

Annex

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### Debates of the European Parliament

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1973-1974 Session

Report of Proceedings

from 4 to 7 June 1973

Europe House, Strasbourg

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## NOTE TO READER

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IN THE CHAIR: MR BERKHOUWER

*President*

*(The sitting was opened at 6 p.m.)*

**President.** — The sitting is open.

#### 1. Resumption of session

**President.** — I declare resumed the session of the European Parliament adjourned on 11 May 1973.

#### 2. Apologies for absence

**President.** — Apologies for absence have been received from Dr Armengaud, Mr Bro and Mr Thomsen, who regret their inability to attend this part-session.

#### 3. Resignation of Members of the European Parliament

**President.** — I would inform the House that Mr Brouwer, Mr Vredeling, Mr Mommersteeg, Mr Van der Stoel and Mr Pronk have resigned from the European Parliament to take up their new posts with the Dutch Government.

Mr Keating, Mr Ryan and Mr Cruise-O'Brien have also handed in their resignation following their appointment as members of the Irish Government.

I congratulate the outgoing Members on their appointment and wish them every success in their new activities.

#### 4. Appointment of new Members of the European Parliament

**President.** — The Presidents of the two Chambers of the States-General of the Kingdom of the Netherlands informed me by letter of 1 June 1973 that they have appointed the following Members as their delegates to the European Parliament:

- with effect from 4 June 1973, Mr Laban, Mr Notenboom, Mr Patijn and Mr Wieldraaijer;
- with effect from 6 June 1973, Mr Van der Hek and Mr Van der Sanden.

The Senate and House of Representatives of the Republic of Ireland informed me by letter of 1 June 1973 that they have appointed the fol-

lowing Members as their delegates to the European Parliament:

— Mr Creed, Mr Kavanagh and Mr Thornley.

Pursuant to Rule 3 (3) of the Rules of Procedure, the aforementioned Members will provisionally take their seats in Parliament or on its committees and have the same rights as other Members of Parliament until their credentials have been verified at the next Bureau meeting.

I extend a cordial welcome to the new Members.

#### 5. Documents received

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

(a) from the Council of the European Communities, requests for an opinion on:

- the proposal from the Commission of the European Communities to the Council for an appropriation transfer from one chapter to another within the Audit Board's estimates for the 1973 financial year (Doc. 61/73).

This document has been referred to the Committee on Budgets;

- the proposals from the Commission of the European Communities to the Council for

- (a) a Council resolution on a Community environmental action programme
- (b) a decision to introduce an environmental information procedure (Doc. 62/73).

This document has been referred to the Committee on Public Health and the Environment as the committee responsible and to the Committee on Economic and Monetary Affairs and the Committee on Agriculture for their opinions;

- the proposal from the Commission of the European Communities to the Council for a regulation on aid from the Guidance Section of the European Agricultural Guidance and Guarantee Fund in 1973 (Doc. 63/73).

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



**President**

- the proposal from the Commission of the European Communities to the Council for a directive extending the time limit for implementation of the Council Directives of 17 April 1972 on the reform of agricultural structure (Doc. 64/73).

This document has been referred to the Committee on Agriculture as the committee responsible and to the Committee on Social Affairs and Employment for its opinion;

- the proposal from the Commission of the European Communities to the Council for a regulation on mutual assistance between the competent authorities of the Member States and between these authorities and the Commission with a view to ensuring correct application of Community law on customs and agricultural matters (Doc. 65/73).

This document has been referred to the Committee on Economic and Monetary Affairs as the committee responsible and to the Committee on Agriculture and the Committee on Budgets for their opinions;

- the proposal from the Commission of the European Communities to the Council for a regulation providing for special measures in respect of colza and rape seed for sowing and adapting in respect of these products the nomenclature given in Regulations No. 136/66/EEC. (EEC) 2358/71 and (EEC) No. 950/68 (Doc. 66/73).

This document has been referred to the Committee on Agriculture;

- the proposals from the Commission of the European Communities to the Council for decisions laying down research and training programmes (Doc. 67/73).

This document has been referred to the Committee on Energy, Research and Technology as the committee responsible and to the Committee on Public Health and Environment and the Committee on Budgets for their opinions;

- the communication from the Commission of the European Communities to the Council on the progress achieved in the first stage of economic and monetary union, on the allocation of powers and responsibilities among the Community institutions and the Member States essential to the proper functioning of economic and monetary union, and on the measures to be taken in the second

stage of economic and monetary union (Doc. 68/73).

This document has been referred to the Political Affairs Committee and the Committee on Economic and Monetary Affairs;

- the proposal from the Commission of the European Communities to the Council for a directive concerning the harmonization of legislation in Member States in respect of radio interference caused by sound and vision TV receivers (Doc. 69/73).

This document has been referred to the Legal Affairs Committee as the committee responsible and the Committee on Economic and Monetary Affairs for its opinion;

- the report from the Commission of the European Communities to the Council on the regional problems in the enlarged Community (Doc. 70/73).

This document has been referred to the Committee on Regional Policy and Transport, the Committee on Agriculture, the Committee on Social Affairs and Employment, and the Committee on Budgets and the Committee on Economic and Monetary Affairs;

- the proposal from the Commission of the European Communities to the Council for a regulation temporarily suspending the autonomous duties in the Common Customs Tariff on a number of agricultural products (Doc. 80/73).

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

(b) from the committees, the following reports:

- Report drawn up by Mr Klaus Dieter Arndt on behalf of the Committee on Economic and Monetary Affairs on reform of the world monetary system (Doc. 60/73);
- Report drawn up by Mr Alessandro Bermani on behalf of the Legal Affairs Committee 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 the type approval of mopeds (Doc. 71/73);

**President**

- Report drawn up by Mr Mario Vetrone on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation on the levies applicable to imports of mature cattle and to meat from such cattle originating in Yugoslavia (Doc. 72/73);
- Report drawn up by Mr Léon Jozeau-Marigné on behalf of the Legal Affairs Committee on an amendment to Rule 37 (1) of the Rules of Procedure of the European Parliament concerning the number of vice-chairmen of the committees (Doc. 75/73);
- Report drawn up by Mr Léon Jozeau-Marigné on behalf of the Legal Affairs Committee on the amendment of Rule 48 of the Rules of Procedure of the European Parliament (Doc. 76/73);
- Report drawn up by Mr Jan de Koning on behalf of the Committee on External Economic Relations on the proposals from the Commission of the European Communities to the Council for
  - I. a regulation opening, allocating and providing for the administration of a Community tariff quota for Port wines falling within sub-heading ex. 22.05 of the Common Customs Tariff, originating in Portugal
  - II. a regulation opening, allocating and providing for the administration of a Community tariff quota for Madeira wines falling within sub-heading ex. 22.05 of the Common Customs Tariff, originating in Portugal
  - III. a regulation opening, allocating and providing for the administration of a Community tariff quota for Moscatel de Setubal wines, falling within sub-heading ex. 22.05 of the Common Customs Tariff, originating in Portugal (Doc. 77/73);
- Report drawn up by Mr Raymond Offroy on behalf of the Committee on Budgets on the report of the ECSC Auditor for the financial year 1970 (Doc. 78/73);
- Report drawn up by Mr Raymond Offroy on behalf of the Committee on Budgets on the proposal from the Commission of the European Communities to the Council for a transfer of funds to cover the balance sheet of research and investment expenditure for the financial year 1973 (Annex I to Section III (Commission) of the budget of the European Communities) (Doc. 79/73);
- Report drawn up by Mr Pierre Giraud on behalf of the Committee on Regional Policy and Transport on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No 2829/72 of the Council on the Community quota for intra-Community road haulage (Doc. 81/73);
- Report drawn up by Mr Frans G. Van der Gun on behalf of the Committee on Regional Policy and Transport on the proposal from the Commission of the European Communities to the Council for a decision on the opening of negotiations with a view to concluding an agreement between the EEC and third countries in regard to the arrangements applicable to international passenger transport by motor coach and omnibus (Doc. 82/73);
- Report drawn up by Mr Ferruccio Pisoni on behalf of the Committee on Social Affairs and Employment on the Communication from the Commission of the European Communities to the Council on initial measures to establish a common vocational training policy (Doc. 239/72) and on the list of priority projects in the vocational training field to be undertaken in 1973 (Doc. 83/73);
- Report drawn up by Mr Heinz Frehsee on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a directive on extending the time-limit for implementing the Council's directives of 17 April 1972 on the reform of agricultural structures (Doc. 84/73);
- Report drawn up by Mr Luigi Noè on behalf of the Committee on Regional Policy and Transport on the improvement of traffic infrastructures across the Alps (Doc. 85/73);
- Report drawn up by Mr Horst Gerlach on behalf of the Committee on Budgets on the draft estimates of revenue and expenditure of the European Parliament for the financial year 1974 (Doc. 86/73);
- (c) from the EEC/Turkey Association Council: the Eighth Annual Report of the EEC/Turkey Association Council (1 January - 31 December) (Doc. 59/73).

**President**

This document has been referred to the Committee on External Economic Relations (Delegation to the Joint Committee of the Association with Turkey);

- (d) Motion for a resolution tabled by Mr Norbert Hougardy on behalf of the Liberal and Allies Group on measures to protect the European cultural heritage (Doc. 73/73);

This document has been referred to the Committee on Cultural Affairs and Youth;

- (e) from the EEC/Turkey Joint Parliamentary Committee:

Recommendations adopted by this committee at its meeting of 14 May 1973 in Luxembourg (Doc. 74/73).

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

#### 6. Reference to committee

**President.** — I would remind the House that at the sitting of 7 May 1973 the proposal from the Commission of the European Communities to the Council for a directive on the harmonization of Member States' legislation regarding aerosols (Doc. 29/73) was referred to various committees.

Contrary to the statement made at the time, the document was actually referred to the Committee on Public Health and the Environment as the committee responsible and to the Legal Affairs Committee and the Committee on Economic and Monetary Affairs for their opinions.

#### 7. Authorization of reports

**President.** — I have authorized the following committees to draw up reports:

— *Committee on Energy, Research and Technology*

Interim report on the need for Community measures in regard to the desulphurization of fuels;

The Committee on Public Health and the Environment has been asked for its opinion.

— *Committee on External Economic Relations*  
Report on the projected trade agreement between the European Community and Norway;

• The Committee on Agriculture has been asked for its opinion.

— *Committee on Development and Cooperation*

Report on problems arising in connection with the renewal and enlargement of the Association with the African States;

The Committee on Budgets has been asked for its opinion in connection with the examination of the Commission's Memorandum on future relations between the EEC, the Associated and the associable States.

#### 8. Statement by the President :

#### *Election of Parliament by universal suffrage - Consequences of the 1972 Summit Conference in Paris*

**President.** — At its meeting of 24 May 1973 in Rome, the enlarged Bureau decided to instruct the Political Affairs Committee to draw up a new report on questions arising in connection with the election of Members of the European Parliament by direct universal suffrage.

With regard to the various initiatives considered in the Declaration issued after the Summit Conference, especially those concerning the procedure to be adopted with regard to problems relating to the Community institutions, and in particular the powers of the European Parliament, the enlarged Bureau has decided to entrust the Political Affairs Committee with the task of drawing up an overall report on the adaptation of the institutional structures of the Community and the strengthening of the Parliament's powers.

In its report the Political Affairs will also make any comments it thinks necessary on the document prepared independently by the Committee on Budgets on increasing the Parliament's supervisory and budgetary powers. The document of the Committee on Budgets will be published in full with the report of the Political Affairs Committee.

Depending on the importance of the proposals on this question, they may be made the subject of a separate resolution or of a special chapter in the general resolution on Parliament's powers.

The debate in plenary session will be introduced by the rapporteur of the Political Affairs Committee and the rapporteur of the Committee on Budgets, so as to underline the particular importance which the Parliament attaches to the real increase in its powers in the sphere of control and budgets.

The adoption of two separate resolutions will make it possible to draw a distinction between the problem of the general evolution of the situation of the Parliament in the institutional context of the Community, on the one hand, and,

**President**

on the other, the urgent need to give practical effect to an undertaking entered into by the Council and Commission as long ago as April 1970.

As for the position to be adopted by Parliament on the new policies announced in the Declaration of the Summit Conference (on regional policy, energy policy, environmental problems and social policy) for the elaboration of which different time-tables have been drawn up, this will be dealt with in separate reports drawn up in each case by the appropriate committees and examined by Parliament as and when they are submitted.

Are there any objections?

That is agreed.

*9. Allocation of speaking time*

**President.** — In accordance with the usual practice and pursuant to Rule 31 of the Rules of Procedure, I propose that speaking time be allocated as follows:

- 15 minutes for the rapporteur and one speaker for each political group,
- 10 minutes for other speakers,
- 5 minutes for speakers on amendments.

Are there any objections?

That is agreed.

*10. Decision on urgent procedure*

**President.** — I propose that Parliament deal by urgent procedure with reports not submitted within the time-limits laid down in the rules of 11 May 1967.

Are there any objections?

The adoption of urgent procedure is agreed.

*11. Order of business*

**President.** — The next item is the order of business.

At its meeting of 24 May 1973 the enlarged Bureau drew up the draft agenda which has been distributed, but in view of subsequent developments I propose that Parliament adopt the following order of business:

*This afternoon*

- Report by Mr Giraud on a Community quota for road haulage;

- Report by Mr Van der Gun on international motor coach transport;

- Report by Mr Bermani on the type approval of mopeds.

*Tuesday, 5 June 1973*

*until 10 a.m.*

- Meetings of political groups

*10 a.m. and 3 p.m.*

- Report by Mr Gerlach on the estimates of revenue and expenditure of the European Parliament for the 1974 financial year;

I would point out that the deadline for tabling amendments has been set for noon on Wednesday, 6 June 1973.

- Statement by Mr Scarascia Mugnozza on common transport policy

- Report by Mr Noè on transalpine traffic infrastructures

- Report by Mr Arndt on reform of the international monetary system

- Report by Mr Offroy on the ECSC auditor's report for 1970

- Report by Mr Offroy on the transfer of funds

*from 6 p.m.*

- Meetings of political groups

I call Mr Pisoni.

**Mr Pisoni.** — (I) Mr President, because of our party congress I would like to request you to put forward to tomorrow consideration of the report on professional training, for which I am the rapporteur. In view of the importance of the national commitment referred to I would ask you to give serious consideration to my proposal.

**President.** — I call Mr Cousté on behalf of the EDU Group.

**Mr Cousté.** — (F) Mr President, on behalf of my group I request that reports 55 and 76, which were to be presented by Mr Offroy on Tuesday, should be deferred to Wednesday, since Mr Offroy will be unable to attend tomorrow's sitting because of urgent obligations and he wishes to present the reports in person.

**President.** — I therefore propose that we deal with the reports by Mr Offroy and Mr Pisoni in reverse order.

**President**

Mr Pisoni's report (Doc. 83/73) will be dealt with on Tuesday.

Are there any objections?

That is agreed.

I call Mr Duval.

**Mr Duval.** — (F) Mr President, with regard to the draft agenda for Tuesday's sitting, I should like to make a suggestion on behalf of the Legal Affairs Committee.

Our colleagues, Mr Jozeau-Marigné, has been instructed to raise Questions Nos 83 and 84 which are on Thursday's agenda. For pressing reasons, he will not be able to attend Thursday's sitting and, therefore, asks you to be good enough to enter these questions in the agenda for Tuesday afternoon, at the beginning of the sitting.

**President.** — I would be happy to oblige, were there not so much business on the agenda for Tuesday.

The custom of the House is for a rapporteur prevented from attending to arrange for a deputy. I see no reason to depart from our custom in this case.

I fully understand the concern of Mr Duval and Mr Jozeau-Marigné, but I would ask them to comply with the usual practice.

We shall continue with the order of business.

*Wednesday, 6 June 1973*

*until 10 a.m.*

— Meetings of political groups

*10 a.m. and 3 p.m.*

— Question Time

— Oral Question No 50/73, with debate, on agreements with EFTA Member and Associated States which have not acceded to the Community

— Report by Mr Ballardini on participation in the activities of UNO bodies

— Report by Mr Harmegnies on the Ninth Annual Meeting of the Parliamentary Conference of the EEC-AASM Association

— Statement by Mr Cheysson on drought and famine in the Sahelian region

— Report by Mr Offroy on the ECSC auditor's report for 1970

— Report by Mr Offroy on the transfer of funds

*After the plenary sitting, not later than 5 p.m.*

— Meeting of the Political Affairs Committee

*Thursday, 7 June 1973*

*until 10 a.m.*

— set aside for meetings of political groups

*10 a.m. and 3.30 p.m.*

— Vote on motion for a resolution contained in the report by Mr Gerlach on Parliament's revenue and expenditure for 1974

— Report by Mr Jozeau-Marigné on the number of vice-chairmen of committees

— Report by Mr Jozeau-Marigné on the amendment of Rule 48 of the Rules of Procedure

— Oral Question No 26/73, without debate, on cruelty to animals

— Report by Miss Lulling on approximation of fertilizer laws

— Report by Mr Vetrone on cattle and beef imports from Yugoslavia

— Report by Mr de Koning on Portuguese wines

— Report by Mr Frehsee on agricultural structure reforms

— Oral Question No 53/73, with debate, on agricultural surpluses,

— Report by Mr Fellermaier on the Association Agreements with Tunisia and Morocco

*2.30 p.m.*

— Meeting of the Presidential Committee

followed by

— Meeting of the enlarged Bureau

Are there any objections?

The agenda is adopted.

*12. Regulation on the Community tariff quota for road haulage*

**President.** — The next item is a debate on the report drawn up by Mr Giraud on behalf of the Committee on Regional Policy and Transport, on the proposal from the Commission of the European Communities to the Council of a regulation amending Regulation (EEC) No 2829/72 of the Council on the Community Quota for the transport of goods by road between Member States (Doc. 81/73).

**President**

I call Mr Giraud, who has asked to present his report.

**Mr Giraud, rapporteur.** — (F) Mr President, the problem I have to deal with today before this Parliament is not new since we discussed it during the part-session in December. But due to the accession of new members, the Commission has had to ask the European Parliament to deliver its opinion on the regulation amending the Council's Regulation (EEC) No 2829/72 on the Community quota for the transport of goods by road between Member States.

I should like to point out straightaway, Mr President, that the Committee on Regional Policy and Transport adopted unanimously with one abstention the motion for a resolution that I am now going to table. I should also add that there was a long discussion in Rome, but this was due very largely to insufficient information on several points. It seems that everything has now been clarified and that this motion can be submitted to Parliament without the risk of any difficulty worthy of note being encountered.

What is the motion about?

You know, Mr President, that the common transport policy has — to say the least — fallen behind somewhat and this is why the Commission is now trying to develop Community procedures in the field of transport.

Firstly, the Community quotas in 1969 to 1972 were fixed at 1 200 authorizations.

At our last debate in December the quotas were fixed by the linear application of the percentage increase in the overall quota, that is to say, 15 % in 1974, with account taken of the extent to which each Member State utilized Community authorizations in 1970 to 1971.

What the Commission and our Committee on Regional Policy and Transport are therefore trying to do is to integrate the new members into our system. The proposals made seem to have been finally accepted as satisfactory and that is why, without continuing this explanation too long, I should like to inform Parliament of the quotas that have been fixed for 1973 and 1974 and then submit the proposal for a resolution for your appraisal. The quotas for 1973 are as follows:

Belgium: 191; Denmark: 120; Germany: 321; France: 313; Ireland: 36; Italy: 230; Luxembourg: 45; Netherlands: 279; United Kingdom: 193. This represents a total of 1 728, the figure for the Community of the Six in 1972 having been 1 200.

In 1974, the total will rise to 1970: Belgium 221; Denmark: 141; Germany: 356; France: 341; Ire-

land: 42; Italy: 266; Luxembourg: 58; Netherlands: 318; United Kingdom: 227.

And now, having given these rough figures, I should like to explain the motion for a resolution that I am tabling on behalf of the Committee on Regional Policy and Transport.

Firstly, we obviously regret that it was not possible to fix the number of Community authorizations within the prescribed time, that is by 31 March 1973. We fully understand, Mr President, the difficulties that the Commission has faced; the reason for our introducing this first paragraph is simply to point out that we should like to see timetables observed as far as possible.

The second point our resolution makes is that the Commission's proposal is approved.

The third point requests the Council to adopt the amending regulations by the end of the first half of this year, that is by the end of this June.

The fourth paragraph is perhaps the most original in that it requests the Council to adjust the number of Community authorizations allocated to each Member State in the light of experience during the first period of application. We know how much serious thought has gone into the preparation of the proposal under review, but the possibility of the proposed figures appearing inadequate after a few months experience cannot be excluded. If this proves to be the case — and this is a measure of the goodwill of the old Member States towards the new — we would ask the Council to allow for an adjustment. We do not think it will be necessary, but if it is, the Council will then be able to take account of the actual development in transport.

The fifth paragraph stresses 'that the final arrangement must enter into force on 1 January 1975.' It is very important from the Community point of view 'that after this date Community quotas must progressively replace bilateral quotas.'

Mr President, this resolution is as liberal as it can be. It should allow both the new and the old members of the Community to develop trade amongst themselves.

Certain people were perhaps envisaging a completely liberal system. There is no completely liberal system in the Member States and it has not been possible to be more liberal at intra-Community level than at national level. I therefore think that this proposal is satisfactory and I am convinced that in the light of these explanations this Parliament will see fit to adopt the motion for a resolution based on the report that I have submitted to you on behalf of the Committee on Regional Policy and Transport.

(Applause)

**President**

**President.** — I call Mr Cousté on behalf of the EDU Group.

**Mr Cousté.** — (*F*) Mr President, the remarks I should like to make to you on behalf of the European Democratic Union Group will be brief and will concentrate on the report that has just been presented by Mr Giraud, who once again has shown us that he has a gift for being simultaneously clear and forward-looking.

The report is clear in the sense that the general development of the Community quota as it has been proposed seems appropriate, particularly as the resolution itself—this I would point out especially—refers to the possibility of adjustment. Mr Giraud has stressed that paragraph 4 of the motion for a resolution indicates that the Council could adjust the number of Community authorizations allocated to each of the Member States in the light of experience gained by 1975. It is wise of him to do this, but it is clear to us — and this should be understood as the interpretation by our Parliament — that this increase in authorizations no longer makes a distinction between old and new Member States.

This is, to put it briefly, an adjustment with a Community character, that is to say it is tied to the growth in transport and not to the existence since 1 January 1973 of acceding states who were not among the original six that created the European Community.

I see that Mr Scarascia Mugnozza agrees, which means that this is indeed the Commission's interpretation.

I should like to be sure that at the level of the Council, which will be asked to make adjustments, the same will be the case. That is my first point.

The second, Mr President, concerns the remarks made by the Economic and Social Committee in April 1973. In this Assembly, it is important that we insist — as has just been done by the rapporteur, who has thus made my task easier — that the final arrangement enter into force on 1 January 1975. We have not been, Mr President, members of the Commission, so unkind as to insist; we have contented ourselves with discreetly recalling that we have fallen behind with a number of Community authorizations which should have been fixed in March.

I feel I should say that where transport is concerned, we are so preoccupied with the difficulties that your predecessors and you yourselves have encountered in speeding up the application of, in particular, Article 75, which deals with transport policy, that we are bent on stressing — this is the point of this remark —

that we will be vigilant, not in the sense of criticizing the Commission, but of supporting it in this respect.

We know where the responsibilities and the difficulties lie. I therefore feel that I have made my point sufficiently clear for the honourable Members present in this Assembly, for the Commission and, I hope, also for the members of the Council, who I notice are not present.

I should like to conclude by saying that the European Democratic Union Group will vote in favour of this resolution, which it fully supports in the spirit defined by the rapporteur. Mr Giraud has not omitted to stress the importance of the work done by the Committee on Regional Policy and Transport, the virtual unanimity of whose members is a good sign for the support which we all give to the progress that this motion represents towards the creation of a better organization of road transport in Europe.

**President.** — I call Mr James Hill, who I assume wishes to speak on behalf of the European Conservative Group.

**Mr James Hill.** — I am, I hope, speaking as chairman of the Committee on Regional Policy and Transport, because, as has been so ably said already, I do not want to make this a political issue among the Member States. But I should like to speak on this report.

It is a short report, but its brevity belies its importance. The subject of the report is a good example of the well-known French saying that things intended to be temporary outlast those which are supposed to be permanent. It was carefully discussed in committee in Rome, where a good deal of disquiet was expressed about the situation it revealed, and some very searching questions were directed at the representatives of the Commission.

The history—for the sake, perhaps, of the new Members of the European Parliament, myself included—is that 15 years ago the Commission suggested that all bilateral agreements regulating quotas in road transport between the Six should be replaced by a regulation establishing a Community quota. This, of course, was rejected by the Council of Ministers. In 1968, a Council Regulation was passed which introduced, on an experimental basis—I emphasize that—and for a limited time, Community quotas in addition to quotas under existing bilateral agreements. This experimental system was due to expire in December 1972, but, in the face of the enlargement of the Community, was extended by regulation until December 1974.

**Mr James Hill**

The Commission used a criterion in fixing authorizations for each Member State which can be summarized as follows: first, the indicated development of demand for transport between Member States; second, the degree of use of existing capacity, as shown by statistics; third, the trends of transport rates; fourth, the development of transport other than that covered by the Community quota.

In Rome, representatives of the Commission were asked by the committee to explain the application of these criteria, and I am sorry to say that they were almost defeated in their attempt to do so. But we did get a promise from them that they would send each member of the committee an authorization formula, which they have done. The Commission's formula, however, with which I will not weary the House, is composed of percentages, averages and estimates, many of them adopted under pressure of time and for want of a better method. The Commission admitted that the whole scheme was experimental and that some of the statistics were inadequate.

The reasons for the quota are obvious. They are an attempt to prevent cut-throat competition between road haulage associations of Member States, with the danger that if some are forced out of business the service to the public will be reduced, and to some extent to protect the nationalized railways.

Nevertheless, there was a strong feeling in the committee that this was one field which cried out for liberalization of a Community policy. As Mr Giraud so ably stated in his report, the Community needs to replace the present dual system of bilateral agreements and an experimental quota with an overall Community quota, increasing authorizations of these licences. My committee will expect Mr Scarascia Mugnozza, in his statement on transport policy tomorrow, to make proposals for more authorizations within the framework of a Community policy of liberalization.

