thank Commissioner Vredeling for his clearly-worded statement to the effect that we do not want any harmonization of this health service but rather to maintain the existing differences, which in fact are very wide-ranging ones. And if I may be permitted to speak, for once, for the entire German delegation, I should like to say that I feel that in this matter of the development of health policy we have an area which is causing us many difficulties but which we all, government and opposition alike, may reasonably hope to be able to master. In the meantime I do not intend to take shelter behind legalistic evasions; instead I should like to say frankly and openly, Mr President, that what the authors of the oral question ask seems to me to have no satisfactory political foundation. I am convinced that the Community has far more important things to do than to contemplate the establishment of more institutions.

Furthermore, I fail to see how this future new Community health service, which will certainly be no light burden for the taxpayer, will make it any easier to convince the man in the street that life in Europe has become better and more pleasant. On the contrary, indeed, there are reasons for fearing that he may begin to feel that the Community is costing him more and more every day and that he is getting no practical advantages for his money.

The authors of the question refer also, and rightly, to the social action programme of the European Communities adopted by the Council on 21 January 1974, that is, over three years ago.

I think that the European Parliament would be well advised to begin by pressing with all possible urgency for the carrying out of the measures outlined in this programme, which were envisaged for the period from 1974 to 1976, a period which we now have well behind us. To single out only some few points, we might ask, for example, how matters stand today with the following objectives set out in this programme:

- the improvement of safety and health conditions at work,
- improvement of the working environment and increasing job satisfaction,
- giving workers wider opportunities, especially those of having their own responsibilities and duties and of obtaining higher qualifications,
- the designation as an immediate objective of the principle of the standard 40-hour working week by 1975 and 4 weeks annual paid holiday by 1976,
- protection of workers hired through temporary employment agencies and regulating the activities of such firms with a view to eliminating abuses?

My group and I feel that so far at any rate very little has been done in these areas. To put the whole matter in a nutshell, before we make new and, at least in my opinion, unrealistic demands, we should confine ourselves to implementing what we have already judged to be realistic and feasible, because as you know, Mr President, this House delivered a favourable opinion on the social action programme as far back as the end of 1973.

It is obvious that the Commission realizes that the practical implementation of its social action programme has broken down in many areas. This may well be the reason why it has not honoured the undertaking, which is also set out in its programme, to 'submit to the Council before 31 December 1976 a series of measures to be taken during a further phase'. As you can see, we have long since passed the date mentioned.

This may well be the reason why it has not yet implemented the sixth of the priority actions set out in the programme, namely, the establishment of an initial action programme, relating in particular to health and safety at work, the health of workers and improved organization of tasks.

I consider it to be a matter of the utmost importance and urgency that this priority action should be implemented and I am grateful therefore to the authors of the oral question for having referred in their third recital to these needs, which have also been dealt with at some length by Mr Vredeling.

There are other points in the oral question to which I am also by no means opposed, e.g. the improvement of existing facilities for the reciprocity of health care services within the Community.

It seems to me also that it would be very desirable to aim at a diminution of the marked differentials which exist between the required payments for medical, dental and hospital services at the time of need.

I doubt, however, whether the Community as such is in a position to tackle a programme of this kind. In this matter the various Member States should step in with specific measures and take the kind of action most appropriate to the structure of their respective health services.

I will not attempt to conceal the problem we have in trying to stem the cost explosion in our health services. This is an enormous problem everywhere and one that is causing us many headaches today in Germany also. Indeed, it is a pressing problem in all our countries.

I do not think, however, Mr President, that the Community, which certainly has more than enough to do in carrying out its other tasks, is in a position to solve this problem by means of regulations or directives.

Jahn

Before we look to new horizons then, ladies and gentlemen, let us first attain the rather ambitious objectives that we have set for ourselves in this Community. I appeal to the Commission and to all my colleagues to take Goethe's phrase to heart, which says that it is in self-limitation that a master first shows himself.

President. — I call Mr Meintz to speak on behalf of the Liberal and Democratic Group.

Mr Meintz. — (*F*) I do not wish to go into the details of the problems raised by this question, particularly since, as Mr Jahn has said, we have serious misgivings on the advisability of or the need for, a comprehensive Community health service, although we agree with some of the suggestions in points 1 and 2.

Let me just dwell, Mr President, on the economic aspect of public health, and particularly on how social security is financed in the various Community countries, because we believe that the answer to this question is fundamental to everything that has been said and asked by the authors of the question.

At a time when public budgets are showing mounting deficits, and when in several countries growing balance of payments problems are likely to overshadow all other questions, it is not surprising that social security systems are also in disarray. What is more, the recent economic crisis and the European countries' desire to improve assistance to the unemployed, have further increased the economic burden of welfare expenditure, whereas the number of those paying contributions is decreasing and output is falling. In most industrialized countries, expenditure on various social benefits — sickness benefits, old-age pensions, unemployment benefits, family allowances — has thus been growing much faster than output. It seems to me that when the system devised to provide security for working people itself becomes a source of insecurity, it is time to re-examine the content of social policy.

Let us be clear that in all these matters it is much less a question of ideological options than of the technical choices which must be made to attain the desired ends. Social security must be conceived in such a way that it can function even in the lean years, such as we are experiencing now. While the increase of expenditure is common to the nine Community countries, it is, nevertheless, incurred in the framework of very different policies as regards the benefits and the source of finance and, as has just been pointed out, the results are still a long way from the harmonization envisaged in the Treaty of Rome. There are, first differences in the length of time the social insurance systems have been operating in the various countries, and then there are the differences in standards of living. Consequently, there are still great variations in

the cost of these benefits to the country and in the amount of the benefits in units of account per inhabitant.

As for sickness benefits, after old-age pensions, they represent the second item in the social expenditure budget of all the Community Member States. And it is sickness benefit costs which have risen most steeply throughout the Community, at the rate of between 16 and 24 % per annum since 1970.

This explosive growth is due, on the one hand, to increased utilization of hospitals which are being modernized by the application of extraordinarily advanced, but extremely expensive, medical technology, and on the other by an insatiable and insufficiently controlled demand for health products and services. This expenditure, whether or not deliberately encouraged by the public authorities, is, and will continue to be, the permanent cause of financial imbalance. In France, for instance, if my information is accurate, it is forecast that the deficit on sickness insurance, if existing legal provisions remain unchanged will amount to fifty, milliard francs in 1985.

Of course, fragmentary counter-measures have been taken here and there; for instance, the prices of some medical products have been frozen or reduced in Belgium, Germany and France, appeals are being made for a reduction of doctors' incomes, and so on. But we must recognize that these are inadequate patching-up jobs.

But this apart, even if the alarm is not sounding yet in the revenue and the social welfare departments, it is obvious that the breaking point will soon be reached. What is the Community's role to be, then, in this area? Let me first quote to you that part of the Community's social action programme which states that the present structure of social benefits within Member States represents a scene of considerable diversity.

It is no part of the intention of the Commission to recommend a uniform system in the Community, or to seek to eliminate the many disparities resulting from different national priorities, needs and values. At the same time, the Commission has a clear duty to seek to establish minimum standards of social protection capable of being regularly improved.

This is why, Mr President, in the medium term, individual citizens and the Community as a whole would benefit more from a redirection of the social policy towards more active aims, for instance, the improvement of working conditions. In this connection I wish to express the disappointment of the Committee on Social Affairs, Employment and Education, and of this Parliament, at finding that the document on the humanization of work laid before us by the Commission is merely a communication, while we had been led to expect an action programme.

Meintz

Finally, as regards stemming the explosive rise in the costs of sickness, it is being suggested in some quarters that the only way is to introduce partial charges to be borne by the insured, especially for medicines and other medicinal products. This is not a proposal to dismantle the system: it is simply that, in a period of economic difficulties, we must preserve what is already there. If the system is not to break up under its own weight we must be careful not to formulate health service and social security policies for which the availability of finance is, to say the least, doubtful and which, in the final amount, would prove disadvantageous to all those who are to benefit from it.

President. — I call Mrs Kellett-Bowman to speak on behalf of the European Conservative Group.

Mrs Kellett-Bowman. — I very much sympathize with Mr Jahn's point of view and also that expressed by Mr Meintz. The particular differences in health care are very much historical ones and they are inseparable from methods of taxation, and from fiscal and budgetary policy in the Member States concerned. Without a very much closer approximation of those, it is quite impossible to make great progress on the drawing together of the health services.

There is one point that I particularly want to make, and that is the question of the self-employed. I would very much like a perfectly simple answer from the Commissioner on this particular point. In March 1976 our Secretary of State for Social Services stated that the United Kingdom had bilateral agreements with Denmark and Germany to provide urgent medical treatment for self-employed visitors under the same terms as those applying to their citizens. At that time, I understand that the question of reciprocal medical treatment for the self-employed throughout the EEC was under discussion in a Community working party.

In April 1976 the Commission did announce in a written reply that it was working on a draft regulation on the self-employed and I would simply like to know what exactly has happened to that, at it is almost a year since then.

President. — I call Mr Nyborg.

Mr Nyborg. — (DK) Mr President, with the introduction of the concept of quality of life, the environment and health debate has taken a new turn. It is being realized that the way in which our society is developing is quite different from previous societies.