Why should the Community quota be extended? The first reason is that hauliers in several countries have demanded increased authorizations. Secondly, I believe that the move, during the transitional period up to 1978, towards the abolition of tariffs between the three new Member States and the Six (and between the Nine and non-Member States) will encourage and increase trade in Western Europe. Thirdly, in principle, the Community exists to free trade from restrictions in order to encourage economic growth and thus to create prosperity.

Finally, although this is a Community problem, some Member States find themselves in a

particularly difficult position. Although I speak from my own knowledge of Great Britain, I believe that in some other Member States, too, there is some feeling that the authorizations proposed by the Commission are too meagre. British hauliers are pressing for an increase in authorizations, so at present they are having to use haulage firms from other Member States to transport goods from Britain to the Continent. In my view, the case for a larger quota for Britain rests on the special position of Britain as an island and on new opportunities for shipping goods on lorries by sea ferry. Furthermore, the experimental and theoretical formula used by the Commission to fix the quotas for the new Member States is unsatisfactory, to my mind, and I feel that the Commission itself has agreed to this. It would be much better to increase the authorizations not only for the new Member States but for the original Six, even though some, in the end, might not be taken up, than to cause frustration and resentment by giving them too meagre a ration at the start.

I ask the Council of Ministers, in the words of the report of my committee, to follow developments more closely in this field and to recommend without hesitation increased authorizations not only in 1974 but even for this year. Mr Giraud has well covered that, in paragraph 4 of the resolution. I emphasize that paragraph 5 of the resolution is also extremely important to my committee. We feel that there may be Member States which are less than generous with their bilateral permits and this, again, can cause hardship to those already working on a lower Community quota than others. Only by doing this could a satisfactory solution be found to this problem. I, as a European, feel that such a solution would be a step towards greater liberalization of trade in the Community, and I am sure that this House is unanimous in its desire to achieve this.

Having said those words I must point out that those figures are not satisfactory to all the Member States, they are interim figures.

We hope that the Council of Ministers will look closely at paragraph 4, even to the extent, perhaps, of making a three-monthly revision of their quota figures. With this in mind, I know that my committee has accepted this and I give it my approval.

**President.** — I call Mr Scarascia Mugnozza to state the position of the Commission of the European Communities.

**Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities.** —



**Scarascia Mugnozza**

(I) Mr President, honourable Members, I must first of all express my gratitude to Mr Giraud who has on this occasion once again given a clear and sensible report on a problem which has always been extremely difficult to discuss. I must also thank Mr Cousté and Mr Hill for their interventions.

I would like to state that the Commission is in full agreement with the resolution presented by the Committee for Regional Policy and Transport. I do, however, have a number of remarks to make.

Referring to paragraph 1, it is regrettable that it was not possible to fix the number of Community authorizations by 31 March; I would like to point out that the Commission had presented its proposals in good time, but the latter had to be defined at a meeting of the Council of Ministers. For reasons which are evident to all of us, however, the Council could not be convened during the period in question to devote to this problem a meeting which, being the first one since enlargement of the Community, was of a particularly delicate nature. We nevertheless hope that there will be a meeting of the Council of Ministers in the near future and that it will then be possible to approve the Community quota.

With reference to paragraph 4 I think that I may state on behalf of the Commission that I am in agreement even though the request is addressed to the Council. I also consider that the Commission must effectively examine the period of application in the light of the experience acquired.

Concerning paragraph 5, on which Mr Cousté dwelled, I would like to confirm the statement by the Commission, namely that we consider that the definitive arrangements should enter into force on 1 January 1975 and we hope that all the requisite conditions will have been effectively created by that time.

I would now like to dwell for a moment on the statement made by Mr Hill. First of all I would like to thank him for recently having explained to us the position of the committee of which he is chairman, but I should like to state to you that I have personally been following the question of the tariff quotas and I myself have tried hard to see why the whole survey is not made up simply of proposals of a technical nature, while endeavouring to maintain a political situation which would not put the new Member States of the Community in a difficult situation.

I am aware that the mechanism is sometimes, perhaps, a little complex but I hope that the document worked out by the Commission for the

purpose of providing clarification of the subject will be completed in good time and will shed some light on the various points.

Nevertheless I would like to say that, for the period from 1 January 1973 to 31 March 1973, for example, the number of authorizations for Great Britain will be 99. With the new system we have taken a quota base of 129 and this would have been the final figure if there had not been a political review of the situation. This quota base was raised twice, the first time by 30 per cent and the second time by 15 per cent and thus the final figure for Great Britain is 193.

What is the plan for 1974? For the new Member States an increase of 20 per cent, and this will mean in practice, again taking the example of Great Britain no less than 227 authorizations. I thus believe, Mr Hill, although you have submitted a request for a review of the question, that the Commission had made a notable effort for the new Member States in order that they might be spared any frustration not only at the purely technical level but also on the political level. I may add that the Commission was in agreement with me and that we did not encounter any difficulties. I am pleased that the last obstacles may indeed be overcome as soon as possible and that, as you have just requested, and as Mr Cousté had earlier requested liberalization proposals may be formulated at a very early date.

I believe that this is essential above all if it is borne in mind that currently the tariff quotas represent hardly 3 per cent of road transport. This means that we must take more courageous steps forward and I hope that these steps may be completed by 1975. To conclude, Mr President, I would once again thank the rapporteur and those present: I hope that Parliament approves the resolution.

**President.** — Does anyone else wish to speak?

I put the motion to the vote.

The resolution is adopted.<sup>1</sup>

#### IN THE CHAIR : MR DEWULF

##### *Vice-President*

#### 13. *Decision on an agreement between the EEC and third countries concerning arrangements for motor coach transport*

**President.** — The next item is a debate on the report drawn up by Mr Van der Gun on behalf

<sup>1</sup> OJ C 49, 28. 6. 73.

**President**

of the Committee on Regional Policy and Transport, on the proposal from the Commission of the European Communities to the Council for a decision on opening negotiations for an agreement between the European Economic Community and third countries concerning the system applicable to international road passenger transport by coach and bus (Doc. 82/73).

I call Mr Van der Gun, who has asked to present his report.

**Mr Van der Gun, rapporteur.** — (NL) Mr President, I do not think I shall need the full quarter of an hour at my disposal to make it clear what is involved in the present situation. The proposal is of course important, but it is also straightforward. The point is that in its regulation of 28 July 1966 the Commission laid down common rules for the international transport of persons by road.

The rules concerned the definition of the various categories of passenger transport, the ruling applicable to certain forms of occasional transport and the transport services operated by an undertaking for its own workers. That is the basis. Article 4 (2) of this regulation makes it possible for consultations to be held on these rules and for negotiation to be entered into with third countries.

Prior to this it was necessary to lay down rules on regular services and, under Articles 7 and 8, shuttle services. For both types of service, the Commission established definite rules in 1972. The Council and Commission are now asking for permission to enter into the negotiations, one of the possibilities as a result of the work that has been done. In view of the developments that have taken place, negotiations should be held on all forms of passenger transport by road that passes through the territory of the third countries concerned. Points that should be raised during these negotiations are free passage through third countries for the various forms of transport specified in Regulation No 117; occasional transport, regular transport and special forms of regular transport and the recognition by third countries of the control documents issued under Community regulations.

The talks should result in an effort to achieve uniformity with regard to the definition of the various types of passenger transport, the rulings concerned, the procedure for the issue of permits—in so far as these are required—and the control documents. What is concerned therefore is the harmonization of what already exists within the Community, but which should be extended to third countries.

The resolution tabled by the Committee on Regional Policy and Transport obviously has as its objective—and how else could it be, considering the content of the request—the approval of this request and, after the creation of the desired possibilities, the opening of negotiations with third countries. On behalf of the committee, I recommend Parliament to act accordingly.

**President.** — I call Mr James Hill.

**Mr James Hill, chairman of the Committee on Regional Policy and Transport.** — Speaking again as chairman of the Committee on Regional Policy and Transport, I wish to say that Mr Van der Gun's report, for which I would like to thank him, contains the opinion of the Committee on Regional Policy and Transport on a proposal from the Commission. The Commission proposed that the Council should take a decision authorizing the Commission to negotiate with certain third countries. It may be of interest to the House that these third countries are Austria, Greece, Yugoslavia, Turkey, Switzerland, Spain, Portugal, Norway and Sweden.

The subject of the negotiations is to be the extension of the existing common rules for passenger transport within the Community to transport between Member States and the third countries named and to transit through those countries.

I agree with Mr Van der Gun that this is a wholly desirable proposal from the Commission to which my committee gives its full support. I am sure the House will share our views. This in my opinion is an excellent example of the Commission and this House combining to seek a solution to problems which affect many of our constituents and with which they expect us to be able to deal on their behalf.

Coach traffic from Britain to Austria, Switzerland, Spain and Yugoslavia, for example, is increasing from year to year. As coach transport is a cheap and convenient form of travel, many less well-off persons in the United Kingdom, particularly old-age pensioners, are only able to come to Europe at all by coach. For many, a 7 or 10-day coach trip has been, or will be, their only experience of other countries in the Community. All of us here would like to broaden their knowledge of what the Community is doing and what the Community is. Any means by which we can reduce frontier formalities and bureaucratic delays should therefore be particularly welcome.

I hope the report, though brief, will attract the publicity in Member States which it certainly deserves. In this spirit I commend this report

**Mr James Hill**

to the House because it is an excellent piece of harmonization within the Community.

**President.** — I call Mr Scarascia Mugnozza.

**Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities.** — (I) Mr President, honourable Members, I would like to thank the rapporteur, and Mr James Hill, chairman of the Committee on Regional Policy and Transport, for having emphasized the positive understanding which has been established between the Commission and Parliament as regards this proposal which is of extreme interest despite its simplicity.

It deals in fact not with the establishment of a common system of rules for Member States or transit countries such as Austria and Switzerland; on the contrary it is a matter of obtaining from the Council authorization to begin negotiations with third countries regarding the rules applicable to international road passenger transport by coach and bus.

It has indeed been noted that there are buses which start their journey for example in Great Britain and finish in Greece, Spain or other third countries. It is therefore necessary to lay down common rules by way of negotiations which will be neither easy nor brief but are nevertheless indispensable in view of the many travellers who have recourse to such means of transport to go to third countries. I thank this Assembly for the goodwill with which you have received this proposal and I hope that it will be approved in the form in which it was submitted.

**President.** — Does anyone else wish to speak?

I put the motion to the vote.

The resolution is adopted.<sup>1</sup>

#### 14. Directive on type approval of mopeds

**President.** — The next item is a debate on the report drawn up by Mr Bermani on behalf of the Legal Affairs Committee 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 the type approval of mopeds (Doc. 71/73).

I call Mr Bermani, who has asked to present his report.

**Mr Bermani, rapporteur.** — (I) Mr President, honourable Members, on the last occasion I was dealing with cars, this time my subject is mopeds which are somewhat smaller. This has come about not because the Legal Affairs Committee has demoted me but simply for reasons pertaining to the establishment of the agenda. Besides, as has been said before, it is not only in large bottles that good wine is to be found.

Mr President, the matter in hand is a proposed directive from the Commission of the European Communities to the Council on the approximation of the laws of Member States in the sense of Article 100 of the Treaty, relating to the type approval of mopeds. It is a most simple proposal even in substance. At present, to guarantee the safety of road traffic in the various Member States, moped controls are provided for by way of registration procedures: the moped is tested to make sure that it meets national regulations for its operation. Such controls as are executed in the various countries must be repeated, when the moped is exported, in the Member State into which it is imported. This impedes and complicates trade. Therefore the Commission proposes to eliminate such obstacles by introducing a common system of registration for the Community as described in the articles of the proposal made by the Commission.

This procedure implicates the mutual recognition of controls, leading to free exchange between the States of the Community without the controls being repeated by the importing State. So the number of controls will be reduced from two to one. The Directive is thus more than justified since it brings about the suppression of obstacles of a technical nature, as provided for in Article 100 of the Treaty. Thus the Committee on Economic and Monetary Affairs has declared itself in favour of its adoption.

However approval is also required for a proposal by the Legal Affairs Committee (see paragraph 3 of the motion for a resolution preceding the report) to extend the scope of the directive to include mopeds powered by electric motors, in view of the fact that such motors are less noisy than heat engines and do not pollute the air.

Article 9 of the proposal by the Commission of the European Communities states that if a Member State finds that that mopeds of a particular type are a hazard to road safety that state may, for a maximum period of six months, refuse to register such vehicles or prohibit their sale, entry into service or use in its territory. But in the committee Mr Broeks observed that if a moped is dangerous this is a characteristic which does not disappear in six months and thus the

<sup>1</sup> OJ C 49, 28. 6. 73.

**President**

Legal Affairs Committee proposes that the words 'for a maximum period of six months' be deleted from Article 9.

But taking into account the fact that the period was fixed by the European Commission to avoid bureaucratic delays in the control procedure the Legal Affairs Committee in paragraph 6 of the proposed resolution, 'Urges the Commission to elaborate within the framework of Article 9, an appropriate formula for taking in good time such steps as the situation envisaged in that Article might call for in the interests of both road safety and intra-Community trade'.

The Legal Affairs Committee aimed in this paragraph at the reconciliation of the two points of view, the observation by Mr Broeks and the concern of the Commission.

We believe the proposed solution to be the best one, i.e. that the Commission should be asked to find an appropriate formula for solving the problem, within the framework of Article 9. Having said this I now propose to the Parliament that it should approve the proposed directive, with the proposed amendments, the usefulness of which no one could, I believe, deny, and which it would thus be opportune to put into effect as rapidly as possible.

(Applause.)

**President.** — I call Mr Schwörer on behalf of the Christian Democratic Group.

**Mr. Schwörer.** — (D) Mr President, ladies and gentlemen, our group welcomes the efforts made by the Commission to harmonize the laws and thus to remove the technical barriers to trade. This proposal for a directive is a step towards this harmonization. I do not want to say anything more on the technical details. I am glad that a further step towards the improvement of road safety in the EEC has been taken. The Commission, I must say, has gone, to a great deal of trouble over technical details. In only one respect have their efforts remained incomplete, and that is in the question of protection against noise pollution by these vehicles.

I brought this matter up in the Legal Affairs Committee and it was with this in mind that point 7 of the report and point 7 of the resolution were drawn up, both of which emphasize the question of protection from noise pollution by these vehicles. I would like to draw the special attention of the Commission to these points. The Commission referred in the Legal Affairs Committee to a forthcoming regulation which, I assume, is intended to establish the same standards for all types of vehicles. This is something we can agree on; all the same, there are two things I would like to request:

First, that this directive or regulation be speedily enacted, and second, that all vehicles built in or imported into the EEC be required, as soon as possible, to actually observe these noise laws.

We know how difficult it is for traffic noise in the Member States to be controlled by policy measures.

It is too much to expect the police even to register this type of offence. In my opinion suitable manufacturing norms for vehicles, and especially for mopeds, are the only way to remedy the situation. There are some 1.3 million of these vehicles in the Federal Republic; only 1% of these cause annoyance to the public as the result of alterations to the exhaust system, but despite efforts by the municipalities it has not proved possible to significantly alleviate the noise problem caused by them. I therefore believe that we should insist to the manufacturers of these vehicles that they be so constructed that modifications to the technical equipment—and in particular to the silencer—are impossible.

In everyone's interest, and especially in the interest of the old and the sick, and of working people who so urgently need to be able to relax during their breaks, I believe that something should at last be done, and done quickly, to relieve the situation. I call upon the Commission to take steps to force the industry to develop such technical devices and then to ensure their introduction as rapidly as possible, something which would bring a measure of relief in this area. This is a matter for the Commission, and not for the individual Member States. We know that, for reasons of competition, the regulations have to be the same for all countries; and since it is so easy nowadays to travel from one country to another, only Community-wide regulations can be effective in helping. A Community ruling is therefore vitally necessary, and it is to speed up the introduction of such a measure that I have spoken here to day.

Our group will support the Commission's proposal for a directive.

**President.** — I call Mr Bermi.

**Mr Bermi, rapporteur.** — (I) Mr President, I would like to apologize to my colleagues for having forgotten to mention during my oral report the important point which my honourable colleague has now raised. It is however a matter which we have discussed at a meeting of the Legal Affairs Committee and which is reflected in paragraph 7 of the motion for a resolution, which states: 'Finally, requests the Commission

**Bermani**

to expedite its efforts to regulate at Community level the maximum levels admissible for the noise and air pollution generated by mopeds'. Having offered my excuses for my involuntary oversight I would like to associate myself with the statement of the preceding speaker and express in my turn the wish that the matter should be regulated as soon as possible; and if I said before that mopeds are smaller than cars it is nevertheless true that they actually do make more noise.

**President.** — I call Mr Scarascia Mugnozza.

**Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities.** — (I) Mr President, I thank the rapporteur and Mr Schwörer for their interventions. I shall also be brief and wish to dwell on two points only.

The first of these refers to paragraph 3 of the motion for a resolution. Here I would like to express my sincere gratitude to the Committee for having raised the question of mopeds powered by electric motors. I do not know whether it will be possible to introduce this concept into the present directive (there are in fact a number of technical problems); if, however, it is not possible the Commission promises to submit as rapidly as possible a further proposal on this matter.

My second remark concerns paragraphs 5 and 6 to which Mr Bermani referred at length and which contain the request of the Legal Affairs Committee to delete from Article 9 the words: 'for a maximum period of six months'.

In practice this means a refusal to register vehicles which may be a hazard to road safety. The phrasing is probably not very felicitous; according to the intentions of the Commission these 6 months would have been opportune not because they delay the appearance on the streets of dangerous mopeds but because they constitute a period of time in which the Commission considered it could establish contacts with the manufacturers to obtain the elimination of the dangerous elements before the vehicles were brought into circulation. Thus I accept the amendment in this spirit and we shall see what new formulation the Commission can find to express the concept of a suspension for six months in the course of which the manufacturers could be asked to make the requisite modifications.

Regarding paragraph 7 on which Mr Schwörer spoke at such length (and which is in effect related to paragraph 3) in which allusion is made to the pollution created by mopeds, and the

proposal is made that the scope of the directive should be extended to include mopeds powered by electric motors, I am entirely in agreement on the question of noise which is also mentioned elsewhere in the resolution. It is in fact impossible to avoid noise of this kind caused by owners of mopeds, especially young people, who tamper with their own machines with the result that the machines emit excessively troublesome noise. And here I speak as the representative of a country in which this problem is particularly relevant.

I thus thank Parliament for having drawn the attention of the Commission to this problem, but I wish to add, as the person responsible for matters related to the protection of the environment, that the problem of noise has already been raised in the programme submitted to the Council by the Commission, a programme which is also being scrutinized at the present time by the relevant Committee of the European Parliament and which provides for certain measures to be completed in 1974 and 1975. Thus some of these dispositions are about to be adopted and I am glad that this may help to improve the situation, although I do not hope for too much, since unfortunately it would be necessary to have a policeman to check every moped owner as each of the latter tries to artificially increase the engine power of his machine.

Nevertheless I hope that the criteria which we shall evolve may be effectively applied, and that the general public will help by reporting cases where the noise is such as to be a cause of concern and significant detriment.

**President.** — Does anyone else wish to speak?

I put the motion to the vote.

The resolution is adopted.<sup>1</sup>

#### 15. Agenda for next sitting

**President.** — The next sitting will be held tomorrow, Tuesday, 5 June 1973, with the following agenda:

10 a.m. and 3 p.m.

— Report by Mr Gerlach on estimates of revenue and expenditure of the European Parliament for 1974.

I would remind the House that the deadline for tabling of amendments has been set for noon on Wednesday, 6 June 1973.

<sup>1</sup> OJ C 49, 28. 6. 73.

**President**

- Statement by Mr Scarascia Mugnozza on common transport policy.
- Report by Mr Noè on transalpine traffic infrastructures.
- Report by Mr Arndt on the international monetary system.

- Report by Mr Pisoni on a common vocational training policy and list of priority projects to be undertaken in this field.

The sitting is closed.

*(The sitting was closed at 7.15 p.m.)*

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### IN THE CHAIR: MR BERKHOUWER

(The sitting was opened at 10.05 a.m.)

**President.** — The sitting is open.

#### 1. Approval of minutes

The minutes of proceedings of yesterday's sitting have been distributed.

Are there any comments?

The minutes are approved.

#### 2. Documents received

**President.** — I have received the following reports from the committees:

- Report drawn up by Mr Lucien Harmegnies on behalf of the Committee on Development and Cooperation on the outcome of the Ninth Annual Meeting of the Parliamentary Conference of the EEC-AASM Association (Doc. 87/73);
- Report drawn up by Mr Horst Seefeld on behalf of the Committee on Regional Policy and Transport on the proposal from the Commission of the European Communities to the Council for a regulation amending Council (EEC) Regulation No 1463/70 of 20 July 1970 on the introduction of a monitoring device in road traffic (Doc. 88/73);
- Report drawn up by Mr Jean-Pierre Glesener on behalf of the Committee on Energy, Research and Technology on the proposals from the Commission of the European Communities to the Council to set up two

research programmes in the field of new technologies and recycling raw materials (Doc. 89/73).

#### 3. Change in agenda

**President.** — I call Mr Seefeld.

**Mr Seefeld.** — (D) Thank you, Mr President. I should like to ask you, Mr President, and my honourable colleagues to include an additional item in the agenda for Thursday. It concerns a report submitted by the Committee on Regional Policy and Transport on the proposal from the Commission for a regulation amending Council Regulation No 1463/70 of 20 July on the introduction of recording equipment in road transport.

Mr President, the Belgian Government, which as you know currently holds the office of President of the Council, has informed the Committee on Regional Policy and Transport that the Council would like to finish with this subject at its next meeting. It has emerged that there are almost no difficulties with Member States. The Committee on Regional Policy and Transport considered the matter yesterday and unanimously approved a report. We made enquiries and Parliament is able to produce the document by Thursday for Members. I should like to ask that we make an exception and place this report on the agenda. We should also be doing the Council a favour.

**President.** — Mr Seefeld, could the motion be adopted without debate? We decided to allow ten days to elapse between the submission of reports and their consideration, to make it possible to consider them seriously.



**President**

The enlarged Bureau affirmed at its meeting in Rome that we must observe the rule which we laid down about four years ago, that at least ten days must elapse between the submission of reports and their consideration in plenary sitting. We must take our own debates seriously, which we can only do if we allow sufficient time between the submission of reports and their consideration. I should therefore like to propose to you—also bearing in mind the subject of the draft report—that it would be better to place the report on the agenda of the July part-session.

**Mr Seefeld.** — (D) Mr President, you are right, as a President must be right. Even so, I should like to point out once again very politely that I am not doing this only in my own name; I am speaking on behalf of the committee, which has asked that the subject should be considered here if possible.

Mr President, since the committee had no misgivings, since the committee was unanimous, it can be assumed that the debate here would be finished in perhaps a minute.

**President.** — Mr Seefeld, if no one asks for a debate when the report is called we shall consider it in accordance with the procedure for a vote without debate; if a debate is requested, we shall place the report on the agenda of the July part-session.

**Mr Seefeld.** — (D) Mr President, I imagine that there will be no debate, but I cannot of course prevent any of the Members from speaking. The committee was unanimous, there was no debate. I think it fair to say that this is a very technical subject that should in principle be dealt with quickly.

**President.** — I therefore confirm what I said just now about the report by Mr Seefeld on the introduction of a monitoring device in road traffic (Doc. 88/73):

- procedure for vote without debate, Thursday, 7 June 1973, if there are no speakers listed;
- if there are speakers listed, the debate will be put back to next July's part-session.

Are there any objections?

That is agreed.

#### 4. *Estimates of revenue and expenditure of the European Parliament for 1974*

**President.** — The next item is a debate on the report drawn up by Mr Gerlach on behalf of the

Committee on Budgets on the draft estimates of revenue and expenditure of the European Parliament for the financial year 1974 (Doc. 86/73).

I call Mr Gerlach to present his report.

**Mr Gerlach, rapporteur.** — (D) Mr President, ladies and gentlemen, the Bureau and the Committee on Budgets were faced with various difficulties in presenting the draft estimates of revenue and expenditure of the European Parliament for the financial year 1974. The expansion of the Parliament secretariat because of the accession of the new Member States in 1973 is still in progress so that at the present time it is impossible to draw any conclusions on the possible need to adapt the organization and establishment plan. This question has been deferred and will be taken up again in the autumn under the budget procedure.

This means that the draft estimates before you do not contain any possible financial effects of adjusting the establishment plan. Since the 1973 budget was dominated by the enlargement of the Communities, the 1974 financial year was intended to be a year of consolidation. The increase in expenditure in the 1974 draft estimates over 1973 amounts to 17% even though it is a normal financial year. In the light of efforts to secure stability and the attempts of Member States to present budgets conforming to the state of economic activity, this increase appears excessive. Consequently the Committee on Budgets and the sub-committee on the budget of Parliament examined the appropriations of almost all the budget items very thoroughly. The secretariat administration which had to prepare the individual estimates could of course advance more or less valid arguments for the increase in individual appropriations. In considering the large increase in the expenditure it must be borne in mind that the establishment plan was increased in 1973 from about 600 to over 1 000 staff and in the 1974 financial year the new staff will appear in the accounts for twelve months instead of an average of only six months in 1973. The same applies to the rents of new buildings to be occupied and to other non-personnel costs.

Considering that the expenditure for staff makes up about two-thirds of the total expenditure in the draft estimates, the influence this expenditure has on the total amount of the budget is obvious.

This will rise to 29 779 755 u.a. against 25 564 625 u.a. in 1973. It is not yet known how the other institutions see their budget estimates for 1974. Consequently as rapporteur of the Committee

**President**

on Budgets I was only able to recommend to the Bureau the approval of the draft estimates of revenues and expenditure with very great reservation. On the one hand we as Parliamentarians have a duty to see that the administration uses the resources sparingly, while on the other there are inescapable requirements if the European Parliament is to be able to function properly.

I had nevertheless considered pleading for an overall cut in the present draft estimates; however, this is a minority opinion. Perhaps we shall have an opportunity to come back to this in the autumn, when the budgets of the other institutions will be available.

Mention must also be made of the high costs incurred because of the provisional nature of Parliament's seat. I have asked the administration to determine the additional costs that result from this situation.

Another relatively large item in the draft estimates is rent, especially for the new building in Luxembourg. The Luxembourg Government should be told quite clearly that a cost-covering rent alone is acceptable and not a market rent.

I also wish to assure you that the sub-committee on the budget of Parliament will be continuously following the execution of the budget so that it will be in a position to perform its task of appraising the decisions in the budget sector put before you, whether they concern the procurement of major items of technical equipment, transfers of funds, personnel matters or in particular the question of improving the organization of the secretariat's departments.

I also refer you to the explanatory statement and to the findings set out in the resolution.

I should like to remind you, Mr President, and all Members of another obligation common to all institutions. Together with the draft estimates, the financial forecasts for three years also have to be submitted before the 1 July every year. Parliament will not be able to meet this obligation for the financial years up to 1976 until after the summer recess. The Commission should accustom itself now to the fact that for these years only a normal growth in the budgets can be accepted.

(Applause)

**President.** — I call Mr Aigner on behalf of the Christian-Democratic Group.

**Mr Aigner.** — (D) Mr President, on behalf of my group I should like to thank the rapporteur heartily for all the work he has done. We shall certainly come back to individual points in the

draft estimates when the general budget of the other institutions is also available. We shall undoubtedly have many corrections to make to it as well. I should just like to point out, Mr President, that with this budget we are for the first time applying the principle that we only want to discuss personnel matters every two years, and that we shall not hold a debate this year on the establishment plan because all the wishes and requirements were taken into account in the 1972 enlargement budget. I should like to remind Members of this and I am very thankful that all departments have accepted this principle, even though many difficulties are bound to have arisen.

I have a request to put to the Secretary General and the President: the duties of this Parliament can only be performed satisfactorily if a certain mobility of staff is ensured. New staff cannot be demanded for every task; staff must be sufficiently mobile to allow focal points and priorities to be established in the work to be done. I believe that the investigations in progress in this respect will lead to new findings. Above all, I should like to endorse what the rapporteur said about the matter of Parliament's seat. Mr President, I believe we should take advantage of every opportunity of reminding the Council what it implies for this Parliament and what it means in the way of squandering European taxpayers' money if the question of the seat of the European institutions is not finally settled one way or the other. And I believe that particularly from the budget aspect we must continually stress this problem.

Mr President, let me also say that the sub-committee and the Committee on Budgets attach particular importance to the rapid expansion above all of the documentation department, of the whole reference service, so that this Parliament has really effective support facilities; the question of the library etc. also comes in here. I should like our Parliament to establish priorities here and if necessary we shall make the required correction to the appropriations in the final draft budget.

(Applause)

**President.** — I call Mr Pounder on behalf of the European Conservative Group.

**Mr Pounder.** — Mr President, in the same situation as the rest of my colleagues of the European Conservative Group, this is the first European Parliamentary budget that I have had the pleasure and opportunity of seeing. At the outset, I commend the rapporteur and everybody else connected with the preparation of this budget for the great care that has been taken in

**Pounder**

the compilation of the figures and the considerable depth of examination that has taken place.

One often finds that budgets tend to be just a few headings encompassing vast sums of money. This budget is different in this regard, and very much to be welcomed is the degree of detail into which the classifications and categories have been broken down.

Inevitably, one is bound to be concerned where there has been a considerable increase in the budget forecast of 1974 as against the forecast of the previous year. As the rapporteur said, there are good reasons why this should be so. Nevertheless, the fact is that we are talking in terms of an increase of roughly 20 per cent in the 1974 estimates over those of the previous year. Obviously, the ravages of inflation, coupled with the accession of new Member States, are contributory factors and, also, as the European Parliament develops so, too, its expenditure is bound to increase.

Having said all that, however, we must, as a Parliament, be most careful in scrutinizing the expenditure as it is incurred against that which is included in the budget forecast, and it may be possible to make savings as the period covered by the budget is entered and progresses through 1974. Obviously, it is right that adequate provision should be made for the estimated expenditure, rather than have an exercise in cheeseparing, necessitating supplementary figures, perhaps, in the course of the year. But what I find rather dangerous—speaking as an accountant—is the feeling that once money has been allocated for expenditure that expenditure must take place up to the level of the budget. That is always very dangerous—the feeling that because so much money has been allocated, unless we spend every penny we are falling down on the job in some mysterious way. I hope that that philosophy will not prevail.

Inevitably, any budget is bound to be an exercise in pure forecasting. There is nothing absolute on which to base it. Here, I want to make a personal point. Once, in the past, I had to prepare the budgets for an international industrial company and I have some knowledge and understanding of the pitfalls which are presented to anyone engaged in a forecast, and particularly a forecast that is two years ahead, because there are no figures for the expenditure in 1973 as against the forecast of 1973. Yet, today, we are projecting ourselves yet another year ahead. I shall be very interested, in 12 months time, to see how the expenditure of 1973 measures up against the 1973 forecast. Perhaps we shall then get a better idea of the accuracy of our estimates for 1974.

In a huge enterprise like the European Parliament, there is bound to be some duplication of work and inevitably some wastage. But I believe this can be minimized provided we watch very carefully the expenditure as against that which is forecast.

With those few remarks, on behalf of the European Conservative Group, I welcome this budget forecast. We thank the rapporteur for the care he has taken in his presentation.

*(Applause)*

**President.** — I call Mr Schmidt on behalf of the Socialist Group.

**Mr Schmidt.** — *(D)* Mr President, as spokesman for the Socialist Group I find myself in the pleasant position of being able to speak very briefly. The rapporteur, who also belongs to our group, has in essence given the position and expressed the opinion of the Socialist Group on this budget.

As has already been said here, sometimes one has the impression that once a heading has been accepted in a budget an effort is made to use it up. We in the Socialist Group have discovered a case of this kind in item 4130. Because this case is a typical example, I shall describe it briefly.

For a long time, 16 000 units of account for scholarships have been included in the budget. In reply to a question in the Committee on Budgets on how these scholarships were used, to whom they were awarded and what benefits were received in return, we were informed that experience with these scholarships had been bad because many of those to whom they were awarded considered them as retirement pensions rather than scholarships, and so some time ago the Bureau had been forced to freeze this item. Nevertheless it continued to appear annually in the budget and appears again in the estimates for 1974. Then we were told that according to a Bureau decision this money was to be used for a European symposium. Now we have nothing against symposia, they can be good or bad. But we do think that in view of the situation in which we find ourselves and in view of the fact that we should all be trying to save money, these funds should be frozen until we are shown a sensible idea for their use. For this reason, we as the Socialist Group will move on this item that this sum be frozen until it is shown how these 16 000 units of account can sensibly be spent.

On behalf of the Socialist Group of this Parliament, let me say that we shall approve the budget.

**President**

**President.** — I call Mr Beylot on behalf of the EDU Group.

**Mr Beylot.** — (*F*) Mr President, ladies and gentlemen, our group approves the report by Mr Gerlach, and we should like to thank him for the clarity with which it is expressed.

The draft estimates of revenue and expenditure of the European Parliament have been fixed at 29 million units of account. In our view, this figure should not be compared with that for 1973, but with actual expenditure in 1972. One then finds that the increase is no longer one of 17 or 20%, but in fact one of 90%, and I should like to express our agreement with the comments made by the rapporteur and Mr Pounder.

Of course, this reflects the cost of enlargement and the effects of inflation. Consequently, I repeat, we agree with Mr Gerlach's observations, whilst recalling that a very close watch must be kept on this expenditure which, as you will have seen, when one compares the pre-enlargement budget, that is the 1972 budget, with the provisional one for 1974, has risen very substantially.

The increase in expenditure is indeed attributable to two items: firstly that in respect of staff, which accounts for two-thirds of the budget and, secondly, that relating to buildings and rentals for buildings. The major rises are not in Title 2, but in the form of provisional allocations under Title 9, which covers rental for the new building in Luxembourg. In this connection, we would also ask that close attention be given to the amount of this rental, which seems high, and would mention that, for those who use it, the building is not always particularly functional.

We should also like to endorse the comment made by the rapporteur in connection with Article 201 under Title 2 and express the hope that an effort will be made to improve the working conditions of the staff.

In conclusion, I should like to congratulate the rapporteur on behalf of our group on this proposal for the setting-up of procedure for the random checking of certain items of expenditure. It would indeed be desirable to carry out checks on expenditure in past years before drawing up the estimates for corresponding expenditure in coming years. A parliament and parliamentary committee cannot do everything. Random checks are an excellent idea. We must not allow the building of this European institution to be hampered by an accumulation of the time-absorbing procedures of the various administrations in our countries. We must break

new ground, and random checking is a procedure which is particularly well suited to the needs of parliamentary control.

This is what I had to say on behalf of our group, thanking the rapporteur once again for his excellent, very clear, very interesting report and the suggestions which he has put forward.

**President.** — I call Mr Fabbrini.

**Mr Fabbrini.** — (*I*) Mr President, on behalf of my political party, I merely wish to declare that we shall abstain from voting on the budget forecast.

I must say at once that we shall abstain because to a great extent we share the views set out in Mr Gerlach's report; I should merely like to add that we are in special agreement with the proposal advanced in the motion for a resolution: that the 30 000 units of account which were to be used or which might be used for the expenses of the joint committee for association with Greece be included as a token entry, for political reasons that are readily understandable to us all.

I should like to ask if the presidency would speed up the decision regarding the financing of the activities of the political groups to which reference is made in Title 3, items 3705 and 3705 b, bearing in mind the foreseeable changes which will take place in our Assembly with the decisions about to be taken by the French national Parliament.

This is a decision which we believe to be necessary, especially in view not only of these foreseeable changes but also of the spirit in which our Assembly discussed this problem in February last.

These are the reasons why we shall abstain and these are the recommendations that we address to the Bureau.

**President.** — I call Lord O'Hagan.

**Lord O'Hagan.** — I, too, thank the rapporteur for his brief and clear report and for his speech. Could it be made clear that the money given for secretarial expenses is not allocated to all Members of this Parliament on the same basis, and that there are in fact three classes of European Parliamentarian—those who get no money at all, like myself, those like Mr Fabbrini and his colleagues, and the main groups. The position should be made more explicit, in the spirit of thoroughness of the report. We should know precisely how the money is allocated.

**President.** — I call Mr Spénale.

**President**

Perhaps he would give Lord O'Hagan an answer on the expense allocated to the different categories of Members of this Parliament.

**Mr Spénale**, *chairman of the Committee on Budgets*. — (F) Mr President, I should first like to say that I am pleased that it has been possible for this debate to take place today, since the conditions under which your Committee on Budgets and its sub-committee on the budget of Parliament have been obliged to work made it doubtful whether it would be possible for this debate to be held during this part-session. This has only been made possible by the efforts of all concerned and the outstandingly close cooperation between the Bureau and the Committee on Budgets, to which I should like to draw your particular attention.

Secondly, I am also pleased that this debate has been short and to the point, succinct and effective. Budgetary matters are hardly the stuff of which eloquent speeches are made, but we have been gratified to find a certain unanimity on the work done, for which I offer my particular thanks to our rapporteur and the sub-committee on the budget of Parliament which he has led during the last few weeks. The sub-committee deserves special mention for the very meticulous way in which it has fulfilled its task.

There is an increase of 17% as against the previous budget, which does not seem very much when one considers that there are still 250 recruitments currently in hand and that, in 1974, the new salaries and rentals will be payable over the 12 month period, whereas they only affected a few months of the preceding period. It has been said, notably by Mr Beylot, that there is an increase of 90% by comparison with 1972—and this is true. I do not believe that we should find this figure extraordinary.

With the change from four languages to six, the problems of translation—into five languages instead of three—are more than doubled; they are almost trebled. This Parliament feels the effects of having several working languages more than any other institution, since, here, we have to have the proceedings and a record of the proceedings which can be published very quickly in the six current working languages.

All of this is reasonable, therefore, and I should like to stress that our present situation is a transitional one.

This budget does not sanction the recruiting of any new staff, although additional requirements have been expressed; these have yet to be examined and it will be necessary for them to be included in our budget by means of modifica-

tions during the second phase of discussions on the budget.

I would mention in passing that some political groups have submitted applications for improved assistance to their members.

Mr Aigner has pointed out that the new documentation department deserves to be strengthened, since it can provide valuable assistance to parliamentarians, irrespective of whether or not they belong to groups.

The documentation department could build up filing systems from which everything which has been said in this Parliament or published elsewhere on a given problem could be made available without delay to a parliamentarian, on request. There is definite scope here for assistance to be provided direct, without passing through the intermediary of the political groups, and this could lead to a considerable improvement in working conditions for all of us.

Let Lord O'Hagan rest assured that this little digression on the subject of documentation is not intended to be my answer to him. The funds which are allocated to the political groups are designed to cover their work as groups, that is, to enable them to hold debates on the problems on the agenda or to propose initiatives to Parliament, for which purposes it is necessary for them to meet for discussions on agendas and the problems confronting the European Communities, and this gives rise to certain costs which, it cannot be denied, do not arise in the case of independent members.

With one exception, which lies halfway between the recognized organized groups and any groups of independent Members, I do not consider that it is possible for the genuinely independent Members to hold group meetings involving the same costs as those arising out of meetings of organized groups for the simple reason that, if a sufficient number of such Members have enough in common to form a group, they can form it and then receive the same allocations as those granted to the other groups, and if they remain genuinely independent and hold no group meetings of any sort, there would be no justification for allocating to them the sums which are granted regularly for the purposes of covering the groups' working costs.

This said, it seems to me that it would be reasonable to provide a certain amount for independent Members, since the amounts allocated to the political groups are determined by the size of their membership, being calculated on a per capita basis. Due consideration must be given to the fact that individual Members also have to work and travel, sometimes outside

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the periods of our sittings, in order to obtain documentation, or for any other reason, and this is a matter to which we must give thought. There are then the non-attached Members who, although too few in numbers to form a group, are perhaps more united in their thinking than most of our groups; they hold meetings in order to work together and Parliament has recognized their right to certain allocations to meet the needs of their meetings. This is the present state of the situation. Personally, I hold the view that an effort should be made for the non-attached Members.

I shall end on this statement, which it was necessary to make so that the other institutions will not be surprised if, during the course of the budgetary procedure, we submit supplementary proposals covering assistance to the groups, whose requirements are already under consideration, perhaps for the non-attached Members, whose requirements on their present scale represent a new problem, and perhaps also for the documentation department.

I should, however, make it clear that we must examine these requests in the light of two considerations: firstly that of economy, on which several speakers have laid stress, but also that of efficiency. Let us not forget that the 1974 budget is the last available to Parliament in which it is free to provide itself with the means for efficient operation.

From 1975, increases in the budget will be limited by a number of statistical coefficients and it will then be infinitely more difficult to develop our Parliament's means of action, for, let us face the fact, we are going through a phase of radical change.

We must therefore display a strict sense of economy, but, whilst working within the constraints peculiar to this Parliament, of which we are all aware—its nomadic existence, the lack of a headquarters, the twofold terms of reference and all sorts of other difficulties which are peculiar to it—we must also be motivated by a desire to provide this Parliament with the means of operating efficiently in acquitting itself of its mission with honour.

*(Applause)*

**President.** — Does anyone else wish to speak?

The general debate is closed.

The vote on the motion contained in the report by Mr Gerlach will be taken on Thursday, 7 June, and the deadline for tabling amendments to the motion is tomorrow, Wednesday, 6 June, at 12 noon.

**5. Communication by the President on questions in plenary sitting after statements by the Commission or Council**

**President.** — Before I call Mr Scarascia Mugnozza, I should like to make the following statement. Since it was pointed out by various parties at a previous part-session that it is unacceptable for Parliament to be unable to comment on Commission statements, I brought this matter up at the recent meeting of the enlarged Bureau in Rome. We arrived jointly at the following practical solution.

After a Commission statement, the chairman of the parliamentary committee responsible may speak for five minutes. Members of Parliament may then put brief and specific questions in order to clarify certain points in the Commission statement, for a total of not more than fifteen minutes. It is to be understood that this shall not lead to a debate and that the five minutes' speaking time allocated to the chairman of the committee, the short questions by Members of Parliament and the short answers from the Commission must not take up more than twenty minutes. That is the practical solution, which could perhaps develop into an unwritten rule.

Are there any objections?

That is agreed.

**6. Statement by the Commission on the common transport policy**

**President.** — The next item is a statement by Mr Scarascia Mugnozza, on behalf of the Commission of the European Communities on the common transport policy.

I call Mr Scarascia Mugnozza.

**Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities.** — (I) Mr President, honourable Members, in the past the European Parliament has often concerned itself with problems resulting from delays in the common transport policy, as demonstrated by the many debates that have taken place in the Assembly, by the written and oral questions put to the Commission and the Council and by the resolutions voted on this subject.

In the course of my speech to your Assembly on 17 January 1973, I took the opportunity of expressing the Commission's wish to tackle the problem in the light of the needs emerging upon the enlargement of the Community and the events that have characterized the course of European construction over the past few years.

**Scarascia Mugnozza**

In consideration of this, as the person responsible for the transport sector within the Commission, I think it my duty to brief the European Parliament on the latest steps taken by the Commission in pursuance of its efforts to promote more satisfactory development of a common transport policy. These efforts have taken several practical forms: a series of meetings between myself and the transport ministers of most of the Member States, consultations on many occasions with experts and senior national civil servants and a request by the Commission, in agreement with the President-in-Office of the Council, that a Council meeting be convened at the end of June for the basic purpose of discussing the problem of relaunching a common transport policy.

With this Council meeting in mind and to ensure that the manifold aspects of the problem may be better aired, a working document—which will of course be transmitted to the Bureau of the European Parliament and the Committee on Regional Policy and Transport—was forwarded to the Council on 30 May last.

I sincerely hope that these steps will promote greater awareness of the situation and a revival of political will on the part of the Member States, helping the Council to find a remedy for the current difficulties which are arousing the liveliest concern in the Commission and, I am sure, in the European Parliament as well.

Without wishing to underestimate the importance of what progress has already been made—especially when this is weighed in the balance with the obstacles which have had to be overcome—it must be admitted, objectively and frankly, that few of the objectives of the common transport policy have yet been achieved.

If transport is viewed as an industry or a sector of the economy that should share in the economic and social progress postulated by the Treaty like all other sectors, the balance sheet is fairly negative.

Today the transport sector is still characterized by a tendency for the budget deficits of all railways to persist or even increase, by recurring crises and continuous deterioration in the inland waterway situation and by inadequate road transport profitability. This economic situation creates obstacles to the modernization of equipment and plant and holds up both social and technical progress.

In the social field, one example among many will suffice to give some idea of the distance that still lies ahead: in an age and in a society whose essential factors are economic growth and a reduction of working hours, the transport

sector continues to be on the fringes of all forms of progress. In the road sector, it is still legal to work for up to 84 hours per week; in the inland waterways, no less than 91 hours.

From the technical viewpoint, the European network is far from having achieved that degree of consistency and integration which might realistically have been expected as the Common Market was gradually established. The network is still the outcome of diverging national systems which are being very slow to adapt to the new requirements of technological progress. In the field of equipment, too, the low level of profitability of companies, the lack of standardization of vehicles and the continuing differences between national legislations are factors preventing rationalization and modernization of the transport productive apparatus. The difficulties which still hamper the adoption of uniform standards on a Community level with regard to the weights and dimensions of industrial vehicles are among the most evident aspects of this unsatisfactory situation.

Finally, free circulation of multilateral road services—which are certainly one of the most important sectors of land transport—has been achieved only to a very marginal degree. This concerns no more than the Community quota (which, as we stated yesterday, represents less than 3% of infra-Community road traffic). It should be borne in mind that the present bilateral quotas, which account for most of the traffic between Member States, certainly do not reflect the economic ideal or the basic principles of European construction because of their rigid compartmentalization and arbitrary nature.

The fact is that the profound differences between national systems create a formidable obstacle to the achievement of a transport system that is organized and integrated on a European level, one that can help to attain the stated goals of the common transport policy: efficiency, productivity and economy. Leaving aside the flagrant disparities in the taxation of industrial vehicles in Member States, there are still marked divergences in the price of fuel, which may be more than twice the price in some Member States than is charged in others, as is the case between Germany and Denmark.

The overall situation is certainly no more encouraging when viewed in the light of the general objectives laid down for the common transport policy by the Treaty. A system such as that available to the Community today—poorly integrated, ill-suited to the needs of an industrial society, undermined by a permanent state of economic crisis and still rigidly compart-

**Scarascia Mugnozza**

mentalized by national frontiers—is in no position to make a valid contribution towards the attainment of the general goals specified for the Community by the Treaty of Rome.

It could, therefore, be stated that this kind of market could well create obstacles to the implementation of the Common Market by its inability to adapt to progress and to the nature of trade among the Member States and due to the distortions to which the disparities I have mentioned may give rise in the siting of producers or the directions taken by transport routes.

For all these reasons, the Commission is now clarifying the situation in the course of a political dialogue now being conducted with the Council. Furthermore, as I have already had the opportunity of stating in my speech to this Assembly during the plenary sitting of 17 January 1973, other factors of fundamental importance are basic to the process of reconsideration and review of the common transport policy set up by the Commission.

In the first place, the enlargement of the Community and the resulting changes in the scale, structure and nature of the Community transport market have made it necessary to reconsider some of the procedures envisaged for implementation of the common transport policy to allow for the consequence of those changes, although at the same time the principles laid down by the Treaty of Accession are still our guideline. The specific action to be taken in the field of air and sea transport and in the docks must be determined as part of the general actions envisaged. I shall not dwell on these now, for the European Parliament has already debated them fully during discussions of the reports drafted by its Transport Committee on the problems of ports and in the course of the debate on aviation.

Secondly, the Council Resolution of 22 March 1971 and the declared desire of the Heads of State and Government to achieve Economic and Monetary Union and to ensure that Community action responds more closely to the human needs of the peoples who make up that Community should be an inducement to us to go more deeply into the stated objectives of the common transport policy while at the same time broadening their scope. One of the problems facing us in this context is how to insert this common policy more rationally into an overall Community policy, with special emphasis on protection of the environment and regional planning and development.

This concept is furthered by action whose aim is to reduce the social cost to the Community

of concentration in the more highly developed industrial areas, both the more specific type of action and action to promote more effective coordination of transport investment which in turn will help to achieve more balanced development of regional economies. Nor do I believe we are entitled to ignore the need to encourage substantial improvements in road safety, taking a more immediate view of the common transport policy, one that demonstrates greater concern for the human aspects. Our consciences are stirred by the 60 000 who are killed and the 1 650 000 who are injured on Community roads every year and we cannot disclaim this obligation! The same need arises on the subject of the carriage of dangerous goods.

Mr President, honourable Members, at this point of my speech I think that two comments are called for, to dispel any doubt or misunderstanding as to the Commission's action.

First of all, I should emphasize that it is the Commission's belief that the new dimension it is to confer upon the common transport policy by no means implies any rejection of what has been accomplished up to now. The effectiveness and productivity of the system which have hitherto marked such Community action, as has been accomplished, will undoubtedly help to achieve the other goals of a social and economic nature assigned to the common transport policy. Future action must, therefore, be an extension of action already taken in the past.

This cannot and of course must not prevent a review of the recommendations submitted by the Commission, which are still in the hands of the Council, so that their content may be revised in the light of the needs of the enlarged Community or any changes that may have taken place in the meanwhile. The Commission intends to embark upon this review in a spirit of realism, its concern being to restrict Community regulations to the basic aspects of the problems that appear to be relevant to the building of Europe and to the attainment of the stated goals. If a degree of harmonization proves to be necessary to promote the liberalization and integration of transport, the Commission will not fail to do so although it will not consider this harmonization to be an end in itself. The Commission will defend the implementation only of what is strictly necessary for practical purposes.

This review should lead to a clear statement of the priorities that must be adopted to ensure progress and balance in Community action while at the same time identifying those proposals that should be amended to allow for new requirements or to overcome the difficulties that have hampered their adoption up to this time.



**Scarascia Mugnozza**

Finally, to provide an overall idea of the action to be undertaken, the Commission intends to state the new sectors which it is to investigate in greater depth before determining the specific measures to be submitted to the Council.

Mr President, honourable Members, I believe that in this necessarily summary statement I have furnished the European Parliament with the necessary information on the foreseeable developments in the action that the Commission intends to take in order to promote the relaunching of the common transport policy. More detailed consideration of the questions that my words will undoubtedly raise can certainly take place on your Committee on Regional Policy and Transport.

May I, nonetheless, express here and now my confidence, indeed my conviction, that the Commission of the European Communities will be able, as in the past, to count on the understanding and cooperation of European Parliament in the pursuit of its activities and in the achievement of more satisfactory progress in implementing a common transport policy.

Before ending, may I, Mr President, add that the document of which I gave notice in January was approved by the Commission on 30 May. It was the Commission's desire that this document should be not so much a Council communication but rather a working document. It contains thoughts on a wide field that may become the subject of work either for the experts or for the European Parliament's Committee on Regional Policy and Transport.

It is at all events a rational document which sets out a programme and certain priorities. We believe, however, that two more documents should be added in the next few days, documents that we consider to be essential. One of them must be of a historical nature. Too often reference is made to decisions reached in 1965, 1967 or 1971, as if these decisions had solved all the problems of the common transport policy.

In fact, these decisions were followed by Commission proposals: some have already been approved and these I have mentioned; others have not yet been approved by the Council of Ministers. We should like to look into the reasons why they have not been approved and the reasons for the delays, and then submit the political assessments resulting therefrom to the attention of Parliament. We believe that only by very thorough examination of the texts can we establish which of these should be amended and which of them are out of date.

In addition to this second document there will be another more political document which will clearly specify the priorities in the programme

that we believe must be implemented if we are to have a common transport policy.

Mr President, I conclude by affirming that this Commission, like all Commissions, is ensuring the continuity of the work done by its predecessors. Nonetheless, we must take a realistic look at what has happened, and one very important event has in fact occurred, the enlargement of the Community, which has brought new problems in its wake. But we must not forget that there is another important fact: that the transport policy had little prospect of success even in Europe of the Six. The Commission is working hard to ensure continuity of effort; the reason why today, only five months after its establishment, we have not been in a position to present a more detailed and a far broader programme is that not only have there been the difficulties inherent in the subject but also there have been substantial changes in the directorate general of transport itself. Only a month ago, the whole work team was in fact changed.