The citizen is no longer regarded as merely a buyer or user of goods and services but as a person affected by various social aspects that have an indirect bearing on him as a consumer.

The goods and services available to the consumer should therefore not be such as to endanger health or safety when used.

Compared with other parts of the world, Europe must be regarded as having a relatively high health standard, but that should not mean that attempts to improve even further the society in which the European citizen lives should be hampered. Attempts must be made to improve health standards in the Community; there must be rapid developments in backward areas and countries with a well developed health system must continue their research for the benefit of the Community as a whole.

At Community level, progress has already been made towards the recognition of medical qualifications in other countries. But this must be regarded as merely a detail that has shown how difficult it is to introduce Community provisions; it has been very difficult to establish what different qualifications correspond to in different countries for the mutual recognition of qualifications.

In point (ii) of the oral question the Commission is asked whether it will consider the diminution of the marked differentials which exist between the required payments for medical, dental and hospital services at the time of need. It is not entirely clear whether these differences exist at national or Community level and, as indicated in point (iii) it is a question of how citizens expenditure in times of illness can, if desired, be harmonized.

For the time being, the situation in, for instance, Denmark is that we can choose to treat medical and related expenses as public expenditure so that payments are made through taxation. Other countries have a system whereby the individual citizen himself pays through his insurance and yet others have a mixture of these systems.

The introduction of a Community health service which will be free at time of need, however that is to be defined, comes up against great difficulties as far as I can see, since it will interfere with individual Member States' tax policies unless it is to be based on private insurances and the like.

President. — I call Sir Brandon Rhys Williams.

Sir Brandon Rhys Williams. — Mr President, it is good of you to allow me to interrupt the Commissioner because I decided to speak in this short debate only as it was drawing to its close.

We have touched on a very big subject, and it is an extension of the subject that I sought to raise earlier in the afternoon. I think we can all understand Mr Jahn's concern with the cost explosion, with the problems of higher taxes and, possibly, not very much better health services unless their administration is enormously improved. One certainly does not want to open avenues for more waste or lavish expenditure in the wrong direction. But I do think we have to ask ourselves, in the European Parliament, whether we are going to be content in the event of European union

Rhys-Williams

that there should always be differences, for instance in death rates among the newly born between one Member State and another, which are due simply to the failure to apply known and not expensive techniques?

Are we going to be concerned — for instance — to try to tackle the incidence of avoidable handicaps? This is not necessarily the most expensive way of dealing with handicaps. Prevention is cheaper than care. I am not certain whether the Commission would, in fact, be saving the European taxpayer money simply by neglecting a problem which could be tackled if there was a will. Nor I am happy that disability should be regarded simply as a national phenomenon, when we know that it knows no frontiers. I am not content that, in the event of European union, we should leave mental illness — for instance — to be dealt with simply by national research. A tremendous prospect for fruitful work is opened up by this question. I wish that Mr Molloy could have been here, because he is a man whom we recognize at Westminster as being a man of genuine social concern.

I have been disturbed, Mr President, tonight, — and on earlier occasions too, in the short time since Mr Vredeling was appointed to the Commission — by the fact that he seems content to take a very narrow view of his responsibilities. I hope that he will consider again the openings which exist for him in his capacity as a member of the Commission with responsibility for social affairs because I have to warn him of this: within this Parliament there are people who genuinely care about poverty and about disability and about loneliness; and if he does not care, he is on a collision course with us. That is what I have to tell him at the start of his term of office. I wish him well. I remember him as an active and energetic colleague, and I hope that we shall see him just as active and just as energetic in his role in the Commission.

But he must not continue to give disappointing replies, as he has tonight and on other occasions. There are those in all parts of this Parliament who will not excuse him, or go along with him, if he is content to take a very narrow view of his responsibilities.

President. — I call Mr Giraud.

Mr Giraud. — (*F*) Mr President, I am somewhat at a loss to understand our colleague's disappointment, since Mr Vredeling's answer to the questions tabled by the Socialist Group is very clear. These questions are three-tiered and at the third level imply very ambitious and very distant objectives. Even at the second level they are ambitious enough: the objective is a medium-term one. Personally, I should be happy if Mr Vredeling managed to achieve the objective implied in question 1, which affects directly the citizens of our Community, that is, as the question puts it:

'the improvement of existing facilities for the reciprocity of health care within the Community'.

If, before long, citizens of the Community could feel that, in whatever country they have to live or travel, they can enjoy full citizenship of Europe, if the Commission were able to achieve this in the next few months, or even years, that would be a great step forward for the Community and I would thank the Commission for it.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (*NL*) The question put by a group of Members of Parliament has given rise to a discussion in which members of the Committee on Social Affairs have also taken part. There is a problem on which the Community, must, in my view, be able to adopt a position, namely the explosion of the cost of social insurance. This is a tremendous problem in each of the Member States.