On this subject I should like—as I did in the Commission the other day—to express my heartfelt thanks to those who have worked in the directorate general of transport in the past and who, despite the knowledge that they were to leave, made it possible to prepare this document, and to the newcomers who devoted themselves wholeheartedly to their work even before they officially took up their posts so that today we are in a position to clarify our ideas.

I am convinced that over the next few months, working closely with the Committee on Regional Policy and Transport and then in plenary session with the European Parliament—while the groups of experts proceed with their work in the meantime—we shall be able to clarify our ideas even further so that we can count on a very definite programme by the end of the year, stating specific priorities which will demonstrate the Community's political will to proceed with this vital policy. Mr President, today for the first time we are starting a new procedure *in corpore vivi*, and I am at your disposal and at the disposal of those members wishing to ask questions.

(Applause)

**President.** — Thank you, Mr Scarascia Mugnozza. I call Mr James Hill to speak on Mr Scarascia Mugnozza's statement.

I would remind him that his speaking time is limited to five minutes.

**Mr James Hill, chairman of the Committee on Regional Policy and Transport.** — On behalf of

**Mr James Hill**

my committee, I should like to thank you for your decision, Mr President, in the Bureau. This is I think a very democratic and worthwhile procedure which is now being introduced, and I think that we will all benefit from it.

I was very interested in the statement by Mr Scarascia Mugnozza, which contains many of my own thoughts and those of my committee. He particularly pointed to the multilateral and free circulation of road transport—one of the most important aspects of transport by land—which has so far had only a very marginal effect. The lorry programme quotas which we discussed yesterday represent only 3 per cent of road transport between Member States. This percentage may be a little higher for some of the new Member States that have not had the facility of being in the Market since the late 1950s. But these bilateral agreements are far too limited. It is not possible to work with some of the Member States, which have almost a throttling effect on the transport systems of others.

I shall very much welcome the day when the Commission eventually takes over the full quota system, since, unless these bilateral agreements are seen to be fair and not just useful protectionism, they will be too limited and will distort the common transport policy. Once distortions creep in, how can we form a common transport policy which will be fair to all of us?

I read in some of the remarks of Mr Scarascia Mugnozza the implication that he is subject to pressure within the Commission, because obviously a common transport policy must be a forerunner of economic and monetary union. It is obvious to all of us here that unless we get a common transport policy that is fair to all, we will never be able to achieve what is the goal of the European Parliament.

I welcome the news that the documents are in Luxembourg. I believe that they are in all languages, except Danish again; but I hope that the Danish translators will catch up.

I should like to go into one very pointed question. I hope that this time the Committee on Regional Policy and Transport will have sufficient time to digest these documents and then sufficient time for debate, followed perhaps in the late autumn by a long session in Parliament, because this is one of the most important aspects of economic and monetary union. There must be adequate time for debate. With that time, we can give these matters the sort of consideration that we should like in my committee.

We came to a harmonious agreement yesterday on lorry quotas. I am sure that we shall come

to an agreement on axle weights and all-up weights. I take this opportunity to disown a statement in *The Times* yesterday, written without my permission. I should like to think that I shall leave this important matter to the Council of Ministers and that we shall discuss it from a European point of view in committee. I feel that the Commission will do everything it can to take into account the problems of the new Member States with regard to bridges that will not take additional loads, and motorways that are not yet built, and also the fact that some Member States are lagging behind others in providing facilities for the heavy goods transport systems that we shall want if we are to achieve this common transport policy throughout the Community.

I want to ask two very quick questions on this point. The Committee on Regional Policy and Transport will be interested to know what progress the Commission has made in discussions with national governments on axle weights and loads and heavy lorries. Does the document now in Luxembourg include proposals on this subject? I am not saying this in an arbitrary manner, but I feel that it may be of interest—certainly to new Member States—to know with what conditions they will have to cope when trying to get their national governments to agree to what could possibly be a bone of contention.

With those few thoughts, Mr President, and realizing that my five minutes is about up, I thank you for this opportunity to speak, and I thank Mr Scarascia Mugnozza for his excellent statement.

**President.** — I call Mr Scarascia Mugnozza to answer the two concrete questions which Mr James Hill asked him at the end of his speech.

**Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities.** — (F) Mr President, could I speak at the end?

**President.** — Mr Scarascia Mugnozza, the chairman of the Committee on Regional Policy and Transport asked you two concrete questions. I must ask you to answer them, if at all possible, before I call the next questioner, so that the debate may proceed in an orderly manner.

**Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities.** — (I) Mr President, I should like to thank Mr James Hill for what he has said and to confirm that the Commission is available to proceed with the work together.

**Scarascia Mugnozza**

On the specific question raised, in other words what the Commission has done in discussing weights, dimensions, etc., I must say that at the present time the Commission did not consider that it should reach decisions or attempt compromises.

It is nevertheless trying to facilitate the many contacts now taking place, which should reach their conclusion in the Council of Ministers.

**President.** — I call Mr Seefeld.

**Mr Seefeld.** — (D) At first hearing, Mr Scarascia Mugnozza's ideas give hope. They must of course be examined for their basic content. This will certainly be done in the next few weeks.

I should like to ask two practical questions: First question: how does Mr Scarascia Mugnozza see cooperation with the Council in the future? Have the intended measures described been to some extent concerted in advance with national governments, or is there a danger that the Commission has developed ideas but that there is little prospect of the Council implementing them?

And my second question: is Mr Scarascia Mugnozza aware of reactions in certain countries, for example following the notifications about stepping up the incorporation of sea port or air traffic policy in the European transport policy, and how does he think progress can be made when new intentions such as these are deliberately blocked right from the start?

**President.** — I call Mr Scarascia Mugnozza.

**Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities.** — (I) Mr President, I think it should constantly be borne in mind that the Commission is independent in its work and is subjected to no pressure or influence on the part of Member States.

Having said this, it is clear that the Commission is not out of touch with reality and that, in consequence, the contacts that I myself have had with Ministers, experts and senior officials have served to reach specific clarification, the responsibility and independence of each remaining intact.

We are, therefore, striving to be as realistic as possible, but this does not mean that we are relinquishing our role.

With regard to the question of ports and airports, we have already forwarded a memorandum on the subject setting out the reactions of senior officials, but not yet of the Council

of Ministers. I personally believe that it is not feasible to hope that a common transport policy can be implemented in 1973 in view of the fact that some of the new Member States have to rely on sea transport for their links.

Having said this, I must add that I have by no means asked the Council of Ministers for *carte blanche*, on the basis of Article 84 (2). I merely told the senior officials that I wished to submit to them a series of specific actions in all those sectors in which the possibility of a common policy might be considered.

This is the way in which we shall be discussing the plan for ports, air transport and sea transport. We shall then submit the results of our discussions to the experts to see if it is possible to proceed in certain sectors: if so, we shall advance concrete proposals.

**President.** — I would ask all speakers to keep their questions brief and concise, so that we shall not exceed the twenty minutes which we are allowed.

I call Mr Mursch.

**Mr Mursch.** — (D) In his noteworthy statement, Mr Scarascia Mugnozza spoke briefly of the question of maritime shipping, meaning the inclusion of maritime shipping within the powers of the Community; I believe indeed that the problems of maritime shipping are of the very greatest importance for the whole transport policy because it is in this sector of transport that we have extensive distortion of competition and flag discrimination.

A very fundamental question arises here: has the Commission already an idea on whether the incorporation of maritime shipping should apply only to the area of the Community itself, in other words mainly shipping in the Baltic and the North Sea, or is the Commission contemplating or has it taken a basic decision on applying maritime shipping questions to third countries as well, in other words including matters of maritime shipping in the trade agreements concluded by the Community?

**President.** — I call Mr Scarascia Mugnozza.

**Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities.** — (I) Mr President, I confirm that all these questions are under discussion. It is obvious that our main concern must be intra-Community transport, but this does not mean that we should not take into account Europe's links with the rest of the world.

**President**

**President.** — I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — I regret that I found part of the report a little disappointing. There has perhaps been some lack of progress over the last 10 years. Can the Commissioner explain more clearly what has gone wrong? If I understood him correctly, there is now no question of further progress being made in the coordination or harmonization of policies towards heavy lorries and so on. However, I understand that he is to initiate many studies one of which will be concerned with the harmonization of taxation on things such as petrol. When does he expect to make concrete proposals on this matter? While I welcome the work of the Commissioner and his directors and congratulate them on their thoroughness, I must point out that we have not yet seen concrete results from all these studies and all this work. How soon shall we see such results?

**President.** — I call Mr Scarascia Mugnozza.

**Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities.** — (I) Mr President, I believe I have made the situation fairly clear: in the past we have had major difficulties which we now hope to be able to overcome. This is the reason why I announced a 'historical document'. This will be a clear statement of the decisions reached in 1965, 1967 and 1971, of the Commission's subsequent proposals, of the proposals approved by the Council of Ministers and those that were not approved with the reasons for non-approval. On the basis of this study and the economic studies, I believe that we shall be able to understand why we have come to a halt and to see the course along which we should be moving. A few more months are needed to clarify our ideas, but I would rather spend a few months on these studies and then start work than make proposals which might later be rejected.

**President.** — I call Mr Guldberg.

**Mr Guldberg.** — (DK) In connection with Mr James Hill's questions about axle weights and the establishment of quotas for road transport I would like to ask Mr Scarascia Mugnozza if in its future work the Commission will regard questions of harmonization of axle weights and taxation not only as a matter of achieving harmonization in road transport but also of achieving the right balance between road and rail traffic

**President.** — I call Mr Scarascia Mugnozza.

**Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities.** — (I) I thought I had already replied to this question. Nevertheless, the question is no longer in the hands of the Commission but is being discussed by the Council. I should remind you that as long ago as December there was an agreement among the Six but that no further progress could be made at the time of consultation with the three new Member States. For the time being the Commission does not believe it should take steps on the subject or change its views; it is awaiting further developments. We know that there are understandings or exchanges of views among the Member States; if it is appropriate, the Commission will intervene and submit a draft agreement at the opportune moment.

**President.** — I call Mr Kollwelter.

**Mr Kollwelter.** — (D) Mr President, thank you for calling me. I have no question to ask, but I wish to make a comment. I am pleased to hear from Mr Scarascia Mugnozza that the Commission is making an examination of all the various proposals that it has submitted and is then establishing priorities. I welcome that.

**President.** — We shall note Mr Kollwelter's statement.

This item is closed.

## IN THE CHAIR: MR CORONA

### *Vice-President*

#### *7. Improvement of traffic infrastructures across the Alps*

**President.** — The next item is a debate on the report drawn up by Mr Noè on behalf of the Committee on Regional Policy and Transport on the improvement of traffic infrastructures across the Alps (Doc. 85/73).

I call Mr Noè to present his report.

**Mr Noè, rapporteur.** — (I) Mr President, honourable Members, in the past, before Parliament's Committee on Transport bore any reference to regional policy in its title, its main objectives were two-fold: to harmonize the standards of Member States and to study infrastructure. From a political point of view, there is no doubt that the infrastructure study is more incisive, in other words of greater concern to the peoples whom we represent here.

Noè

In this connection, we should mention the comprehensive and important report by Mr Seifritz, Mr Seefeld's report on ports and the other report that Mr Seefeld is drafting on high speed trains, the air cushion type or magnetic suspension trains which can be considered as significant for the purpose of infrastructure. There can be no doubt as to the importance of progress in this field for the infrastructures and transport in our States.

The report which I have the honour of submitting to the Assembly today also deals with the harmonization of the choice of tunnels through the Alps. I know that there are many other problems of this kind still unsolved, but I venture to say that these are smaller in scale. I refer to the problems of the Channel crossing, the links between Denmark and Sweden, the bridge between Germany and Denmark. Although these are important problems, they are each related to a specific geographical position and I believe that many solutions are feasible from the structural point of view.

In the Alps, on the other hand, we have an arc stretching for a distance of about 1 100 kilometres, which man has in the past crossed in what I might call a haphazard way, choosing routes that solved specific problems of linking certain towns on different sides of the Alps. No overall study has ever been made, and this is what we are requesting from the Commission and Vice-President Scarascia Mugnozza. Although we have started to take a look at the problem as a parliamentary committee and have outlined the main aspects of that problem, we do not have the means to go on to the operational phase.

With this in mind, I shall attempt to depict the main features of the problem.

First of all, consideration should be given to all the facilities that can be used for communications: in other words, rail, road and pipelines. Unfortunately, for technical reasons we were unable to expand on the problem of pipelines, which we have tried to illustrate more clearly by a sketch map attached to the report. There is no doubt that anything carried by pipeline will help to relieve road and rail traffic. The problem of transportation through the Alps is also pertinent in a certain sense, but for the sake of brevity we have not dwelt on this subject, especially as only very limited changes can be made to this specific traffic.

On the other hand, we have devoted more attention to road and rail. First of all it should be stated that there are two objectives which should be borne in mind in view of the decisions to be reached. The first is that the fastest pos-

sible links should be provided from East to West and from North to South. With this requirement in mind, full consideration should be given to the problem of a regional policy for the Alpine area: in other words, the solution to the question of Alpine crossings should also, to the extent possible, fulfil the task of fostering economic and social development in those areas of the Alps at which they have their starting points.

Furthermore, we should make a very clear distinction between rail tunnels and road tunnels. The confusion created on this subject in the press and elsewhere is of no assistance. Rail tunnels have strategic functions, while road tunnels link two valleys and cannot pass through the whole Alpine massif in a single stretch, so that their area of influence is more limited. The new rail tunnels will be very different from the tunnels designed in the middle of last century. All the rail tunnels now in existence were built and in service before 1913. Since that time, man has rested on his laurels, content with what was there. It is logical that the problem should be tackled differently today. At that time, all the tunnels were built at 1000 metres above sea level; today the tunnels will be built at about 500 metres, to shorten the distance travelled over gradients and to make it possible for trains to travel right through from Scandinavia to Sicily on the flat virtually all the way.

This is one of the greatest differences. Naturally, it will be a very expensive matter, giving rise to the difficulty of, and the need for, political involvement. One or two tunnels of this type may be built between now and the year 2000. It is unlikely that more will be constructed because it takes at least ten years and there are substantial problems due to their length, the formidable distance of 45 kilometres. They will have to be cut from both ends and shafts a few thousand metres deep will have to be sunk to provide access at intermediate points for tunnelling. Various new problems will also arise purely because such long tunnels have never been built before.

In addition, the cost of these structures is spiralling. Up to three years ago, it appears that Switzerland was planning to build two tunnels by the year 2000, with the assistance of other countries, to cope with the enormous increase in car traffic brought about by the inadequacy of railways. Switzerland was concerned with the invasion of her territory by lorries and cars.

In conversations with a professor specializing in transport at Zurich, I found out that the rising cost of these works (taking the St. Gotthard road tunnel as a reference parameter) is such as to

Noè

make it difficult to complete two tunnels before the year 2000. Switzerland, moreover, is the country which has devoted greatest attention to this problem, with a working project covering no less than five solutions as possible Alpine crossings.

The Splügen tunnel is a European tunnel which will help to shorten the links between Southern Germany and the Po Valley by 100 kilometres. I wished to give this brief description of the problems relating to rail tunnels to make the distinction between them and road tunnels. Road tunnels also have important functions and they are more markedly regional in nature as they link one valley to another and provide further impetus for local expansion and development. The St. Gotthard road tunnel, for instance, is to be built below an existing tunnel and will therefore enrich the Ticino Canton, while the whole of Valtellina and Lake Como will continue to be a depressed area which is cut off from the rest of Europe in winter months.

On the other hand, a railway line between Chiavenna and Thusis in the Grisons Canton would bring prosperity both to Eastern Switzerland to the upper part of Lombardy.

The reference to the Eastern cantons of Switzerland is not casual, for their authorities are making the best progress they can, but unless there is intervention on the part of our states they cannot stand up to the power of Zurich or Basle despite all their efforts. During an electoral campaign I recently visited St. Gall, where I attended one of these meetings between canton representatives; they showed signs of great enthusiasm, but they are alone against far greater forces. I would therefore urge the Commission to review the subject and to bear all these factors in mind when reaching any decision.

In the recent meeting of the Committee on Regional Policy and Transport in Rome, one of my Danish colleagues (and he was enthusiastically supported by everyone) proposed that the resolution upon which we shall be voting should emphasize the priority of rail links over road links. The question is very important, especially in view of the confusion which I mentioned earlier: greater attention should be devoted to the problem of rail tunnels.

The report also contains a short paragraph on high speed trains. We shall certainly be coming back to this subject, but we must realize here and now that when a network of high speed trains is set up in Europe (even though this may not be in the very near future), there will be a major problem of Alpine crossings and unless this is solved my country will be in a position of

inferiority. This implies that we should be considering the problem carefully now, especially as it is unlikely that a tunnel of this type, 45 kilometres long with all the expense that it would entail, could be built solely for high speed trains. This is why we should examine the possibility of building tunnels that can also be used by ordinary or slightly faster trains which all the railways are now tending to adopt. We have already acquired the techniques that enable us to plan for tunnels which can also be used by high speed trains. The Swiss Confederation asked the Zurich Polytechnic to study the problem more than a year ago. High speed trains can clearly not exceed a speed of 300 to 340 kilometres an hour in tunnels, but it must be possible for them to travel through tunnels at a speed of at least 200 kilometres per hour using the same track as normal trains. This is undoubtedly a problem of the future, but we would do well to start thinking about it now.

On the question of whether air transport might be affected by these rail structures, I would say that even if the new trains are introduced, the travelling time between Milan and Zurich, now four hours, would be reduced to three hours at best. Obviously the airlines would not suffer, even though a reduction might be desirable from the point of view of ecology and the nuisance they cause in large towns. It will in fact be possible to cut down air traffic only when there is a comprehensive and excellent rail network in Europe with very high speed trains. This prospect, however, will be achieved only in the very distant future and does not really concern the problem which I have wished to submit to the Assembly today. My sole purpose is to urge the Commission warmly to bring together all the projects that have already been drawn up, impose a degree of uniformity upon them, evaluate the cost estimates and then submit the findings resulting from this processing work to Parliament (it is by no means an easy task, but neither is it a superhuman one). In this way, we shall have the quantitative data we need so that we can declare ourselves in favour of a solution which, if only over the long term, will be of use to the peoples whom we represent here.

(Applause)

**President.** — I call Mr Mitterdorfer, draftsman of the opinion of the Committee on Economic and Monetary Affairs.

**Mr Mitterdorfer.** — (D) Mr President, I should like to congratulate Mr Noè on his comprehensive report, the technical parts of which are outstanding. I should also like to thank him for including in the introduction which we have heard a particular reference to the regional policy as-

**Mitterdorfer**

pects of the problem, on which the Committee on Economic and Monetary Affairs was asked for an opinion. I should like to make a few remarks on this subject.

I wish to stress that for the Committee on Economic and Monetary Affairs the emphasis lay on the integration policy aspects of traffic across the Alps. The committee was of the opinion that the Alpine region could not be considered merely as an obstacle to the connections, certainly of great importance for the Community, between various Member States and their industries, but also had to be considered as a region with its own characteristic human and economic features. We should not overlook the fact that the people of these regions found in the past an important source of income in the transport monopoly across the Alps. As a consequence, regions of great independence, of great autonomy, have grown up there. I need not remind Members that from Savoy through Switzerland, across the Tyrol and even further in the Alpine region politically important consequences have also resulted from this. The Committee on Economic and Monetary Affairs accordingly wished to ensure that this region should also be included in considerations concerned solely with transport techniques, in the sense that the economic development of the region itself should be considered at the same time as the routes crossing it.

I am pleased that the rapporteur included these considerations at least to some extent in his motion for a resolution. One aspect of this subject is the need to give adequate attention to the East-West links as well as the North-South lines of communication in the west. Mr Noè has just referred to this in his introduction. There are of course other difficulties. These arise from the fact that the routes do not fall exclusively in Community territory, but also affect two neutral states with which the Community has special relations. Taking an overall view of the whole problem, it will be necessary to establish contacts with these countries in order to arrive at a coordinated policy if at all possible.

Mr President, I can be very brief. I am pleased that some parts of the proposals made by the Committee on Economic and Monetary Affairs have been accepted. I regret that the question of East-West links in particular has not been taken up. I should like to ask the Commission to take into account the views expressed by the Committee on Economic and Monetary Affairs, which also extend into the area of regional structural policy, in its future formulation of this policy as far as traffic across the Alps is concerned.

(Applause)

**President.** — I call Mr Seefeld on behalf of the Socialist Group.

**Mr Seefeld.** — (D) Mr President, ladies and gentlemen, I too shall be very brief. I merely want to add a few short comments to what Mr Noè has very gratifyingly said here. First of all I would point out that this report is an activity that originated from Parliament itself. It is a task that was taken on by the former Transport Committee of our Parliament and it has now been completed after more than a year's work and, I believe, extensive consultations. I want not only to speak the usual words of thanks, but also to refer Members to the second part—which is not normally done with motions for resolutions. In the explanatory statement provided by Mr Noè, I find that all the problems involved are set out extremely clearly, if very technically. I think that this is of great importance not only for our work but also for the Commission's work. Everything that is brought up in this summary is in my view so important that we shall undoubtedly have to refer back to it from time to time.

And now I wish to underline a few special facts for you, Mr President, and my honourable colleagues. In our European Community, as you all know, efforts are being made to transfer excessive industrial concentration north of the Alps to regions of structural unemployment south of the Alps. This is a general view that is encountered here and there. All those concerned with this frequently maintain that one of the greatest obstacles is the Alps and indeed the Alps are an obstacle to many of us not only in connection with structural matters but also for holiday traffic. We are all aware of the periodic road and rail congestion and certain customs difficulties which further restrict the capacity of routes crossing the Alps. It seems to me that this report brings up the points that we have to tackle in the months and years ahead: How can we ensure that traffic in this region of our Community is improved and not further hampered by the natural obstacles.

This brings me to another point that I should like to mention briefly. Mr President, I do not believe that the problems can be solved by the Alpine countries alone. This is also true of Switzerland in the implementation of the Splügen project mentioned by Mr Noè. Since the border crossings and approach roads are also of importance in all these passes and routes, it is, and this is a point I wish to emphasize most strongly, a European task and this European task should call for close political and technical cooperation. This is also mentioned in the report and I wish to emphasize it.

**Seefeld**

Finally another comment: one of the most important Alpine crossings is undoubtedly the Brenner. Goods traffic has increased there by more than a half in the last fifteen years and a further increase is to be expected in the next few years as this route is also being used more and more as a north-south link, for example between Munich and Rome. There are now plans to design the railway in the form of a modern line with flat gradients so that, following the construction of the Brenner and Inn valley motorway, a similar solution will be found for rail traffic. The layout of the line should also allow greater speeds. I think we should mention how important we consider this project to be, because every year in the summer months there are at times impossible situations on the Brenner which many of our European citizens find very annoying.

The last point I wish to make concerns what we call modern transport techniques of the future. Mr Noè has mentioned this at various times here. I am assuming first of all that the road-rail system in the Alps will not easily be replaced in the next few years—perhaps I should say decades—and that of course there will be enormous difficulties in the way of the new techniques here. But it is important—and this is emphasized in our motion for a resolution—to give great attention to how, in considering the question of better traffic facilities in Europe, we are to incorporate modern transport techniques and not leave the Alpine region out. Since I was approached, I wanted to add this. I think we must tackle this question another day, somewhere else, in another report.

We heard Mr Noè say early on that it is not only a matter of the Alpine crossings when we in Europe think about how we can improve the traffic infrastructure; he mentioned some other points in that connection. I did not want to let this debate go by without at least mentioning that a few days ago Denmark took what I believe to be an excellent decision. The Folketing found a solution for the Great Belt. I have the impression that in this way we could make progress with another problem that is only indirectly connected with our report.

Mr President, ladies and gentlemen, this report contains a motion for a resolution. It attributes many tasks to the Commission. Special subjects are brought up and of course with all the good intentions that are expressed it is necessary to prepare lists of priorities and to clarify the financing questions, for unless these points are settled it will be impossible to make progress in the years ahead. There is no doubt that the question of financing is bound to set certain limits to our intentions.

On behalf of my political colleagues I should like to express our grateful thanks to Mr Noè for his work; we believe that an important task has been tackled with this report and I should like to add that we expect the Commission to make a very early start on the tasks assigned it in the motion for a resolution so that at a later date we can perhaps have a first interim report here in Parliament.

Our thanks are due to Mr Noè. I can say that the Socialist Group is prepared to approve his report.

**President.** — I call Mr Premoli.

**Mr Premoli.** — (I), Mr President, I have listened to the detailed report by friend Noè with the utmost interest and I recognize that he is thoroughly familiar with his subject. Nonetheless, I should like to ask him a question, especially in view of my lack of familiarity with the specific subject. He said that it is by now accepted that rail tunnels have priority over road tunnels, emphasizing that rail tunnels have far broader strategic functions than do road tunnels whose functions are mainly regional and at all events more limited.

To tell the truth, perhaps my lack of specific knowledge of this field has misled me but I do not feel so certain of the dogma that the strategic tasks of railways are so much more important than those of the road tunnels. I should like to have a little clarification of this point, and am ready to admit that I lack information.

I would merely like to add that this matter implicitly seems to be returning to the old question of the policy of road traffic versus rail traffic, each of which has had its ups and downs. It seems to me today that the data mainly favour road traffic, despite certain problems of traffic jams. In other words, I should like to hear further details from Mr Noè on the cost of these works which do affect the decision for one system rather than another, on market research conducted to find out how traffic moves and how the streams of traffic weave between one country and another. I should like, in short, to know what are the true priorities in the light of these data, especially because, as we have been reminded, the structures are extremely costly and can only be built with the support of the Community as a whole.

The problem is relevant not merely technically but above all politically, for this system of communications will create a true European Community. The emphasis should be placed on planning which will enable us to avoid the mistakes of the past.



**Premoli**

As an example of error and lack of foresight, I could cite what has happened in my own country. Twenty years ago when two transatlantic liners were built, the Raffaello and the Michelangelo, nobody realized that sea travel would fall off dramatically in a matter of a few years. As a result, today there is talk of laying up these two transatlantic ships which cost the Italian community quite a few tens of thousand of millions. Another instance of how traffic can be changed is provided by the Florence - Rome section of the motorway which had a drastic effect on rail traffic. The director general of the railways told me that the Rome - Florence section alone has taken 500 passengers a day from the railway.

I believe, therefore, that it is of vital importance that the available data be examined before accepting these priorities which we are told are generally accepted.

**President.** — I call Mr Normanton.

**Mr Normanton.** — Mr President, as I said to you, I am not speaking on behalf of my Conservative colleagues, but I can assure the House that one or two of the views that I want to present clearly reflect the thinking of my colleagues on this important subject.

First, we would wish to express our grateful thanks to Mr Noè for the report that he has prepared with such great effort and in such great detail. Second, we should like to thank him for the manner in which he presented it. Third, and perhaps most important, may I strongly recommend that Parliament look carefully and long at the inferences that we should draw from the report and from the way in which it was presented.

The real importance of this report clearly arises not from the technical details or the illustrations, which, of course, in general and in particular, relate to the alpine mountain regions, but from the way in which the report and its presentation highlight the significance of communications of all kinds as the key to solving the regional problems which affect not just the alpine regions but the whole of Europe.

I was therefore conscious of the way in which Mr Noè pointed out that the Alps, and mountains generally, are not the only barriers to opening up parts of Europe. He and other speakers in this debate have referred to rivers. I would refer strongly to the significance of man-made barriers, political frontiers, which are still exercising a distorting influence upon communication patterns and their development in Europe.

Of course, the existence of the sea as a barrier should not be overlooked. Nor did Mr Noè overlook the sea, if I have correctly interpreted his remark about the Channel. I hope that the Commissioner, in replying to the debate will comment upon references to the Channel and recognize construction projects in this area as being as important to Europe as a whole as the opening up of road and rail links in the alpine regions.

The Community as a whole, and very soon this Parliament, will be embarking on two new major areas of policy study and formulation—regional policy and industrial policy. On both those subjects, the volume of information, the number of comments and reports, are increasing daily. I should like to press on this Parliament, on the Commission and on the whole Community the importance, when formulating policies covering the problems of the regions and of the industrial side of Europe, of concentrating on infrastructure, especially transport infrastructure, as the key to the solution of the these two important policy-making areas.

I hope that, in doing this, we shall avoid getting into the detail of local problems, and that in presenting and formulating these policies, the Commission will think big and think broad. The concentration on the detail of the application of this policy should, and I hope will, be left to those in the regions to implement, in conformity with the major Community-wide policy.

With that observation, I strongly commend Mr Noè's report to Parliament, and I am confident that it will be gratefully accepted.

**President.** — I call Mr Lange.

**Mr Lange.** — (D) Mr President, please forgive me for asking to speak again, but there is a passage in the motion for a resolution by the Committee on Regional Policy and Transport that cannot be allowed to pass without being interpreted.

It states in paragraph 3: 'notes also that although it is the Community's aim... to transfer industries from zones of excessive concentration north of the Alps to regions suffering from structural unemployment...' This passage is completely unacceptable as it stands. The committee can surely only have meant that new jobs and new opportunities should be created in regions suffering from structural unemployment. Surely it could not have meant that jobs should be abolished in regions where there is a corresponding industrial concentration and then transferred to the south.

**Lange**

What is the expression 'excessive concentration' intended to mean in this context? Who decides where there is excessive concentration of what? It is just the same as with excessive capacity which in the course of time proves to be inadequate.

I am of the opinion that we must have an interpretation here that can mean nothing more than the creation of new jobs where there is structural unemployment, in other words where there is an available supply of labour that cannot be used. New jobs must be created there, but other regions may not be adversely affected as a result. That is how this wording should be interpreted. If Mr Noè can confirm my opinion, then we can leave things as they are as no error will be possible in the future. Thank you, Mr President.

**President.** — I call Mr Eisma.

**Mr Eisma.** — (NL) Mr President, I too should like to compliment Mr Noè on this report and to express my pleasure at his having adopted paragraph 9 of the draft resolution on my insistence during the last meeting of the committee in Rome. As Mr Premoli has in fact spoken about this I should briefly like to mention the reasons behind it.

To give preference to rail transport has the advantage that the space taken up by railways compared with the space required for motorways will be appreciably less. The effects of railways upon the landscape, too, are less than those of motorways as space is less fragmented. As a third point I should like to mention—particularly since this is not dealt with so explicitly in the report—that rail transport also has advantages over road transport as it gives rise to a lesser extent to air pollution and noise nuisance.

I just wanted to mention these reasons in connection with the fact that Mr Premoli drew attention to this. Thank you once again to Mr Noè for being so ready to adopt this point in this form.

**President.** — I call Mr Fabbrini.

**Mr Fabbrini.** — (I) Mr President, fellow Members, I have listened to Mr Noè's report with great attention and great interest; we appreciate both its content and the wealth of comment contained in the written part. I declare that we shall vote in favour of the motion for a resolution.

Above all, we support the two considerations concerning the principle that priority should be given to rail rather than road traffic, for we believe that this is the proper direction to take if we are to tackle the problems that are becoming increasingly urgent within the Community and in the transport policy.

We also appreciate the other factor which Mr Noè has mentioned, a factor which I discussed in committee: future prospects. In other words we should be concerned with producing forward-looking plans that will allow for the rapid progress which will take place in rail traffic. There is already talk of trains travelling at enormous speeds, and unless we pay due attention to the passes, to the need for tunnels through the mountains—even if speed has to be reduced in those sections—we shall find ourselves ten years from now in the same situation as today, with a transport infrastructure which is completely inadequate to meet our requirements.

With regard to paragraph 3 of the resolution, upon which Mr Lange has made a critical comment—if we agree with the assumption that it is the Community's objective to shift industry from the zones of excessive concentration downwards south of the Alps, an objective that would appear to be exaggerated (and as far as I know no such objective has ever been clearly expressed in the Community); if, as I was saying, there is really a need for such a transfer—the problem exists and is one of the problems that we shall have to work on and approve as a Parliament in the context of the regional policy which the Community needs if we wish the imbalances to disappear.

In this sense, the problem undoubtedly does exist and I believe that the whole subject dealt with in Mr Noè's report should be viewed and discussed from the point of view of the need for economic and social balance in the Community territory to which reference is made in paragraph 3 of the motion.

These are the basic reasons why we shall be voting in favour of the report submitted by Mr Noè.

**President.** — I call Mr James Hill, chairman of the Committee on Regional Policy and Transport.

**Mr James Hill.** — I rise as chairman of the Committee on Regional Policy and Transport. I thank my honourable colleague, Mr. Noè, for his comprehensive and balanced report, to which, as usual, he has devoted much time and energy. It is a piece of work of which both he and the committee can be proud.

**Mr James Hill**

This report covers both regional policy and transport, thus dealing with both fields of the committee's functions. Items 2, 3 and 4 of the motion set out clearly the relationship between traffic infrastructures across the Alps and structural policy.

My committee had the benefit of an opinion from the Committee on Economic and Monetary Affairs, drafted by Mr Mitterdorfer, which drew our attention particularly to the need for better traffic routes across the Alps, in order to encourage industrial development, especially in Italy, and to assist structural improvements in the alpine area itself. This is a vital aspect of the report, and I make no apology for emphasizing it.

The report arose from various shortcomings in the routes across the Alps, for example, the altitude of road routes, many of which are closed in winter, and of rail routes with steep gradients. Another serious problem is posed by the gaps in the route network, for example, between the St Gotthard Pass and the Brenner Pass, which cause serious congestion at times of peak tourist traffic. In August 1972 there was a traffic crisis which resulted in delays to many holidaymakers and in severe restrictions on freight. If these are repeated this could, in the long run, affect the freedom of trade and industrial development.

From the human point of view, many of our constituents are likely to be delayed on their summer travels. This is another reason why I urge the House to agree to my committee's motion and I hope that the Commission and the Council will take urgent action to carry out our proposals.

In paragraph 3 of Mr Noè's report, he states that considerable progress has been made with projects for rail or road connections across certain straits. As we have heard this morning in the common transport policy statement, these great traffic barriers are essential problems which the Community has to solve. Without any attempt on my part to press its claim, the first is the Channel tunnel. Second is a tunnel or bridge across the sound between Denmark and Sweden. Third are the bridges across the Great Belt linking the Danish islands. Fourth is a bridge across the Straits of Messina between Sicily and continental Italy.

I very much hope that the House and my committee will be able to undertake a report on the prospects for these great new projects which will be of advantage not only to the countries immediately concerned but also to the whole Community.

I should be grateful if the Commissioner was able to say whether he would view this request with any favour. In the whole concept of a common transport policy the great traffic barriers, even if we are unable to deal with them immediately, must be subject to report so that the problems with which we are faced may be known.

I commend the report to the House. A great deal of work, time and expertise has gone into it. It has turned out to be a first-class document.

**President.** — I call Mr Scarascia Mugnozza.

**Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities.** — (I) Mr President, honourable Members, I too should like to express my hearty congratulations to Mr Noè for the excellent work he has done, a demonstration not only of his dedication to these predominantly technical and economic problems but also of his very broad and thorough grounding. My compliments on this resolution and the explanatory statement with which the Commission is in complete agreement.

I should also like to thank those who have spoken in the debate, contributing ideas which the Commission will surely take into account.

It is right, Mr Noè, to say that today the European Parliament has made a preliminary 'approach'. I agree: It is now up to the Commission, together with the European Parliament's Committee on Regional Policy and Transport, to carry on with the work, to review the subject in detail and then see what proposals can be made on this matter.

In the spirit of my words this morning, we must look to the problems of the future. In 1973 we cannot but be aware of certain concrete facts, just as we must be aware that we are living in a period of highly advanced technology which will raise short and medium term problems. We cannot discuss a common transport policy with the mentality of 20 or 30 years ago when some of the progress that has been made was yet beyond the realms of imagination. Without attempting to be 'futurologists', we must obviously look at things realistically to help us evolve a better transport policy.

On this subject, I should like to thank Mr Mitterdorfer and the other Members who mentioned the regional aspects of this problem. As I have already had the opportunity of stating this morning, these are very closely linked. If we take as the basic concept the idea that Economic and Monetary Union must be the foundation of

**Scarascia Mugnozza**

Community policies, clearly there must be a close connection between all policies and, in this context, placing man in the centre of the Community's economic and political structure (as Mr Mitterdorfer has rightly done), the transport policy cannot be viewed in isolation, unconnected with the policy of the protection of man, of life, of the environment. In consequence, the regional policy must make allowance for the need for the environmental balance which must exist in the Community and which is sanctioned by Article 2 of the Treaty of Rome.

With this in mind, we are entirely in agreement and perfectly aware of the situation. The collegiate work being carried out by the Commission will evidently be reflected in close coordination of all policies, for we are convinced of the interdependence of the various policies which go to make up a single major European Economic Community policy.

At this juncture, Mr President, I have nothing to add except to underline the need for placing priority upon rail links rather than road connections. This is also related to the general environmental problem. The fact that we have been able to take a general look at the traffic problem today is an inducement to evolve a plan which must also take into consideration high speed transport technology.

Only yesterday morning, before coming to Strasbourg I stopped in Paris to visit the land transport exhibition which was inaugurated yesterday, where I saw models of high speed means of transport and talked to some of the makers. For example, I raised the question of the high speed train which is to run between Brussels and Luxembourg and Strasbourg and Basle, and I was told that although this could not be done overnight, the problem has already been tackled, there are projects and it would be possible to move forward very rapidly if these projects could be financed and if the companies which are to build them are in agreement.

As I was saying, therefore, these things are not 'futuristic'; we must look at the reality with which we are surrounded. Things are already moving and the Community cannot and must not halt that progress.

There are still problems to be solved. For instance, we must make the fullest use of the information and consultation machinery first established in 1966. I think, though, that this machinery is not sufficient in itself. The decisions adopted in 1966 must be broadened, especially in the field of investment which must become increasingly massive. We must have far more effective means to enable us to work on infrastructures.

The problem of the Channel tunnel has been mentioned, and Mr James Hill has spoken of the bridge over the Straits of Messina and the bridge which is to link Denmark and Sweden, creating an intermediate airport. As you know, in pursuance of the Treaty these plans must be brought to the attention of the Commission, something that has not yet been done. When they have been made known, the Commission will examine them and make any contribution it thinks fit.

As requested by Mr James Hill, I think that the Commission, while not forgetting the proposals which it will be submitting on other subjects and which will obviously have to have priority, must review these and any other projects that may be submitted. It will consider them to be an extremely valuable contribution for which it will be grateful to the European Parliament's Committee on Regional Policy and Transport.

I have nothing further to add. Once again, I should like to thank Mr Noè and all those who have taken part in the discussion. I trust that the studies on which the European Parliament is today expressing its agreement through the resolution may be a step forward to a solution of the grave problems that I have mentioned.

**President.** — I call Mr Noè.

**Mr Noè, rapporteur.** — (I) I must express my great thanks to all my colleagues for their kind words about my modest work. In particular, I should like to say to Mr Lange that I am in agreement with his formulation. The problem does exist; I did not refer to it for the sake of brevity. Nevertheless, there is no doubt that no industrial and regional policy can be implemented unless transport is improved.

To Mr Premoli I would say that I was not discussing the old problem of road versus rail, but I was dealing with the problem of tunnels. In crossing the Alps, cars cannot use the lower level tunnels as they are too long (45 kilometres) and the vehicle exhaust fumes would cause problems that are difficult to solve. It should be stated that the rail tunnels are in fact vehicle ferry railway tunnels: cars will be loaded onto 'shuttle ferries' and travel by train.

Moreover, some experts affirm that the proceeds from tolls on this large volume of cars would help recover the cost of the tunnel.

I would like to thank Mr James Hill for having reminded us of the bridge across the Straits of Messina. This is a structure which is undoubtedly just as important as the bridge between

Noë

Sweden and Denmark. I would be more in favour of the tunnel solution as in Japan.

**President.** — I call Mr Guldberg.

**Mr Guldberg.** — (DK) I understood from Mr Scarascia Mugnozza that the Commission had not yet received more definite information about the latest plans for transport connections in Denmark which are under discussion, and since the bills come up for their last reading in the Danish Folketing tomorrow I would like to assure myself and have it confirmed that this is true, as it is naturally important from the Danish point of view that the national legislature should also be informed.

I would therefore like to ask if I am right in understanding that the Commission has not yet been informed about this.

#### IN THE CHAIR: MR BERSANI

*Vice-President*

**President.** — I call Mr Scarascia Mugnozza.

**Mr Scarascia Mugnozza,** *Vice-President of the Commission of the European Communities.* — (I) It is not a matter of being informed of the discussions that take place in the Danish Parliament. When the government of a Member State decides to make plans of the type we have discussed today, it must notify the Commission.

In consequence, the plan must not be merely in the preliminary conceptual phase; it must be a properly worked out plan. In consequence, when the Danish Government has completed its detailed planning, it will have to forward it to the Commission for examination.

**President.** — I call Mr Guldberg.

**Mr Guldberg.** — (DK) Thank you for your answer. The fact is that these projects between a number of countries have to be notified to other countries also for reasons of international law and this means that it could be part of the normal notification procedure for the Commission to be informed as well.

**President.** — Does anyone else wish to speak?

I put the motion to the vote. The resolution is adopted.<sup>1</sup>

#### 8. Reform of the world monetary system.

**President.** — The next item is a debate on the report drawn up by Mr Arndt on behalf of the Committee on Economic and Monetary Affairs on the reform of the world monetary system. (Doc. 60/73).

I call Mr Arndt to present his report.

**Mr Arndt, rapporteur.** — (D) Mr President, on 20 June 1972 the Economic Affairs Committee asked for your authorization to draw up this report on the reform of the world monetary system. There had just been another monetary crisis leading to the floating of the pound sterling. Since then we have experienced two more crises: February 1973 and March 1973—crises in which the Bretton Woods world monetary system finally foundered and which make this report by the Economic Affairs Committee—or the Committee on Economic and Monetary Affairs as it is now called—all the more useful.

These monetary crises, two this year, one in 1972 and three in 1971, have also had their advantages. They have helped to break down certain prejudices, certain taboos; for example, the concept of rigid, unmovable exchange rates, not in fact contained in the Bretton Woods system but acquired from habit.

In these crises there came little by little a greater and greater degree of understanding for more mobility, more flexibility in the monetary system. The crises themselves contributed part of the solution, for example the underlying situation which is different today from a year ago—a situation in which the duty of the central banks to buy in dollars or third currencies is abolished. Fixed parities are a good thing, but they must be easier to adjust than in the past; another lesson has also been learned: a national currency can no longer be the central sun around which the international monetary system revolves, however strong it may appear at the time and however strong the political domination of the power behind it at that period, such as the USA in 1944/45.

The situation prevailing at the time today's report is being submitted has another pleasing aspect: many of the differences of opinion concerning trade policy that had grown up in the past twenty-four months between the USA and the European Communities have become less acute, mainly as a result of monetary policy.

It experienced one upheaval after another and significantly changed the competitive situation of the United States economy vis-à-vis the competing areas in Europe and the Far East, so significantly that it may be expected to have

<sup>1</sup> OJ C 49, 28. 6. 73.

**Arndt**

an effect on the current balance of trade and payments as well. And it will certainly have an effect on the investment decisions of the large international companies. They will in future show a greater tendency to favour the United States and the jobs there.

The fifth result—and this is also part of the ‘underlying situation’—is that the European Community has become stronger in the course of these monetary upheavals. At the start it did not quite know how to cope with the crises; with the difficulties in February and March of this year, the European Community was also strengthened. The joint float by six Member States together with two or three neighbouring countries would have been hardly conceivable a year ago. The discussion on the allocation to the European Monetary Fund of an amount that is certainly sufficient for some time would also have been impossible a year ago. This situation has greatly encouraged the Committee on Economic and Monetary Affairs in submitting this motion for a resolution to Parliament, Mr President.

Paragraph 1 indicates that the situation is good; it also indicates that of course not everything can be achieved by monetary policy, each country or monetary area also has to ensure that its own house remains in order or that, as the motion says, the reorganization of international monetary relations can only produce lasting results if there is an economic policy aimed at stability.

Paragraph 2 of the motion urges all parties concerned to refrain from any measures that restrict trade, first of all the extension of measures that restrict trade—a demand that would have appeared very difficult a year ago and which is now more than mere oratory. It can hardly be in the interests of the US Congress to go over to protectionism at a time when the disadvantages of protectionism are directed against the United States itself, in other words against the background of a future favouring balance of trade policy.

Thirdly—and here we come to concrete suggestions—we in the Committee on Economic and Monetary Affairs consider it desirable for the future world monetary system to conform to certain guidelines and principles. Firstly: fixed but adjustable parities. Secondly: how to decide when these parties should be adjusted? Here the committee is against automatic mechanisms, against individual criteria; it is in favour of an analysis of the economic position of the country showing the surplus or deficit, but with the possibility of imposing sanctions.

In Chapter II, which deals mainly with the future *numéraire* of the world monetary system, the committee showed a clear preference for special drawing rights.

It is no longer possible for any national currency to take on the burden, or have the privilege, of being the sole reserve instrument. Nor is it desirable to reintroduce gold with the resultant benefits to the gold-producing countries, but it would be desirable, in the committee's view, to use these special drawing rights, artificially created international money, to pay balance of payments debts, to pay suitable interest on them—at the market level, to use them for support action on foreign exchange markets in the same way as the dollar was used earlier and finally to realise that a system of paper money can only function if the amount in circulation is kept tight.

And now what about the dollar surplus that has excessively increased the national holdings of sight deposits and bank notes in the individual Member States? Consolidation in the form of loans to the United States is recommended. It is also said that this does not necessarily need to be done today, but at a time when the United States is again in a position to take on the amortization of these loans.

How must a monetary system of this kind cope with movements of international capital? The committee was of the opinion that the most important point was interest rate policy. This must bear the main load of equalizing the foreign exchange balance by capital imports or exports as necessary, a rule that is frequently not observed, for example in the Italian Republic's monetary policy. Then there are of course also external controls, where they are already introduced, not internal within the Community; a special case of controls would be two-tier foreign exchange markets. This should not be ruled out, but it is important for controls—and this is taken up again in Chapter V—only to be used externally; internally they must be removed, they are nonsensical, they are an impediment to the European Monetary Union and integration into a single economic area with uniform capital markets.

We would consider it a further strengthening of the European Community—at least that was the thinking of the Committee on Economic and Monetary Affairs—if the European Fund were given the powers and total resources that it nearly obtained in March—if only all Member States had joined in the Community system of external floating, which perhaps was not an altogether unreasonable demand. We hope that—as stated in the motion for a resolution—Great Britain, Ireland and Italy will join the

**Arndt**

Community joint float and then the extension of the European Fund's powers and resources can follow.

I assume that this institution, whether it is based on the cooperation of governors of central banks or is given greater powers of action by the Commission or the Council of Ministers, will develop a life of its own and will control European monetary relations independently, both externally and internally. The Community should try to act as a single entity in the Committee of Twenty, the Committee of the International Monetary Fund, and submit a Community plan for the world monetary system. Perhaps the Committee on Economic and Monetary Affairs is being rather utopian on this point. Firstly because Community plans in such a difficult field are only likely to come about under the pressure of events. At present there is no such pressure as the greater flexibility makes it possible to accept foreign exchange movements without symptoms of crises. Secondly, the American Government which, it is true, is no longer the leading power in monetary policy, but which still has to play a full part in the decisions and accept full responsibility, is for various reasons caught up at this time with problems other than foreign exchange policy, so that it is quite possible that in any case in the autumn when the International Monetary Fund meets again—in Nairobi—no far-reaching decisions will be taken and that the Community plan of these European countries will also not come about before then.

Nevertheless we as European Parliamentarians should not—or at least so the Committee on Economic and Monetary Affairs has taken the liberty of proposing to you, Mr President—abandon this aim: common concepts, common plans for the organisation of world monetary reform. Greater emphasis is placed, however, on speeding up practical action: inclusion of the three Member States in the joint float, strengthening the powers and resources of the European Monetary Fund and finally the abolition of capital controls within the Community.

*(Applause)*

**President.** — We shall now adjourn until 3 p.m. The sitting is suspended.

*(The sitting was suspended at 12.55 p.m. and resumed at 3 p.m.)*

#### IN THE CHAIR: MR BEHRENDT

*Vice-President*

**President.** — The sitting is resumed.

#### 9. Reform of the world monetary system (cont.)

**President.** — The next item is a continuation of the debate on the report by Mr Arndt on the reform of the world monetary system (Doc. 60/73).

I call Mr Burgbacher on behalf of the Christian-Democratic Group.

**Mr Burgbacher.** — (D) Mr President, ladies and gentlemen, Statistically speaking, the present report by our colleague Mr Arndt is just one of many that we have received; by its content and its quality however it has a claim to be specially highly regarded. This claim is further based on the fact that it marks the beginning of the road to the reform of the monetary system, that we will therefore frequently be concerned with it and that it will have to be, so to speak, continually updated. May I be permitted therefore to suggest to the chairman of the Committee on Economic and Monetary Affairs, our colleague Mr Lange, that this point should be permanently on the agenda of this committee and that our colleague Mr Arndt should be the permanent rapporteur in charge of updating the report and keeping this House continually informed of the updating.

The report is also noteworthy because it avoids all euphoric and Utopian ideas and presents us with the essentials with sober impartiality in almost skeletal fashion. May I strongly recommend my honourable colleagues to read not only the resolution in this report but also the explanatory statement. This is indispensable for understanding the resolution.

I speak on behalf of the Christian-Democratic Group and would say at the outset that we recommend the House to adopt this resolution and the explanatory statements, which were unanimously accepted by the Committee.

In the resolution, to which I will restrict myself initially, there is clear reference to the inseparable connection between monetary and economic policies. One really cannot stress this strongly enough, although basically it is something obvious, but with the best will in the world we cannot have the impression that the countries of the Community and particularly the countries who are interested in this problem of currency reform, carry on their economic policies as though they might also be monetary policies, and as long as there is this yawning gap all effort spent on genuine monetary reform will be in vain.

Certainly we all demand an economic policy aimed at securing stability, but it is highly questionable whether the goal of the countries of the Community and the countries of the

**Burgbacher**

free world is at the present time an economic policy aimed at securing stability. Worldwide inflation makes us suspect something worse.

It is demanded that all measures which restrict trade be abolished or renounced. We are certainly all adherents of free trade in a free world economy. May I nevertheless make an observation? I should like to illustrate it with an example that concerns me closely. The question whether we should permanently tolerate the disruptions to the world's economy and currencies arising from the so-called oil-dollars is one which requires closer investigation, particularly as this problem is continually growing more acute, in that the USA and Japan need to buy more oil from the Near East than was formerly the case. Here, in my opinion, we are faced with a terrible alternative: either we do something about it, which can only mean restriction, or the oil-producing countries will restrict themselves, and that is the other possibility, the energy gap for Europe and the free world will open up quicker than is otherwise to be feared at present.

Our colleague, Mr Arndt, referred in his introduction to the fact that the transition from fixed parities with greater flexibility had really proved successful up to now. I, too, would like to underline this.

I should also like to support the committee's reminder that we will not be able to find a uniform indicator for the disease of currency instability, but that a multiplicity of circumstances must be taken into account, rather in the way that modern medicine no longer restricts itself to an examination of the apparently diseased organ but makes a general investigation and examines all the organs. And this example, it seems to me, also applies to the investigation of the causes of monetary instability. The new wonder-weapon—I ask colleague Arndt to forgive me for using this word for special drawing rights, I use the word because I have the impression that people throughout the world are expecting far more from it than they ought to expect—these special drawing rights are based on the capital cover of the currency reserves, particularly of the countries of the Community. For us this is the decisive point. This is about 150 thousand million units of account; it is a large sum and it will be drawn upon, and special drawing rights can be repaid by anybody in convertible currency. But special drawing rights are still tied to the official price of gold. This is why the rapporteur was right to inquire whether the official price of gold should not be brought somewhat nearer to the market price, not made the same but brought nearer, by which means

the currency volume of the special drawing rights, as it were, would be correspondingly expanded.