A study has already been launched on this subject at the Commission and we hope that some results will be available in the near future concerning problems such as the organization and structure of health care in the nine Member States of our Community, cost trends in the last few years and probable cost trends in the coming years. This mass of data lends itself in every respect to further study in the Community and certainly to an official exchange of experiences. Since these cost increases are a universal phenomenon they are worth further investigation in the context of that study, as is the very important question as to how such an explosion of these costs can best be avoided. Of course, we must make sure that the basic aspects of the social security system remain intact and that care is given to those who find themselves in unfortunate circumstances through no fault of their own.

Mr President, in this question of cost there are two things to which we must pay particular attention: firstly, the cost of hospital services, which are rising steadily and, as Mr Meintz rightly said, have become almost intolerable — and in this connection we cannot ignore the problem of the inefficiency of hospital services — and, secondly, the high cost of pharmaceutical services and the tendency to make very wide use of them. In these two areas too, the Member States can provide each other with a great deal of information.

I should like to comment briefly on the speech by Mrs Kellet-Bowman, who referred to the directive, or rather the recommendation which was drawn up in 1976, when I myself was engaged in other — not to say innocent — activities. As you know, this has been discussed in Parliament in connection with the report drawn up by, I think, Mr Creed. It emerged during that debate that it appeared preferable from our point of view — as regards social services for the self-em-

Vredeling

ployed — to draw up a directive rather than a recommendation, since recommendations are not so binding. We are now working on the proposals. I believe at least that ... oh, then I have misunderstood you, I thought that you were referring to the directive on social services for the self-employed, but if I have misunderstood you I apologize.

I am sorry, Mr President, I seem to have made a mistake. I thought we were discussing a different matter from the one raised by Mrs Kellett-Bowman. Finally, I must comment on a remark made by Sir Brandon Rhys Williams, who was disappointed by my attitude and is so eager to change everything. I think Sir Brandon's hopes will be in vain. I have seen too many good intentions as regards all sorts of minor services in the social field. You must know, Sir Brandon, how much experience I have had in this field. I do not know whether I have had as much experience as you, but for years, now, since the Community was first set up, I have been concerned with the harmonization of social legislation in the Member States. As long as the systems used in the Member States remain so divergent you will never be able to accept that the British health system, for example, should be influenced by the Community — and this applies to each of the Member States.

I do not think we have progressed far enough to be able to achieve practical results, but we can at least draw attention to the matter. We can go on repeating how important it is. But Mr President, having said all these fine words, what then? Must the Commission make proposals in this area? I have just said that a European system of health care is unrealistic and does not seem even remotely possible. But you would be quite wrong to draw the conclusion that I think the matter unimportant. You cannot say that I regard health care as unimportant. I may regard it as more important than you do. But I do not think it is the right time to suddenly come forward with proposals at European level which cannot be implemented. The trade union movements in our countries would not want it, employers would not want it and the governments would not want it either. Of course, it does not cost anything to make high-sounding statements on the subject but that is something I refuse to do. I want

things to be perfectly clear. If I am to come into collision with Sir Brandon Rhys Williams on this subject, I look forward to such a collision with great interest.

President. — I call Mrs Kellett-Bowmann.

Mrs Kellett-Bowman. — Mr President, the Commissioner said that the Commission was working on a draft regulation on the self-employed and I was asking him a very simple question. What has happened to reciprocal medical treatment for the self-employed?

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, I must confess that I do not have a ready-made answer to this question, but if, as you say, the matter has been in abeyance with the Commission since 1976, I shall look into it immediately. I cannot say at the moment what the reasons for this are. If there are only bureaucratic reasons, be it indolence or whatever, bearing in mind of course, Mrs Kellett-Bowman, that there are only 250 officials in my department and that only a small proportion of those are concerned with such matters — I am sure you realize this — if this is due to no more than bureaucratic slowness or any other avoidable causes, I shall not hesitate to take the necessary action to remedy the situation.

President. — The debate is closed.

15. Approval of the minutes

President. — Rule 17 (2) of the Rules of Procedure requires me to lay before Parliament, for its approval, the minutes of proceedings of this sitting which were written during the debates. Are there any comments? The minutes are approved.

16. Closure of the session

President. — I declare the 1976-1977 annual session of the European Parliament closed.

Pursuant to the provisions of the Treaties, Parliament will meet tomorrow, Tuesday 8 March 1977 at 11 a.m. The sitting is closed.

(The sitting was closed at 7.20 p.m.)