The rapporteur was right to mention, and one must emphasise this, that the supply of special drawing rights must be kept tight. I should like to emphasise strongly that this must be done, for special drawing rights naturally create new purchasing power in the hands of those who obtain them. And new purchasing power must always be suspected of being inflationary, it is not necessarily inflationary but can be inflationary. For this reason one should also consider, I believe, when judging special drawing rights what the recipients of the special drawing rights will be using this purchasing power for; whether they will be using it for investment, or for consumption, or for a mixture of the two, or even to cover their budget deficits; these facts are essential data if one wants to know whether the special drawing rights will have a stabilizing or an inflationary effect.

Here we naturally come up against the fact automatically that the recipients of the special drawing rights are unlikely to be very pleased if they are to be, as it were, controlled in their use of the special drawing rights. This is just one of the problems highlighted by this report.

This excellent report does not shirk any problem. If I say that it does not solve any problems either, this is not a reproach, for we stand at the beginning of a thorny and difficult road, and the first priority is to recognize the problems and then to try to stalk up to the humanly-possible solution. The United States, which, on account of her balance of payments deficits, is, as it were, regarded by many as the cause of the monetary problems—which is partly correct, but not the whole truth—ought in the opinion of the rapporteur to consolidate her roaming dollars. This is without doubt the only correct possibility if we wish to retain our economic system that we have and wish to have. Of course it will only be possible for the USA to contribute her share in this when she has balance of payments surpluses. But it does not yet appear as though this could happen tomorrow. That the International Monetary Fund should contribute to the consolidation is a real duty of solidarity owed by the free world.

The report calls for the control of capital movements, one of the basic problems for stability and currency reform, by means of key interest rates; all these rates are correct, but they will be as difficult to put into practice as they are correct. The coordination of interest rate policies, for instance: just imagine the coordination of interest rate policies in the nine Community countries now. How difficult this could be if



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the interest rate policies of some countries were in the process of diverging instead of coming together.

The report also calls for each country to have instruments of monetary policy at its disposal. Good, but this 'each country' naturally cannot mean Community action unless these instruments of monetary policy are also harmonized. But: it is a long way to Tipperary.

(Smiles)

The desire for countries with financial surpluses to make loans to countries with financial deficits is indeed a duty in a community. However, I very much doubt whether the internal constitution of our Community of Nine, as it now is, is such that the countries in surplus would be prepared to advance their surpluses as credits to the countries in deficit and I do not know how it would work in detail.

The European Monetary Fund is a necessary institution. It has already been said however that, equipped as it is at the moment, it is not capable of solving European monetary problems. To make it effective, a very great deal more of our currency reserves will have to be transferred to the fund and these will then naturally no longer be available for the special drawing rights.

One can only support the desire to include Britain, Ireland and Italy in the joint float and the same applies to the strengthening of the powers of the monetary fund—and here the question arises whether the fund should have an absolutely sovereign status, independent of Government opinion, rather like the German Federal Railways, or whether it should be an instrument in the hands of the European institutions. I myself, and I think the majority of my political friends, incline to the view that the monetary fund should be absolutely independent, because it has become evident that independent central banks have a greater tendency to stabilization than dependent ones. The question which has the most burning interest for the peoples of our Community is not monetary reform, as we call it, but what is characterized by the word inflation, and this does not give the impression that it will soon be stopping. Even now there are substantial obstacles blocking the way to a speedy end to inflation and to progress in monetary reform; I will name only four:

1. the American balance of payments multiples, for example;
2. the—how shall I put it?—foreign currency power of the multinational companies;

3. the oil-dollars already mentioned; there is every prospect that by the 1980's some 30 thousand million dollars a year will be passing into the hands of the Near Eastern countries if oil production continues as we foresee, and

4. deposit money. Deposit money is not banknotes but is credit which is newly created in bank dealings as a result of business transactions; and it is one of the reasons, set out elsewhere in the report, in the explanatory statement, why money in circulation is increasing by some 20% while gross national product has increased by some 10%. But as long as the volume of money and the amount of purchasing power in circulation—whether banknotes or deposits—enter the markets as purchasing power, as long as this continues, we obviously cannot get to grips with inflation, because with a rising business trend, with rising gross national product, with rising growth of national production—this is in fact gross national product—this volume of money increases almost automatically and possibly increases more than proportionately to the growth of the object, to the growth of purchasing power.

These are all questions which are still unsolved and which could really, if one wants to get to the bottom of things, give rise to measures which we cannot imagine today or—I would also say—we are not bold enough to consider. This affects many people. Each person now thinks of his own interests. We must think of everybody and almost everybody will benefit if we return to really stable conditions.

The President has looked at the clock warningly. I have slightly overrun my time, for which I am sorry. But this is a topic, Mr President, my dear colleagues, with which even with the best intentions one cannot deal competently in ten minutes, particularly when one has such a splendid report as Mr Arndt's before one.

**President.** — I call Sir Brandon Rhys Williams on behalf of the European Conservative Group.

**Sir Brandon Rhys Williams.** — Like Mr Burgbacher, I would begin by extending the warmest possible congratulations to Mr Arndt, not only on his report and the very condensed but meaningful resolutions which he has tabled as a motion for our plenary session, but on his speech before lunch today, which was a model of clarity and of great interest to us all.

The reform of the International Monetary Fund was already a serious topic before the Nixon shock in 1971, when the United States finally abandoned the gold standard. But now, of course, it is one of the major preoccupations of

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world politics. It is something of enormous interest and relevance to the development of the Community too.

I had the feeling last year, when I had the good fortune to be present at the annual meeting of the International Monetary Fund, that a long negotiation lay ahead. I was never one of the optimists—although I am normally very optimistic on monetary matters—who thought that the work of the Committee of Twenty could all be completed in time for the next annual meeting of the Fund in Nairobi in September this year. I always doubted the possibility of even heads of agreement being drawn up in that space of time.

Of course, I could still be proved wrong. But we have to realize that the United States is at present preoccupied with internal problems and to a great extent has achieved the adjustment that it was seeking when President Nixon made his sudden move in August 1971. Dollar devaluation has already brought about a significant change, at any rate on the current account of the United States. Europe is not speaking with one voice in these negotiations. That is something for which we are to blame.

The Third World too is making an important contribution, perhaps, to the work of the Committee of Twenty in drawing attention forcibly to the need for the wealthy countries to do more about development aid. But the Third World, one feels, is concerned more with the problem of increasing the volume of aid rather than with the reconstruction of a rigid, restrictive world system.

I place some emphasis on the need for the new constitution of the International Monetary Fund to be restrictive, partly because of the enormous increase in liquidity which has taken place in the last two or three years and the dilution of the quality of the assets in national treasuries; we must also admit that there is obviously a tendency further to increase the availability of resources, when, at any rate for the present, one wants to contemplate the restriction of international credit and the supply of short-term capital.

It is therefore evident why the Committee of Twenty is making slow progress. It met in the last fortnight in Washington, and little seems to have emerged from that meeting except a list of the particular issues on which they were finding it virtually impossible to reach agreement.

But while we are being realistic about the problems of the International Monetary Fund, it is important that we should not fall to the

other extreme. We must remember that it is vital to retain the vision of a united world system, even if only as a somewhat distant objective. As Mr Arndt mentions, it is vital to avoid a retreat into self-contained blocs, with dwindling exchanges of goods, capital and knowledge. This is a point on which we must place the greatest possible emphasis. It would be a disaster if the dollar area, the European Community area, perhaps the rouble area and, indeed, a yen area as well were to turn into increasingly self-contained and distant world trading communities. We must not lose the vision of a single world economy. If anything, we should strive to go beyond the original International Monetary Fund, which did not include the countries of Eastern Europe or China. In the world body which eventually emerges I hope we shall find the rouble area and the Chinese yuan fully represented. Meantime the International Monetary Fund remains a forum for the exchange of views and a model of reasonable and informed world relationships.

What are the components of the eventual agreement? Mr Arndt touches on all the major problems in a masterly way. The control over the growth of liquidity must undoubtedly be put on a rational basis. He makes obvious his great hostility to the prospect that gold may re-emerge as the dominating factor. I believe we should share his view. We certainly do not want to get back to the system that prevailed in the 19th century, with the insuperable problems of the trade cycle and the alternation of booms and slumps out of control of monetary authorities, nor to the sort of situation we had in the early half of this century. If time permits I should like to say a few words in a few moments on the future of gold.

I believe it is vital we should also accept the need to avoid the reinstatement of any single dominating currency. The Americans themselves recognize that the dollar basis of the original International Monetary Fund is not satisfactory or acceptable to their partners in it.

But if we agree that we will not fasten ourselves to the gold standard or even to the dollar standard, then, in saying goodbye to the gold exchange standard, it seems to me we are making the International Monetary Fund something very like a ship without a rudder. Until it has once again worked out its own rigid and precise navigational rules, I cannot help asking myself: will national governments be willing, will they be right, to entrust national treasures to this particular ship?

Mr Arndt places emphasis—and it is absolutely logical—on the need for the elimination of the national reserve currencies. He wants national

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reserves to be reduced so that they are only just enough to carry out the function of working balances. I agree this is logical, but will it happen? And is it even right that it should happen now? The answer to that depends on the extent to which we believe in the future of the special drawing rights.

One might go even further and say that the answer depends on the extent to which we believe the International Monetary Fund will re-emerge and be accepted as the world central bank, with power to control the growth of liquidity and also, when necessary, to restrict or indeed to cancel the availability of credit. I do not see that happening for quite a long time. I do not believe the International Monetary Fund is constituted to exercise discipline on the necessary scale. I do not see it, for instance, deciding to withdraw SDR's; indeed, I am not even sure that would be possible under the existing constitution.

In thinking about the future of SDR's, what about this very topical question of the link with aid? The Chancellor of the Exchequer speaking for Great Britain and Mr Giscard d'Estaing speaking for France at the International Monetary Fund last September, if I remember right, lent support to this attractive idea that the creation of liquidity through the International Monetary Fund might have a special bias in favour of the developing countries. It is an attractive concept superficially. But once again I believe the rapporteur has been right to be specific and to say that, if we pursue this idea, then it will endanger the whole concept of SDR's as the *numéraire* for the world system of currencies. It will be a one-way movement. There will always be pressure to expand the supply; there will never be any readiness to restrict the supply.

I believe it is possible to work out a more acceptable formula than the old International Monetary Fund quotas for the creation of SDR's from time to time because the old quotas are now more or less random. They belong to the past.

When speaking in this Chamber last year as rapporteur on economic affairs in the Council of Europe, I suggested we might contemplate issuing SDR's on a population basis instead of the old quotas. I put that forward again now purely as a personal suggestion which might be worth consideration. We cannot, however, allow SDR's to be over-issued because that would expand credit far too much and simply stoke up inflation.

What about the demonetization of gold? I have not sufficient time to deal with this subject at

the length it deserves. Indeed, the entire afternoon would not be adequate for it. We heard yesterday that the gold price in London had reached \$124 per ounce. I cannot help feeling that too many people in the world regard gold as their treasure for it to be possible to sweep it out of the way—in the manner that silver has virtually been swept out of the way—in the world monetary system.

I discussed this matter with Mr Paul Volcke when I had the good fortune to meet him last year. If I am not misinterpreting him, he takes the view that it is only a question of time before gold follows silver out of the monetary system. But I do not think the new rich of the world—that is, the people profiting in the Middle East from the energy crisis—are the sort of people who will abandon their faith in gold very quickly. I believe that, if anything, we will find that gold is more and more with us, possibly at higher and higher prices. It may be demonetized. It may be that certain central banks or monetary authorities will say they no longer wish to declare it as part of their reserves. But I do not think we will find that gold becomes just another commodity in the foreseeable future.

What about the question of the regulation of parities? We adopted, quite rightly, the 'fixed but adjustable' formula at the Summit Conference last year. That was excellent. I hope we shall now go ahead to study the means by which to provide fixed exchange rates for people who deal on current account, possibly through a much more precise organization of currency futures markets, at any rate within the Community and for the major world currencies. Then we must also study the 'adjustable' end of the formula.

It is most important we should define what we mean by 'adjustment'. I believe we should place emphasis on the need for the adjustment of parities to be a highly civilized and well-understood process, which does not cause market upheavals and is not of such an order that it provides the speculators with huge killings in future. We do not want parity adjustments to be any more interesting events than minor changes in interest rates in the world financial centres.

I believe we are already reaching this state of affairs without realizing it. The success of the joint float—what I believe is now called 'the snake on the lake'—seems to me to suggest there is room for increasing optimism. I hope that before very long we shall find all the Community countries participating in the joint float.

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If we are not to get instant results from the negotiations for the reform of the International Monetary Fund, is there not something that we in the Community can be doing? I am certain that there is. I believe we should make a slight change in our own direction. We must recognize that not too much will come out of the reform of the International Monetary Fund in the next few months, or even possibly in the next few years. Therefore we must place more emphasis on European economic and monetary union. As Mr Arndt says, it is right we should liberate capital movements within the Community. This is a most important objective and not nearly enough emphasis is being placed upon it. We must move as quickly as possible towards freedom of genuine movements of capital within the Community, even if it is necessary to retain some structure of restrictions on freedom of capital movements outside the Community: I accept that is likely to be necessary for some time. Then I believe we here in Europe can work out a civilized formula for the adjustment of parities which the International Monetary Fund might also adopt in due course, when we have worked out the way it should work.

I believe too that we must find out own solutions to the problems of regional development. The Community's regional problem is the equivalent of the question of development aid, which we also find on the world scale in the International Monetary Fund. The Community has the advantages and the facilities to solve these world problems, but we must tackle them first on a European basis.

Thus the real question before the House this afternoon is, have we the will? I believe we have, but as members of this Parliament we must make certain that this will manifests itself and that we make real progress. While the world hesitates, Europe must show the way.

(Applause)

**President.** — I call Mr Bousquet on behalf of the EDU Group.

**Mr Bousquet.** — (F) Mr President, ladies and gentlemen, I should first like to thank my colleague, Mr Arndt, for his outstanding report. This question is one of burning topicality, a fundamental problem which dominates the future of the Western world, and I would go so far as to say the future of the entire world. Mr Arndt has discussed it in great depth, very fully and very convincingly. I am entirely in agreement with his report, subject to an amendment tabled by Mr Beylot, which I very much hope will be adopted. He will be explaining the thinking and motives underlying his amendment in a few moments.

For my part, I should like to develop a few ideas on the fundamental problems covered by this report.

In the next two years, as we all know, we shall be entering into three phases of fundamental importance.

The first of these, of course, is the organization of a new monetary system. This phase will be the most difficult, the longest and the most demanding, since there are a number of nations which, naturally, are reluctant to commit themselves; this is quite understandable, since it will be a difficult step to take.

The second phase, which is also very important, is linked to the first: this is the updating of the rules governing world trade.

Finally, the third phase, which is in turn linked to the second, raises the whole problem of the underdeveloped countries, which is tied up with, and dependent on, that of international trade. This third phase, whose objective is the establishment of the Economic and Monetary Union, is itself related to the other two, so that, in a manner of speaking, this apparent triptych is in fact painted on a single panel.

Our actions should, in my view, be motivated by three principles.

Firstly, stability and security, without which the development of trade would be threatened and equality between nations would remain in the realms of theory.

Secondly, justice between the rich and poor, the right to economic and social progress of the poorest placing an obligation on the richest to aid the less well off, which applies within nations as well as between rich and poor nations.

Finally, cooperation, the means by which peace is developed, peace being the essential key to the progress of the developing countries.

The most difficult problem is the organization of a new international monetary system. As you know, since the beginning of the year 1971, the world has been in a period of monetary uncertainty which I would not hesitate to describe as appalling, such are the dangers it holds. First, we witnessed violent, sudden, sharp upheavals, a flood of dollars into the central banks and money markets which led to the floating of currencies. But the situation is the same throughout the world, with far-reaching monetary and economic crises. After the successive waves of dollars flooding the market, we now have further uncertainties about the dollar which, as our British colleague was pointing out a moment ago, is a currency whose value is falling continuously.

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We find ourselves today in a situation in which the price of gold is standing at over 123 dollars an ounce. There is no reason, good or bad, why such a strong trend should stop. One wonders how far this can go. Of course, as in all catastrophes, emergency measures have been taken in the form of realistic parity scales between the various currencies which are not floating. Indeed, there is the additional problem of having certain currencies which are floating and others which are not: some, like the German and French currencies, are fixed, whereas others, like the Italian lira, are floating for highly complicated financial reasons. This situation is creating additional problems within our Community of the Nine.

All the measures which we have adopted, including the parity scales or efforts to maintain balance, are temporary measures only. We must attack the root of the problem if we are to get to the heart of the matter. We know, in fact, that since August 1971, the Bretton Woods system has collapsed completely. There no longer is a monetary system; we are in a complete void. Since there is no longer any international monetary order, there only remain procedures and the efforts being made to stabilize them. This is the pass to which we have come. We have succeeded—between France and Germany and between most of the Six—to stabilize our currencies. We have not succeeded with Great Britain, but this country may perhaps soon be able to rejoin the camp of the countries with stabilized currencies. This depends on a series of factors inherent to economic problems.

We therefore find ourselves in a situation of great uncertainty. Although all these procedures and the efforts to stabilize them which have met with varying degrees of success, the measures adopted in Washington in December 1971 and those adopted in Paris in February and March 1973 have produced some improvements, they have not really solved the problem. The root of the problem has not been tackled along the lines of organizing a viable new monetary order. Our target, as Mr Arndt has said, is to establish a monetary system which is sufficiently stable to provide a solid framework for the development of international economic relations. If this is to be achieved, it is necessary for there to be increasingly significant commitments over increasingly long periods in a secure context. At all costs, we must avoid a situation in which long-term work can be jeopardized by a wave of speculation, as occurred a year or two ago when markets were flooded by unwanted dollars. If this objective is to be attained, the monetary situation must be stabilized and care must be taken that three requirements of crucial importance are fulfilled.

The first of these requirements, in my view and in the view of my group, is the establishment of a procedure for adjusting balances of payments which can bring about a rapid return to a stabilized situation. To be sure, this procedure could be operated under some form of international supervision—there is no doubt of this, it is indeed desirable—but, clearly, decisions of a political nature must lie with the responsible political authorities, essentially the national authorities, which are accountable to their peoples.

The second requirement is the effective introduction of the convertibility of the main currencies. My Government is strongly committed to this principle, and I am convinced that many of our partners are also, since the *sine qua non* of the restoration of monetary stability in an international monetary order is the re-establishment of the convertibility of currencies, in particular, the reserve currencies, that is, currencies which are used to settle balance of payments deficits, basically the United States dollar. It is essential to have convertibility in order to put an end to the excessive development of international liquidities. This excessive development is the essential cause of inflation in the world today. In order to stop it, it is necessary to consider the development of liquidities and, in order to do this, it is necessary to stabilize the reserve currencies, that is, the dollar, and it is therefore necessary to introduce the convertibility of the balance of payments. The French are a logical people, and they are right. This is one of those issues about which there can be no doubt.

A return to convertibility can only be limited initially. It is impossible to work a miracle rapidly because of the difficulties involved in agreements for the consolidation of substantial reserve currency balances accumulated over the last few years. What is the amount of the dollar balances throughout the world? As you know, it stands at tens of thousands of millions of dollars. The inevitable consequence is that consolidation agreements will be necessary; it will not be possible for us to wipe out this enormous debt at a stroke. The main powers, including France—which has already made proposals—must be prepared to accept consolidation, particularly when they have substantial holdings.

Finally, the third requirement is clearly that the exchange machinery between currencies must ensure that fixed, but of course not rigid, parities are adhered to. I believe—and this is no doubt the opinion of all the Members in this House and the Governments of the Nine—that the exchange machinery absolutely must provide for the maintenance of fixed parities. This is absolutely

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fundamental. However, the fluctuation margins must be adequate and scope for adjustment must be retained so that the system does not become too rigid and run the risk of breaking down. But fixed parities must remain the rule.

The new monetary system which is to be developed must be stable, but it must also be fair: fair in that the disciplines involved will be equally applicable to all nations and all currencies, and in that consideration will be given to the interests of the developing nations.

Our Ministers of Finance and Economic Affairs are actively working on the preparation of the new international monetary system. It will not be possible to really get to the heart of the matter until the next meeting of the International Monetary Fund in the autumn. It is not a question of building quickly, the problem is too complex, but one of building for the long term.

Regarding international trade arrangements, all of us—the Nine represented here in this House—wish to succeed in obtaining reciprocal concessions and advantages with the United States, whilst upholding the personality of the Community and keeping the rules of the common agricultural policy intact. We are no less in agreement on the problem of the growing inequality of economic development between nations; the Community must devote all its efforts to combating this inequality, which is a factor of the first importance for the future as well as the present.

The nations of the Third World must be provided with a regular flow of aid. For many years, France has managed to achieve a total aid effort of 1% of its gross national product. This figure must be achieved by all the countries of the Community.

Finally, the third phase, the establishment of the European Economic and Monetary Union, is the complement of the other two. France, together with its partners, must and will pursue its endeavours in this field. Despite setbacks, obstacles, monetary crises, the union has held firm in the end, and, in so doing, has drawn new strength, so that we have devised a new European monetary model designed to withstand the hazards of the monetary climate.

This model is already applied by six of the Member States, Germany and France among them, and the fluctuation margins have been defended without undue difficulty, whilst there has been a satisfactory organization of cooperation between the central banks.

In economic matters, the coordination of policies is progressing. It is a matter of practical neces-

sity that none of the Member States should take decisions affecting fiscal, monetary or budgetary matters without taking into consideration the decisions of the other Member States. You know how difficult this is.

We are now reaching the end of the first phase of the Economic and Monetary Union. We shall decide on entry into the second phase very shortly, and this will involve, on the monetary front, a return to clearly-defined parities and the joint defence of narrower fluctuation margins.

In conclusion, I should like to express the hope that Mr Beylot's amendment will be adopted and once again express my thanks to the rapporteur, Mr Arndt.

**President.** — I call Mr Leonardi.

**Mr Leonardi.** — (I) Mr President, honourable Members, we are not in favour of the motion for a resolution. We do not particularly want to quarrel about individual points, and in fact we agree with some of them, especially over the technical aspects, but we disagree with the criteria on which the motion is based. In our opinion, considering what our functions are, and the complexity of the problem, it is not a purely technical matter but a question of policy, in which of course technical answers can be made to achieve certain objectives. Our contribution should not be to suggest specific actions, but the criteria on which a reform of the world monetary system should be based. The eventual solution will not come from long international negotiations, but will be arrived at gradually through specific decisions and compromises, in many cases of a somewhat shaky nature.

This will mean rationalization of the knowledge which is already there. The problem is to give direction and a universal interpretation to our accumulated experience. And we could make a useful start by attacking the mystic belief in currency which now reigns supreme, the illusion that a crisis can be solved simply by using monetary techniques of one kind or another, which ignores the fact that money is the servant of the economy, and not the opposite. We in the Community have acquired a rich but hard-won experience in recent years through repeated attempts, which all failed miserably, to take unified monetary action and impose equal restrictions on all members of the Community, although their economic situations are not homogeneous, and indeed are becoming less so all the time.

The author of the motion for a resolution refers to these questions in paragraph 6 of the explana-

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tory statement, but only *en passant*, without drawing the conclusions which follow from the experiences we have had, which are of vital importance not only for us but for the whole world, and which should have provided us with valuable pointers on the way to reform the world monetary system, which we all agree to be necessary.

Society will not support monetary regulations which do not correspond with its prevailing requirements, both at the national and international level. Monetary control, even when it is imposed through regulations which are technically sound, as possibly a system of exchange rates which are adjustable according to certain agreed principles, can become a repressive instrument, and no democratic government can sacrifice beyond reasonable bounds its own national incentives and needs for the sake of agreements and undertakings entered into with other countries, though it will endeavour to observe the official courtesies.

This is what we have seen happening in our Community, and it is certainly not enough merely to state, as does the author of the motion for a resolution, that 'the exchange rate of a currency is of international importance and consequently does not only affect the country directly concerned'. We must examine what is being done internationally to make it possible for individual countries to obey the joint rules of the game. If we pay no attention to this, we fall into the toils of the mystic belief in currency, which is fine for those who have money, for the rich, but not for those who are without it.

So, when it is recommended in section V of the resolution that capital controls within the Community should be removed as a step toward greater Community integration, this is to forget the vast differences in the economic situation in different countries which themselves impede capital movements, and also prevent the formation of a common approach towards external movements.

The present monetary crisis is due to the enormous disparities of wealth between different countries, which are tending to get larger rather than smaller, to the way in which this is abused as an instrument of power by the stronger nations and exploited to the detriment of the peoples in the European Community, to the need for a consensus in individual countries and to the present distribution of political power, even in so-called democratic countries, which does not in any way meet this need.

This is the situation that we have to escape from, and we shall never do so through monetary

reform alone, which can only be one aspect of a solution based on decisions of a much wider political nature.

The author mentions this question in paragraph 4 of the explanatory statement, but, generally speaking, we cannot agree with his assumptions. For instance, in paragraph 18 of the explanatory statement, he mentions the American position on dollar convertibility and the statements made by the United States Finance Minister, to the effect that a decision to restore convertibility must naturally depend on whether we succeed in showing, for the whole of the transitional period, that we are capable of meeting our obligations in the light of our reserves position and our balance of payments. But this is not the problem, which, put in that way, is obvious enough; the real problem is the way in which we are to look upon the demands of the United States in regard to reserves and balance of payments. Should we look on them as those of a country with equal rights and obligations, or of a country in a dominating position which wants to lay down the law?

Since the war United States monetary policy has always been characterized by the principle that the balance of external payments must not in any way constitute a restriction on political options. The American Government has now accepted that there should be restrictions, but on what terms? This is the kind of question which we ought to answer, and on which as a European Parliament we ought to take up a firm position. In this way we can make a useful contribution to the question of reforming the world monetary system. We should not delude ourselves into thinking that we can rely on technical regulations, however well-contrived, as a solution to all our problems. Although the main lines of the motion for a resolution and the explanatory statement prescribe certain precepts with which we can agree, they do not go into the political and structural implications, and yet these are the most important part. For instance, when the rapporteur takes a look at special drawing rights as a reserve instrument and a means of support action, he makes no mention of the supranational nature of the action implied by such a concept. There is a marked preference for stability and the interests of the Establishment in the more highly developed countries, as if reforms should be looked upon exclusively in the light of these countries' interests. This is to underestimate very badly the importance of the links between the economic and political aspects, which should be the main theme of any paper dealing with reform of the world monetary system.

In our view this should be the first step in the European Parliament's approach to reforming the



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world monetary system. However, there will be other opportunities in the future for us to come back to the subject. By voting against the motion we hope to induce Parliament to adopt a more realistic attitude to a problem which is of such importance for us all.

**President.** — I call Mr Blumenfeld.

**Mr Blumenfeld.** — (D) I should like to associate myself with those of my colleagues who have expressed their congratulations to Mr Arndt for his really excellent report—for his analysis and the proposals which he puts forward on behalf of the committee to the plenary Assembly. I will not try, by my own contribution, to challenge or supplement what has been said by the experts who have spoken before me and are members of the committee. I would like however to deal with a few points which appear to me to be particularly important as a consequence of this report.

If I wanted to be critical, Mr Arndt, then it would be because you have been too cautious in paragraph 5 of the motion, you have not sufficiently stressed the urgency of that which I would designate as regional monetary reform—in brackets: in the world—and which was described by one of the speakers in the debate as the urgent task of the European area and which you yourself in your speech this morning described as the problem of the nine European Member States of the enlarged Community which now had to be solved.

I will refrain from and have refrained from introducing a proposed amendment to strengthen this recommendation, chiefly because, Mr President, we are all really quite clear that such an excellent document, addressed to the Commission and the Council of Ministers, together with the debate here, will, I hope, be sufficient to make the Governments of the Member States look to their responsibilities. If there is anything to be added, I hope very much that we will urge it on our national governments in our national parliaments.

For when I see Mr Haferkamp listening to us, and he will certainly communicate his own excellent thoughts to us, then we both agree—we on our side and you in the Commission—on the powerlessness of the position in which both of us, the Commission and the European Parliament, find ourselves with regard to the actions which must now be set in motion to implement all that which Mr Arndt set out in his report with great clarity. I no longer find it justifiable that in a discussion on the world monetary system and in view of all the relevant facts, including one which today—I repeat, today—

has not been mentioned here, namely the inflationary developments in all our member countries, the Member Governments although they always refer in their various discussions to European and world responsibility, do not draw from this the conclusion that they should transfer this responsibility to those institutions in the European area to whom such responsibility could be allocated. That is, *ceterum censeo*, the situation in which we find ourselves. When I reflect that Mr Haferkamp and his colleagues at the last crisis in Brussels despite very many sensible suggestions only occupied a minor advisory status, without really being able to intervene actively, then the governments must once again be told by this Assembly that the inconsistency of their behaviour is very obvious here. The necessary powers are just not being transferred to the institutions of the European Communities, and the creation of the Fund for Monetary Cooperation alone does not of course mean that it has been done. That was also expressed very clearly by Mr Arndt and was repeated by a whole lot of speakers before me. Mr Arndt, perhaps you can tell us in your winding-up speech what now has to happen with this fund in practical terms? Let us know the figures again: how much can and should the fund be given so that it can fulfil the task of providing assistance to the countries not participating in the Community float, Britain, Italy and Ireland?

Although Mr Arndt said this morning—and this is correct—that the countries floating independently could have joined in even without the European monetary fund, now that we have established it we can use it to provide assistance, as an institution that will in any case encourage these Governments to return as soon as possible to the Community system of the joint float and thus also offer a security for the forthcoming IMF negotiations and the things which will develop there.

I think there is another point I should deal with. In paragraph 4 of the motion Mr Arndt proposes certain controls for keeping international capital movements in check. Let me say one thing: where capital movements are set in motion by mistrust, controls on capital are largely ineffective. Therefore I think that to list the further possibilities, as the report does, is to fail to grasp the evil by the roots. Capital controls, as they are at present, are many-sided, but the weakness of all such controls is that they cut foreigners off from investment, i. e. from share markets, from the granting of credit, from the purchase or financing of business concerns, but not from the purchase of the currency in question. Short-term currency speculators anyway prefer to have balances if not with indigenous banks then with banks in the Euro-



**Blumenfeld**

pean market, and in extreme cases even put up with the fact that the balances do not bear interest. The loss of interest, Mr Arndt, is thus offset by the hoped-for gain on revaluation. But the rate of interest, the amount and type of which you gave quite correctly in a different connection in your report, this rate of interest of which I am now speaking is calculated for a full year for the person who speculates, whereas the profit on revaluation is hoped for in weeks or a few months. So as soon as things become serious, the loss of interest loses its braking effect. And I think, Mr President, that on this point, if one wants to be critical a second time, an observation should perhaps be made, and I recommend it to the attention of the rapporteur.

In conclusion I have a question to put to the rapporteur and a final remark to make to the Commission. In view of the movement of the price of gold on the free market, how does the rapporteur see the policy of the central banks in the future? And to the Commission, despite all the scepticism which I expressed earlier, I should like to make the request: march forward with bold and imaginative proposals and measures so that we achieve European monetary reform within the framework of, and preferably before the negotiations of, the IMF as soon as possible!

**President.** — I call Mr Cifarelli.

**Mr Cifarelli.** — (I) Mr President, honourable Members, I only want to make a few observations, but I must first thank the rapporteur for his very useful and clear speech.

I must say that we on this side are not in favour of a round table conference on monetary problems, nor of a kind of side conference to the IMF conference. As Parliament, we must look on all these problems from the point of view of an economic Community of nine, and of political developments in this Community.

From this viewpoint I agree with the distinguished rapporteur when he points out that the current monetary crisis, as exemplified by the overthrow as a reserve currency of the national currency of the most powerful country in the world, must equally point to the overthrow—there can be no dispute about it—of gold as a reserve instrument; otherwise, while on the one hand we rightly quarrel with the United States over certain monetary developments of recent years, we shall run the risk on the other hand of placing ourselves in a subordinate position in regard to the gold-producing countries, South Africa and the Soviet Union. Gold has been superseded, but I think that in working out a

fresh system, and the rapporteur had made a number of very important suggestions in this connection, our principal consideration must be for our own rights and for our activities as a Community.

I should like in particular to draw the rapporteur's attention to paragraph 8 of the motion for a resolution, in which he says that 'special drawing rights must be issued solely to meet the requirements of the world monetary system'. I entirely agree with him on this, but he goes on to say that 'for this purpose it is important to keep special drawing rights on a tight rein'. It seems to me that either the two statements contradict each other, or that the second is superfluous. In fact, since demands on the international monetary system will obviously vary and undergo adjustments as time goes on, I do not see the need for going into further detail, once the general principle has been established.

I should like to draw the attention of honourable Members to paragraph 3 of the motion for a resolution. I also hope very much that the Commission will be telling the House, either in answer to or in corroboration of the views expressed by the rapporteur, what the main lines of the plan will be which it intends to present to the Committee of Twenty. A properly worked out plan in this context could provide (and here I am in agreement with what my colleague Mr Blumenfeld has said) the authoritative European view, which is lacking at present, on the matters we are debating.

When tariff questions come up, the Commission will be representing the whole Community. Yet in fact the different countries have no unified view on this. So much so that at a recent meeting of the Committee of Action for the United States of Europe, with Jean Monnet in the Chair, it was proposed that, on a trial basis, the nine Members of the Community should as a first step choose a team to handle jointly all contacts with the United States of America, and to proceed from there to contacts with the Twenty and the Monetary Fund, where they would be concerned with highly complex and arduous negotiations.

But until this happens, or on the assumption that it may not happen, the preparation of a Community plan could be a way of making felt the voice of the nine Community States.

Let the Commission tell us, then, what the main lines of its plan will be, and whether it proposes to include in it the greater part of the rapporteur's proposals.

Let me now go on to my second observation, Mr President. Paragraph 11(b) refers to the

**Cifarelli**

need for parallel progress in monetary cooperation and the integration of economic policies. Everybody, I think, must be in agreement with this, but all the same I personally think that this question of parallel progress should be taken with a pinch of salt. I do not agree with those who maintain, on the basis of a mystic belief in currency (as my colleague Mr Leonardi said just now), that all economic problems can be solved by monetary instruments. On the other hand I should not like us to underestimate either the influence which the monetary system can have on the economic situation, or the need to look on this parallelism as a line of development, but not as a prerequisite of any kind of action. Indeed, if we had to wait before we acted for the economic situations in all nine countries to reach the same level, so that we could take this as a model for the pace of development and economic growth, we should obviously be setting conditions which it would be impossible to fulfil.

All the same, the trend towards parallelism in economic and monetary measures means that it is the duty of the Commission, and, let me remind honourable members, ours as well, to implement a regional policy, for which Mr Monnet has proposed there should be a sizeable loan, which would not only absorb liquidity in the Community but also promote an immediate and extensive development in the policy itself, and this is basic for striking a proper balance in the new Community of the Nine. An integrated economic policy also means a common policy on industry, with a need for choice between abandoned areas or areas of dense population, and the preparation of Community measures to prevent movements of capital. And here I should like to put a request to the rapporteur: I should like him to go further than he did in his statement on the need for Community measures to limit capital movements, because one must have regard to the essential nature of the Community as a free market economy. Clearly in an economy, just as in community life, everything is interconnected, and it is a question of seeing where the limits should be.

But it seems to me that consultations on interest rate policies within the nine countries is an objective which we can attain more easily than others. If we cannot do this between the Nine, I do not see how there can be agreement on a wider scale.

Indeed, as confirmation of what I have said, there is the wish, expressed in paragraph 11(d), that Great Britain, Ireland and Italy should join in the Community system of external floating. Well, so far as my country is concerned, I recall

that only on 31 March last the highest monetary authority, by which I mean the Governor of the Bank of Italy, Dr Carli, in the course of his annual statement, which was perhaps more than usual a kind of critical attack on the political situation in my country, brought out the need for restoring health to the economy, since the inflationary position in Italy involves inflated costs, and the country's economic imbalance affects budgetary policy, and also because an *a priori* implementation of the parallelism we have been talking about would have an effect on national economies.

Consequently, while confirming my agreement that there is a necessary parallelism between monetary and economic integration, which the rapporteur rightly brought up as a point of reference, I should like to say as an Italian, in the interest of the truth and from a sense of responsibility, that it is this very fact which is the overriding problem in Italy's internal policy. We consider it to be a necessary factor in the framework of the general Community principles, which I hope the European Parliament will whole-heartedly support today.

**President.** — I call Mr Artzinger.

**Mr Artzinger.** — (D) Mr President, allow me to make a small addition, after the speeches of the groups and some others. To my thanks to the rapporteur for his excellent report and the motion with its clear options I must join regret that this report could not be concluded earlier. In the meantime the Monetary Committee of the European Communities has defined the common position of the nine EC countries in two working papers in the middle of June. These working papers it has already introduced into the conference of representatives of the Group of Twenty held in May. This conference has now finished. They are to be taken up again in July, so as then to be submitted to the annual meeting of the IMF in Nairobi after a conference at ministerial level in the Committee of Twenty in August. Information on the contents of the documents adopted by the Monetary Committee of the European Communities is scanty. I should like to ask the Commission to take the opportunity to close this gap in our information. In addition, reports on the state of discussions in the Representatives' Groups in Washington are not clear to the outsider. It is clear only that dispute over the opposing positions continues. I therefore follow the suggestion of our colleague Mr Burgbacher, to continue the report we are dealing with today so as to underline again in the not too distant future the position of Parliament.

**Artzinger**

Our motion involves clear solutions. All the indications are that the positions worked out in the Monetary Committee of the European Communities, as in the Representative's Group, are far from clear, to say the least. They are political compromises. Such compromises have in the past followed necessarily from the practical interdependence of the three fields of monetary, trade, and defence policy. On this paragraph 31 of the report runs as follows: 'There is general agreement that the negotiations on monetary matters must not be made even more unwieldy than they are already by extending them to cover trade problems as well.' It can be granted that negotiations on different complexes of subjects are not to be all thrown in together, as Sir Christopher Soames has said in this House. But the problems are bound up with each other, even though not fused. One must distinguish between them, but one cannot separate them. My concern was to point to this indissoluble political connection between the problems we are discussing today and those other complexes. The European contribution to world monetary reform must and can only be a political contribution.

**President.** — I call Mr Dewulf.

**Mr Dewulf.** — (NL) Mr President, ladies and gentlemen, I would not have intervened in this debate amongst specialists were it not that the committee on page 14 of its report declares that it has weighty objections to a link being established between development aid and the allocation of special drawing rights. I do not wish to be considered a naive idealist or just a specialist in the field of development cooperation; I now wish to argue that the report should not be adhered to on this point on the basis of objective considerations.

We all base ourselves on the assumption that a new international monetary order will in fact be gradually developed with the introduction of special drawing rights. It follows from this that the developing countries will, by definition, only receive a very meagre share of this, precisely because they are poor.

On the other hand we note that the traditional financial government aid to the benefit of developing countries is not increasing satisfactorily, not only when compared with our obligations, but also, chiefly, with an eye to the requirements of the developing countries. New financial means will therefore have to be made available for this international task.

At UNCTAD-III—this was unanimously acknowledged by us here in this Parliament—pressure was mounted, partly on the initiative of

the Community, for the International Monetary Fund to make a study of the problems concerning the link that should be introduced between the institution of special drawing rights and international development aid.

I should now like to turn briefly to the eminent specialists who so far have spoken in this debate, with a view to making quite clear what we are concerned with.

By 'link' we mean the tie between the allocation of special drawing rights and international aid for development. Such allocation makes it possible, thanks partly to the interest payable, for actual goods to be transferred from the industrial countries to the developing countries. In exchange for this industrialized nations will, however, obtain additional liquidity. We are therefore speaking not of monetary orthodoxy but of the financing of actual goods for developing countries. Coupled to this is the monetary condition that the industrial countries obtain additional liquidity via the system of special drawing rights.

I acknowledge—and this is also stated in the motion—that the allocation of special drawing rights must remain subject to monetary criteria, but this does not detract from the fact that they must also be assessed according to the requirement of world economy for international liquidity in the long term.

Now what does this long-term requirement for international liquidity by the world economy amount to? Everyone will accept that one of the duties of international society is to express itself collectively on the investment of international fiduciary reserves. But it must, in fact, also express itself on the way these are used, so that the social objectives are achieved. Harmonious development at world level is one of these objectives, and the special drawing rights form one of the mechanisms serving these objectives.

With this brief comment I should like to argue that the European Community, as an important partner in the Committee of Twenty, proposes a system for this link to the International Monetary Fund as soon as possible. It would not be acceptable for the European Parliament to lag behind in this area, in view of the fact that the Commission expressed itself a long time ago on this link. I understand that this link has also already been accepted at ministerial level during the preparatory work of the Committee of Twenty. We are now left with choosing a system.

I feel personally that we should opt for an organizational link, by which the special draw-

**Dewulf**

ing rights allocated to the industrialized nations are transferred to multi-lateral organisations for their current loans to developing countries. I should like to have the competent member of the Commission attending this debate to say just a few words on this matter.

**President.** — I call Mr Lange, chairman of the Committee on Economic and Monetary Affairs.

**Mr Lange.** — (D) Mr President, ladies and gentlemen, this motion ends by instructing the President to forward the resolution and the report—it is again a somewhat different form, that we have chosen—to the Commission and Council and also to the parliaments and governments of the Member States. The report, or rather its explanatory statement, is the basis of the motion, for only in this way do the brief references in the notion become comprehensible.

At this point, Mr President, I should like to join with those who have expressed thanks to the rapporteur, who has drawn together the ideas of the Committee on Economic and Monetary Affairs quite unambiguously and without reservations, and to thank him also on behalf of the committee for this work. I should like to explain to other colleagues who have taken the line that we should regard this as a permanent theme, for the committee and Parliament to deal with, that that certainly will be the case. In the foreseeable future we shall have to take up the Commission's communication to the Council, the realization of the first stage of Economic and Monetary Union and the cooperation among the institutions, and then with the action programme for the second stage. We shall therefore have a fresh opportunity to give quite special attention to intra-Community questions; this subject is therefore not removed from the table, but we shall have the opportunity to deal with these questions further in almost all, or closely succeeding, plenary sittings.

Otherwise I think—and here I should like unreservedly to support the rapporteur—that since this Parliament's resolution of 18 May 1971 the Economic Affairs Committee, and with it the Parliament, has repeatedly regarded each crisis as at the same time a chance for further development of the Community. Strongly as we have emphasized that we desire the parallelism or simultaneity of economic and monetary developments, I should not like to see this so strictly conceived that chances for one or the other resulting from particular developments were simply passed over, as was the case this spring. We should like, in accordance with what has been very clearly said here, with regret, on the role of the European Monetary Cooperation

Fund at the March part-session—our colleague Arndt was also rapporteur for the Economic Affairs Committee—to see the strengthened function of this fund approved and to emphasize that the fund must be much more strongly equipped than with the present 2 000 million units of account—formerly a figure of 10 000 million units of account was mentioned, in order merely to make it to some degree capable of functioning—and we demand that the national reserve banks deposit there their currency reserves or parts of them. To this extent this subject, which also played a part in today's discussion, has been dealt with and will be dealt with further.

With this presentation I wanted, ladies and gentlemen, simply to point out that we do not want constantly to repeat in resolutions and define in writing everything relating to each particular subject that we have already discussed and reported back on to the Commission and Council. This has already been done, and we shall always have the opportunity to go on making changes in future. All honourable Members should know that, and so should the Commission. I am sorry, Mr President, I will be careful. The President has pointed out that I should speak more slowly, on account of the interpreters. We must constantly point out that these questions are urgent for Parliament, and I think that despite the regrettable assertion, or rather the assertion, of our colleague Mr Artzinger, that others have already taken certain preceding decisions, Parliament is coming in at the right time.

In fact I believe, with Mr Artzinger, that we have reached a stage in discussion in Parliament, the Community, etc., which allows us to submit such a report with clear options and definitions. That is the case in this instance, as all speakers and also the rapporteur have confirmed. I therefore think, ladies and gentlemen, that in the present phase we should not be so gloomy as many remarks have sounded. I am more optimistic on this point and at the same time I regard this possibility for Parliament, the Commission, the Council, the national governments and parliaments as an opportunity which the Community can develop, both internally and in connection with reform of the world monetary system and reconstruction of the International Monetary Fund, whereby the Community, in my view, if the political will of the Summit Conference were finally to be realized, would have the chance to emerge as itself having its own personality, in international politics or law. It comes simply to this, that those responsible in the Governments of the Member States and the Heads of State of the Member States manifest the political will to undertake this fusion within the Community in favour of Community actions.

**Lange**

This is the decisive thing, this is something we have already said in various ways in this connection.

And now another word on a peculiar feature that has played a part in the discussion. I do not mean by it to detract at all from the rapporteur. The Economic Affairs Committee, the present Committee on Economic and Monetary Affairs, has always pointed to the danger in linking special drawing rights with development aid. Our colleague, Mr Dewulf, has made some to my mind very apposite remarks in this connection, and I think there is widespread agreement, i.e. agreement that the industrial nations should not finance the developing countries by drawing on future issues and themselves create more additional liquidity which could become an additional inflationary factor, but that the industrial nations should finance development aid, that is provide credits for it, but out of national economic efforts already completed, out of their national product. Otherwise we are indeed creating additional liquidity instead of directing the available liquidity to other things and then skimming off excess purchasing power where it is present. So I think that if one takes this consideration into account, one can very well agree on the form of financing for development aid or, possibly, the role of special drawing rights, whereby these would have to be provided in a special way, probably differently from the way they appear today, so that the role of the special drawing rights is not endangered—i.e. not separately, since we shall all be able safely to assume that neither gold nor a national currency could become tomorrow the guide currency or world currency reserve.

If we consider all this together—and that is why I on my part have specially taken up this point again—I believe we could very well agree, as a Parliament, to what Mr Arndt proposed in the name of the Committee on Economic and Monetary Affairs in the motion for a resolution. I think we shall then still have room enough to discuss all the further questions that will arise as accompanying problems or will remain in being until a suitable solution has been found, which naturally applies also to the so-called coherence of the economic policies of the Member States, with all that belongs to it. I believe we would then have a basis and starting point from which an appropriate contribution to a reform of the world currency system could surely be made, with the objective that possibly tomorrow or the day after we could escape from the inflationary factors hitherto known, and possibly also acquire on the international level instruments to use alongside those needed inter-

nally in order effectively to counteract the trend to inflation.

(Applause)

**President.** — I call Mr Haferkamp.

**Mr Haferkamp, Vice-President of the Commission of the European Communities.** — (D) Mr President, ladies and gentlemen, I should like first to join in the thanks and recognition which have been expressed here to the rapporteur. The Commission also welcomes the fact that we are to keep this question we are discussing as a sort of standing point of discussion. I should like also to go into a suggestion by Mr Artzinger, who complained that certain detailed information not available, for example on the negotiations in Washington and on preparation of the Community position in international negotiations, in Community bodies.

I assume that this House agrees with me that there are areas and details that are not suitable for public negotiation. Should we find suitable forms for the discussion of these questions, then of course the Commission is glad to make itself available.

So far as the report and resolution are concerned both are for us an important contribution to further treatment of these questions. It has already been said here that we cannot expect solutions from one day to the next. We all know that considerable economic and political interests are involved, and those questions of the reform of the world monetary system are to be considered in broader terms. We shall treat it accordingly.

I cannot go into the individual points set out in the report. We have had the opportunity to talk about these at length in committee.

However, I should like to make some remarks about certain points that have been made, first about the general course of international events. At the latest negotiations of the Committee of Twenty, at Representative level, in Washington, have been mentioned here, we did not yet reach any solution. That was not to be expected. Nevertheless we can say that positions have become clearer, though substantial differences of opinion on certain questions persist, for example between the attitude of the United States and of the European Community on certain problems, on the one hand and between the industrial countries and the developing countries on the other. Positions have become plainer and it is now possible to carry on discussions in future meetings more concretely than has hitherto been the case. Since the Smithsonian agreement general declarations have in fact been made in connection

### Haferkamp

with internal reform and a decision has been taken on procedure. Now, for the first time the basic positions involved are clear. And this, even though we have to recognise that there are differences, is the precondition for finding solutions through compromises, as occasion arises.

So far as further progress is concerned, the IMF Secretariat will set out the work done in the last week of May and submit a scheme for further discussion. This discussion will take place at Representatives' level between 11 and 13 June, and according to how much progress is made there it could be possible for a conference at ministerial level to take place toward the end of July. We should very much welcome it if this could come about. But in any case it seems to be certain that for the Nairobi conference we can count on discussions on the issue itself and not simply general declarations and procedural questions. This does not mean that a final solution to all problems may be expected with certainty from the conference in the autumn. That would be a little too much to ask, in view of the complexity of the problems. However, I have the impression that in the last few months we have made more progress than in the period between August 1971 and March 1973. I have just spoken of the different positions. I do not want to go into this again except for one point that has several times played a part in the debate, the question concerning the developing countries.

I believe one must distinguish two things here. One is the periodic creation of liquidity for all participants in the system. Here I believe that the criterion which the committee has emphasised in relation to the necessity for restraint and avoidance of inflationary tendencies has been generally recognized. I can say here that this has also been recognized by the developing countries. A second problem, after the current fixing of global liquidity, is its subsequent division among the participants. Here the differences become very plain in the Representatives' meeting. The question will be examined further among the participants. A final verdict is not yet possible here. So far as the Commission is concerned, it has always declared that reform of the international monetary system must take into account the special needs of the developing countries. However it has also been pointed out here that ultimately it is not the question of distribution of liquidity that is decisive, but the distribution of real resources, and I believe that we need not retreat from the position the Commission has hitherto taken on this question, and that the statement the committee has formulated in its motion requires no change in our attitude.

Another important controversy concerns the Community as such. Important, difficult and

complicated as the questions are on the international level, it is correspondingly important that we have a Community concept and attitude. This is not only a question of our own interests in international proceedings. To the extent that this Community supplies a united and consolidated contribution it becomes easier to solve the problems on the international scale.

In recent months we have made a series of advances in the monetary sector in the Community. I am far from describing the present situation as perfect, and as politicians it will seldom be possible for us to accept a situation as perfect. But I can recall to mind the following: The Commission was not present merely as observer during the currency crisis in March. Since I am immediately involved myself I will confine myself to this statement, and say no more. I am convinced that we did very much more than observe. Those who know the inside story will confirm that. The decision on how to proceed was a Community one. We regret that it was not possible on 11 March to achieve common action by all the Nine, and that there was group floating by the Six and separate floating by the Three. When this decision was taken on 11 March hope was expressed that the Three would soon join the Six. I can only repeat this hope today. Speakers here have expressed this hope, including Members coming from the countries affected. I should be grateful if that were constantly recalled not only in this House but also in the domestic parliaments concerned.

In and before the international conferences we have had since March there has always been a decision at Community level: for the Paris conferences in March, for the March ministerial conference of the Committee of Twenty in Washington, for the Representatives' meetings last month. There have been sessions of the appropriate Council committees. Before these sessions, on the proposal of the Commission, the standpoints of all nine Member States of the Community were established, and in these conferences, above all the conferences at ministerial level, they were represented by the President of the Council of Ministers, for the Community and all nine Member States. Similar decisions took place in connection with the last Representatives' conference in Washington. Recently there has not been the going-it alone that we have known in the past. The proposal that Europe should speak with one voice on this question is found in the Commission's proposals for the second stage of Economic and Monetary Union. But this practice has already taken shape in recent months and I regard it as a very positive experience. I believe we have every occasion to assume that the working out of Community standpoints on these questions and repre-

**Haferkamp**

sentation of these standpoints on behalf of the Community and the Nine not only continues but will be further strengthened.

In this connection allow me to say a word about the wishes variously expressed that the Commission or the Community should submit a global plan for the problems of international monetary reform. Up to now we have not worked out any global plan, nor do we intend to lay on the table a compact document which solves all the problems simultaneously, or contains simultaneous proposals for them all. But I must say here — and Mr Artzinger has also pointed it out already—that we have worked out a Community attitude toward a great number of substantial points and put it forward both at the ministerial conferences I have mentioned and in discussions among the Ministers' Representatives, for example on the problem of the adjustment procedure.

You will not expect me to deal with all the headings in detail. We would be glad to do that in another connection. However, in the question of the adjustment process there is a Community attitude, not a proposal taken over from elsewhere, which is that change in the amount of reserves should not lead automatically to a change of parity, but should set off a process from which could flow consultations and, on occasion, decisions, though not automatically and not on the basis of a fixed quantitative indicator but a range of indicators with greater relevance to economic realities. In connection with the reform system, there exists a comprehensive paper and comprehensive presentation of all the Member States and the Community. The same applies to the attitude to special drawing rights and to control over capital movements. It does not yet apply fully to the question of consolidating the dollar balances. Here we still have to work out a Community attitude for all. I hope that the Member States resist the temptation to succumb to some idea that they could wheedle some small advantage or other for themselves out of bilateral negotiations. It would be better if we very soon reached a Community attitude in this question also. I am convinced we should succeed in this now that we have already achieved unity on such difficult questions as the adjustment process, special drawing rights, etc. I therefore see good prospects of our reaching an agreed attitude. I consider it of decisive importance that we maintain this Community position and continue to speak with one voice. The Commission will continue to do everything to see that this is the case.

We shall soon have the opportunity, in questions of monetary development, to make a further

exemplary test. The time is approaching when people will have to show their colours over an important question, whether they seriously mean their grand resolutions. What I am talking about is this: by 30 June the Commission will make proposals on the conditions for gradual merging of currency reserves and improvement of short-term monetary support. Those who think that in its proposals the Commission will lose itself in technical details, in accounting between the central banks and other technical modalities that are important for bookkeeping but are nonetheless technical, are making a mistake. It is not a question here of making proposals that run only to arithmetic and technical modalities. It is a question of a political decision to take serious action, without which we shall not achieve economic and monetary union. With the proposals, on the transformation of national into Community reserves, expansion of the functions and tasks of the European Monetary Fund, the transmission of further monetary functions to the European unit of account, and the realization of a European capital market, i.e. dismantling of internal and alignment of external controls, problems have been broached that go to the heart of the matter. We will not allow those politically responsible, the Council and the governments, to escape from pronouncing on them. It would be a good thing if these decisions were reached within the framework of an exchange rate system for all nine Member States. I should like to emphasize explicitly that I am not saying that this is a precondition for us. But it would be good if all the Nine who have to work together on it were bound by the same system, and not Six inside and Three outside. But however that may be the political decision will be necessary and we shall demand it. We shall not get lost in technical details. For them there will be important annexes, on which those responsible can pronounce. What we are preparing here means no more than that we take seriously the declarations made in this connection by two summit conferences. It must then be recorded in decisions and actions that they are also taken seriously by the Governments. In this matter, too, the Commission hopes for and expects the help of this House.

*(Applause)*

**President.** — I call Mr Arndt on behalf of the Socialist Group and as rapporteur.

**Mr Arndt, rapporteur.** — *(D)* Mr President, as rapporteur I should like to express my thanks for the very stimulating discussion, and also for the many friendly words which greeted the report which I had to deliver on behalf of the committee. I think it is simply not possible to



**Arndt**

deal with the many suggestions and questions here in plenary session, and probably Mr Burgbacher's proposal that the Committee for Economic and Monetary Affairs should occupy itself continuously with such matters contains the greatest sense and at the same time probably expresses a desire to hold a detailed discussion next time.

I have to state, secondly, on behalf of the Socialist Group, that it supports the resolution in the form proposed by the Committee for Economic and Monetary Affairs.

Thirdly, I have been having a little difficulty with Amendment No 1, and should like to ask Mr Beylot to withdraw it, because everything he demands in the amendment is contained in the motion for a resolution—the fixed but adjustable parities, convertibility, the international regulation of the liquidity supply—it is all there. It is just expressed rather more concretely and is spread over two pages instead of being set out higgledy-piggledy.

It is now a matter of judgment, Mr President; a committee has taken trouble, it has also brought a certain order into things. I had only to report on this work, it contains only a part of my own thoughts and expresses the commitment of the committee. Now we have been presented with an amendment that says the same thing—though naturally in a very general form—and which people want to see inserted in a certain position. It is, as has been said, a pity that there cannot be a direct discussion. But I would ask you, given the circumstances of inflation, to disregard this proposed amendment and, as it cannot be withdrawn, to reject it. Those were my three points.

For the rest, I have cause to congratulate the Commission, for this European monetary fund will indeed also have a key function in the world monetary system. There will be put into practice that which was set out in the programme with the still rather nebulous and frightening special drawing rights. For what is a unit of account? A unit of account is like a special drawing right, like an ounce of gold, and the present procedure in the block-float, under which the 'Six Plus'—the 'plus' stands for Norway and Sweden—give each other mutual assistance at the extremities of the fluctuation margins by buying the currency which is weak at the time. Settlement must take place after 30 days and interest must be paid at the prevailing bank rates, that is, interest at the market rate. This is an intervention system with many currencies, as could and should also be practised at international level not only with one currency but with many currencies; only one thing is still lacking: it should also be possible to intervene in units of account.

First this abstract child must be given a sensible name. Then we must also have sensible rates of interest so that people want to hold them. Nothing further would have to be done in the world context to establish special drawing rights with a sensible name as well. But in order to put this into full effect here in Europe, it is of course necessary that the working fund should be solvent, that accounts should be paid in amounting to—what was it?—10 thousand million units of account, equals special drawing rights, equals ounces of gold, which may perhaps sound a fair amount to some. That is conditional upon the United Kingdom Government conforming to an acceptable parity, the solvent float.

Then things would also get moving in the other member countries, and to some extent in regional policy as well, which is very closely bound up with all this. Even leaving all this aside, the dilemma in world currency reform in its present phase is how to arrive at the small decisions, the gradual decisions to which an earlier speaker referred just now. Where in the near future is the substitute for monetary crises on which we have had to draw until now? This substitute can really only be found in European activities, by showing how such a system can function well in a framework of 9 plus some others, with the corresponding financial transfusions, whether under regional policy or under social policy, and everything that goes with them, but above all with a monetary fund that has financial powers and consequently a field of operations and real influence. This would be a small-scale working version of the large-scale model. I am afraid that no committee, whether of the Ten or of the Twenty, nor indeed the entire International Monetary Fund with its 120 members will be able to achieve this.

For this reason it is very important, Vice-President Haferkamp, that you and your memoranda should meet with a good reception.

**President.** — Does anyone else wish to speak?

The general debate is closed.

We shall now consider the motion.

On the preamble, I have no amendments or speakers listed.

Does anyone wish to speak?

I put the preamble to the vote.

The preamble is adopted.

After the preamble, I have Amendment No 1, tabled by Mr Beylot on behalf of the EDU Group and worded as follows:



**President**

Before paragraph 1, insert a new paragraph worded as follows:

'Referring to the determination expressed by the Heads of State or of Government at the Paris Meeting of 19/20 October 1972, considers that the reform of the world monetary system should be based on the following principles:

- fixed but adjustable parities,
- the general convertibility of currencies,
- effective international regulation of the world supply of liquidities,
- a reduction in the role of national currencies as reserve instruments,
- the effective and equitable functioning of the adjustment process,
- equal rights and duties for all participants in the system,
- the need to lessen the unstabilizing effects of short term capital movements,
- the taking into account of the interests of the developing countries.'

I call Mr Beylot to move his amendment.

**Mr Beylot.** — (F) Mr President, ladies and gentlemen, I should like to comply with the wish expressed a few moments ago by the rapporteur Mr Arndt by withdrawing this amendment, but I think that it is worthwhile saying to him that our reason for tabling this amendment is precisely to achieve what several speakers have called for during this debate. Everybody has expressed the wish that Europe should speak with a unanimous voice. In fact, I have adopted the exact text of paragraph 4 of the declaration made by our Nine Heads of State last October.

The usefulness of this amendment, which in no way runs counter to the excellent report by Mr Arndt since it takes up the same theme, is that it makes certain points which are not contained in the motion for a resolution itself, namely:

Firstly, the fixing of parities. Of course, we are realistic: we are well aware that economic circumstances vary from country to country and that parities cannot be fixed absolutely. But we must work towards this end, and the amendment serves the purpose of including this in the resolution itself.

A second principle: that of convertibility, and here again we must be realistic. We are well aware that the general convertibility of currencies cannot be achieved over night, but again we must work towards this end, since the lack of convertibility will not help to restore stability. For this reason, we believe that this principle should be written in to the resolution itself.

A final aspect of our amendment is that it makes provision for taking the interests of the developing countries into consideration, without going into details, and this should make it find favour with both Mr Dewulf and Mr Lange.

This is why we believe that the conclusions of the summit conference last October should be written into the resolution itself.

These are the grounds underlying this amendment. I also consider that it is of decisive interest to present this motion for a resolution as one which expresses the unanimous feelings of the Community, and I therefore ask, in the name of our group, that the amendment be adopted by this House.

**President.** — Mr Arndt, a few moments ago you asked the mover of this amendment to withdraw it. He has not done so. What is your view of this?

**Mr Arndt, rapporteur.** — (D) Mr President, I have really already expressed it indirectly. I would think that it does not matter that, as has been said, an amendment to my motion has been proposed in this House, but that an amendment has been proposed to a motion by a committee which has spent a lot of time polishing it and has then unanimously adopted it. It is very fine that Heads of States have also had thoughts on this subject. We should be heartened by that. But we found that it also perhaps corresponds to the wishes of these Heads of State if this Parliament is somewhat more concrete.

**President.** — I call Mr Burgbacher.

**Mr Burgbacher.** — (D) Mr President, ladies and gentlemen, I ask the mover of the amendment whether he agrees that the amendment should not be put to the vote here but should be referred to the Committee on Economic and Monetary Affairs as material for discussion, seeing that we have after all decided to maintain a continuous discussion of the problem and if possible to present you with a new document.

**President.** — Mr Burgbacher, the Rules of Procedure do not permit me to do as you suggest. I have an amendment and I must put it to the vote. The Rules of Procedure do not allow amendments to be referred back to committees for discussion. It would have to be referred back formally.

I call Mr Dewulf.

**Mr Dewulf.** — (F) Mr President, I should like to ask Mr Beylot to consider the drafting of his

**Dewulf**

amendment in the form of a recital, that is the presentation of the text as follows:

'Having regard to the wish expressed by the Heads of State or of Government at the conference held in Paris on 19/21 October 1972, and considering that the reform of the international monetary system must be founded on the following principles: .....,'

I find, personally, that a reference to the Paris Conference is very suitable.

(*Applause*)

**President.** — I call Mr Beylot.

**Mr Beylot.** — (F) I agree to Mr Dewulf's proposal.

**President.** — I call Mr Lange.

**Mr Lange.** — (D) Mr President, I should like to put the question, whether in the recital—it must be the second one—only the reference to the resolution or the communiqué of the summit conference follows, without enumeration of the items in the way they are set out here; for that cannot be inserted in this place in this way. For it would be nonsense, linguistically. So I am of the opinion that a reference to the summit conference can be made if this is absolutely necessary. I agree with the rapporteur that Parliament has worked independently here. Otherwise we as a committee would have been able confidently to copy what the Summit Conference decided or stated in its communiqué. Here Parliament should indeed utter its own opinion, and with precision. For this reason one cannot incorporate these things into the resolution in such a detailed way, not even as recital. At best there can simply be a reference to the summit conference.

**President.** — Mr Beylot, what is your view of this proposal to incorporate in the preamble the first paragraph only of your amendment and to leave out the list of principles?

**Mr Beylot.** — (F) I agree to it, Mr President.

**President.** — In that case, the question is simplified.

I call Mr Lange.

**Mr Lange.** — (D) That will not work, Mr President. Excuse me for saying so. I said: reference to the summit conference, in cognizance of the Summit Conference communiqué of such-and-such a date. But in the first paragraph it says, Mr President: 'that reform of the world currency system must be based on the following

principles' etc. We cannot incorporate that. We can only have the bare reference to the Summit conference communiqué. Otherwise it does not work, either linguistically or as regards subject matter.

**President.** — The phrase, 'considers that the reform of the world monetary system should be based on the following principles' must be deleted.

**Mr Lange.** — (D) The whole thing must be deleted.

**President.** — No, Mr Lange, not the whole thing just the phrase, 'considers that the reform of the world monetary system should be based on the following principles,' and, of course, the eight principles themselves.

Do you agree to this, Mr Beylot?

**Mr Beylot.** — (F) Mr President, I have already expressed my agreement. I do so again.

**President.** — As a result, Amendment No 1 shall be incorporated in the preamble and shall be worded as follows:

'Having regard to paragraph 4 of the Final Communiqué issued by the Heads of State or of Government at their Meeting of 19 and 20 October 1972;'

This version in no way alters the content, but gives the amendment the necessary form to be inserted in the preamble.

Does anyone else wish to speak?

I put Amendment No 1 so modified to the vote.

Amendment No 1 so modified is agreed to.

On paragraphs 1 to 4 I have no amendments or speakers listed.

Does anyone wish to speak?

I put these paragraphs to the vote.

Paragraphs 1 to 4 are adopted.

Does anyone else wish to speak?

I put the motion as a whole to the vote.

The resolution is adopted.<sup>1</sup>

#### 10. *Welcome to Mr Vredeling and Mr Mommersteeg*

**President.** — Before we proceed to the next item on the agenda, I should like to welcome here for the last time our colleagues Mr Vredeling, a Member of the European Parliament since

<sup>1</sup> OJ C 49, 28. 6. 73.

**President**

1958 and now Minister of Defence for the Netherlands, and Mr Mommersteeg, a Member of the European Parliament since 1971 and now State Secretary in the Dutch Ministry of Defence. I think I may safely say that these two gentlemen have made a considerable contribution to the work of the European Parliament, and I think we should all express our thanks to them.

*(Loud applause)*

Together with our thanks, I should also like to express the hope that both gentlemen will have every success in their new work, and that they will often think of Europe and this European Parliament and join with us in defending its rights.

At his own request, I call Mr Vredeling.

**Mr Vredeling.** — *(NL)* Mr President, with your permission I should like to say a few words.

I am still speaking as a Member of the European Parliament, but the time has come to say goodbye, although I hope that this will not be goodbye forever.

I have been a Member of this Parliament since March 1958, at that time under Robert Schuman. Without being over-dramatic, I should like to say that I have spent the best years of my life in this House, which may be interpreted as a symbol.

This farewell naturally fills me with a certain sadness, although once again one should not exaggerate.

Of the 142 Members of the European Parliament since the time when I came here as a greenhorn, there now remain Messrs Lückner, Poher, Schuijt and Burgbacher, and the chairman of my Group, Francis Vals.

For the other 136 Members the torch has in the meantime been taken up by others. And the six I have named will in due course be superseded. I am very pleased that our membership has in the meantime been strengthened by delegates from the new Member States of Great Britain, Denmark and Ireland; 1 January 1973 I of course regarded as a climax in this work.

In these 15 years we have grown up from nothing to something. If we look at the situation today and divide the results by 15, it has not after all been such a bad average annual score. Or course, I personally have been impatient at times as to the rate of progress, and I am so still, but there is a Dutch saying that runs; Those who believe don't hurry.

Mr President, I have the honour of handing in my notice hereby as Member of this Parliament. Without a second of breathing space I am to you from now on solely the Minister of Defence of one of the Member States. I shall shortly take my place on one of the seats reserved for Members of the Council; that will be a symbolic act for me as Minister of Defence. It will, then, be the first time that a Minister of Defence authorized for the purpose by his government takes his place in one of the seats for Members of the Council in this House.

I hope that the day will come when thoughts will be exchanged in this representative meeting of Europe with the Commission and the Council on European defence policy. Only then will we have achieved what we once entertained only in our fantasy. We shall then in fact have arrived in the neighbourhood of a European defence community which was thought about at the beginning of the 1950s.

Mr President, through you I should like to thank all my colleagues and particularly, too, the secretariat for our happy cooperation.

The Commission I should like to thank for their patience shown towards me.

You, Mr President, and the whole of the European Parliament, I wish much courage, wisdom and efficiency for the sake of the maintenance and strengthening of parliamentary democracy in Europe. The Council I shall not yet thank. The Council—in which I am from now on included—gets from me the benefit of the doubt.

*(Loud applause)*

**President.** — I call Mr Mommersteeg.

**Mr Mommersteeg.** — *(NL)* Mr President, I am pleased to associate myself with the expression of thanks that Mr Minister Vredeling has directed to you in this Parliament. I greatly appreciate the many good wishes that I have received, both on the part of the Bureau and on the part of the committees of which I have been a member and in fact still am at this moment. I thank you for the friendship that I have experienced here and give this Parliament the assurance that I have accepted—and also hope to perform, my new office as Secretary of State for Defence in that same European spirit which has inspired my work in this Parliament.

*(Applause)*

**President.** — I should like to thank both gentlemen.

We shall take them at their word.

**President**

11. *Communication from the Commission on initial measures to establish a common vocational training policy—list of priority projects to be undertaken in this sphere in 1973*

**President.** — The next item is a debate on the report drawn up by Mr Pisoni on behalf of the Committee on Social Affairs and Employment on the Communication from the Commission of the European Communities to the Council on initial measures to establish a common vocational training policy and on the list of priority projects in the vocation training field to be undertaken in 1973 (Doc. 83/73).

I call Mr Pisoni to present his report.

**Mr Pisoni, rapporteur.** — (I) Mr President, honourable Members, the subject is not new. The general principles laid down by the Council in 1963 were first discussed in this House, and formed the basis of a programme in 1965, with the Sabatini report. The principles which motivated the programme at that time are even more to the point today, and the projects which were put forward but never implemented are more pressing than ever.

Free movement and the unification and expansion of the labour market demand proper planning as regards the market itself and the harmonization of criteria of training and vocational standards. An exchange of information and experiences on criteria, costs and vocational training methods is not only a means of reciprocal benefit for the Member States of the Community, but also answers the requirement for a rationalization of statistical information on the availability of manpower and applications put in by technicians, skilled workers and members of the professions, so that responses are adapted to requirements, and it does not happen that after vocational training there is no work to go to, or that applications cannot be taken up, as sometimes happens now.

The increase in unemployment among young people and in the professions is evidence of this. In a number of countries—not only in Italy—school is sometimes looked on as a temporary place to park oneself, somewhere to spend time in while waiting for a job, and young people are turned out without a specific training or sound qualifications who cannot immediately find jobs when they leave.

Up to now the Commission has not done much to implement the programme proposed in 1965, either from lack of funds or lack of personnel. So far its activities have remained at the preparatory stage, which is a necessary stage but not in any way sufficient; there have been study

groups, seminars, exchanges of views and experiences. The matter must be tackled not only with adequate resources, but also with sufficiently clear ideas.

Changes in social and economic conditions in Europe, advances in teaching methods, new technologies, and a fresh awareness on the part of the workers all involve the need for a higher level of vocational training.

I think it might be useful to stop and consider one or two points. In the old days a man was trained for a profession or an occupation by his father, or he would be apprenticed to a master craftsman or articulated in a profession. But this was a very good educational system, because he was not only taught a profession but was at the same time prepared for life; the aim was to educate the man, and the tempo of change of those days made this possible.

With the advent of industrialization, vocational training—and this was the term used at the time—was organized almost entirely by private concerns or by institutions which had the one aim of turning out in the shortest possible time qualified and specialised workers. The community too, the state, when it came into this particular field, set up courses of short duration to give training for a trade in the shortest possible time and as well as might be in the circumstances.

The new concept of vocational training or vocational education is only of recent years. The word 'education' shows clearly what a great change there has been in the style and purpose of training. Nowadays it is the man, and not just the person filling a job, with whom we are concerned; we are not merely aiming, or should not be, at training a technician, we must educate the man who is professionally competent. Formerly it was either left to the schools to educate people as human beings or it was something which was ignored, as if the human being and the man in the job were two separate entities, and education was not inductive of productivity. Obviously training for a vocation cannot be detached from, or less still set against, training in human qualities, such as good judgement and the awareness of and capacity for free speech and action. The man of today, indeed, who has grown up in awareness of his own nature, is increasingly less disposed to allow himself to be considered merely as a means of production or a cog in the wheel.

It can be seen from these observations that schooling in the general sense and vocational training are becoming more and more closely linked, and that it is not possible to separate them. Till today, and not even now in some systems, this new concept of vocational training

**Pisoni**

has not found effective outlets or been put into concrete effect. The monotony of most production processes, the tyranny of the conveyor belt, and the alienating effect of much of present-day industrial activities must be compensated for by giving the worker a greater capacity for educated thought.

Somebody has said that we educate people under the sign of freedom and then offer them tyrannical industrial systems and assembly lines. That is true enough, but if the worker is given a better preparation in terms of human values he will be able to discover himself as a man. It follows from this that vocational training must be increasingly the concern of the public and less of the private sector, since private enterprise would be interested almost exclusively in providing technical training, and moreover it would not always be possible to impose on it the task of education which is the rightful duty of the community.

In this way there is no disjunction or contradiction between education and vocation, or between school and industry; this is where we must look for a real meeting point between the two, when we shall discover that progress is in the service of man, or it is not progress. Fortunately it is no longer the belief that a thinking man is less productive on an assembly line and is more inclined to rebel. According to some figures, men change their jobs three times on the average in the course of their working lives. Many industries, in order to keep up their tempo of production, have to revolutionize their production processes within a very short time, machinery and know-how become obsolescent very quickly; social mobility and ease of communications bring about large-scale exoduses from one sector to another, especially from agriculture to industry and from industry to services, and there are considerable movements of population from the country to the cities, and from one region to another, or from one country to another. These factors are constantly causing old occupations to be supplanted, and demand a considerable capacity for adaptability and readjustment.

Today it is not possible to train for one vocation, and that is all; there must be a comprehensive training onto which individual vocations can be grafted.

Requalification should be a fairly quick process, but the sounder the basic training the easier it will be to requalify. Social mobility and ease of communications demand that qualifications should be recognized to have equal validity, but this again presupposes that models should be standardized at the European level, that uniform methods and criteria should be proposed, and

that a uniform style of teaching and instruction should be established; and that account is also taken of the starting age, the basic scholastic education before training, and the question of supply and demand in the labour market.

Vocational training was previously considered, and still is in some cases, as the only course to be followed by the less able and as an act of discrimination by the less well-to-do. This was because some occupations were considered more respectable than others. But there is no respectability grading of occupations, except perhaps in the opinion of some people who are destined for certain occupations because of their birth or the financial positions of their families. Every vocation has its own dignity, but at the same time they must all of them give those who follow them the opportunity of developing their own personalities. And this opportunity can only be given if there has been a good basic education. It is not only the universities which make a man wise, but all types of studies which can produce the capacity for understanding and good judgement. These are also the principles which should be the mainspring of the European vocational training centre which it has been stated will be set up; this should be a spur towards universal acceptance of vocational training with a human face.

From the list of projects and activities to which the Commission intends to give priority, thirteen of which have already been approved, I will just take the two which seem to me to be the most recent, if not the most important. The first concerns migrant workers. A very large number of workers are on the move every year in Europe, either from Member States, especially Italy, or from non-Member States. They are usually the most deprived and lacking in everything, with no knowledge of the language of the host country and no professional qualifications. It is however these workers who are partly responsible for the success of so many businesses, and the consequent accumulation of possessions and wealth, and they must be guaranteed assistance from the Community Social Fund both in their countries of origin and in their host countries. They must be assured of getting an adequate preparation and vocational training which will include knowledge of at least some rudiments of the language of the country where they are going to work. The Commission could do a great deal in this sector, and it would find that conditions are ripe for it.

The second project concerns the handicapped. Each one of us wants to be useful to somebody, and to the Community, and to earn what is necessary for living. If this stimulus were taken away we should lose a good part of the desire

**Pisoni**

to go on living and fighting for our aims. This is even more so with the handicapped. They must, within the limits of their possibilities, be guaranteed entry into a vocation. A material effort will be required, but the ground is there, and there are no colossal difficulties, provided that it is not all left to seminars and study groups.

I will conclude by asking Members to vote in favour of the motion for a resolution, and by inviting the Council to provide the Commission with sufficient resources and staff for them to be able to tackle this subject, so that in a few years time we shall not still have to admit that we are still halted at the stage of announcing the programmes which we should like to carry out.

(Applause)

IN THE CHAIR: MR BURGBACHER

*Vice-President*

**President.** — I call Mr Bermani on behalf of the Socialist Group.

**Mr Bermani.** — (I) I wish to speak very briefly—as the President has called on me to do—on behalf of the Socialist Group. The subject of the explanatory speech by my colleague Mr Pisoni which we have just heard, and which had the merit of being lucid and in parts very outspoken, was discussed in depth by the Committee on Social Affairs and Employment at its last meeting in Rome. All those present, though in different degrees, found occasion to point out that there was still cause for disappointment at how little had been achieved so far in such an important matter as vocational training, and also over plans for the future. Mr Pisoni has rightly emphasized that vocational training should no longer be purely technical, but must also pay attention to the human aspect in training those going into a job, for the very good reason that automation and the assembly line, which are predominant in industry today, tend to depersonalize the worker. Vocational training must therefore also concern itself with the development of the human personality so that the worker can always remain a human being and not become an automaton. The need today is even greater for a responsible and careful vocational training of the kind envisaged. It follows that the State must play an increasing part in vocational training, and that so far as is possible it should be taken out of the hands of private enterprise. This is because the State alone can be relied on to undertake the kind of vocational training which satisfies the requirements my colleague Pisoni has men-

tioned, and which I have reiterated; private enterprise, on the other hand, for reasons of economy tends to lay on more hurried courses of instruction which are purely technical and concerned with specific skills, without troubling about anything else, when what is required is the kind of broader training which Mr Pisoni calls basic training, the only kind which will permit speedy requalification. But even this will not be sufficient today, with the ever-increasing size of the labour market, free movement of manpower and the huge number of migrant workers, which are all of them factors making it not only desirable but essential to standardize in the different Community States the methods and criteria of vocation training.

Can it be said that the Community's performance has been adequate in meeting this very important, I should say exceptionally important, task? I should say not, without fear of contradiction, when one thinks that ten years ago, in 1963, the Council of Ministers approved the general principles to be applied which have not however been implemented by Member States (and I must say my *mea culpa* here as regards my own country; and again when one thinks that the first programme worked out by the Commission in 1965 has had little or no success, as the Commission itself has recognized. Though the Commission cannot really be blamed for this lack of success, as I had occasion to point out at the meeting of the Committee on Social Affairs in Rome, because of the complete inadequacy of the financial resources placed at its disposal.

In Rome we also heard the Commission's representative emphasising the enormous shortage of staff in the sector of vocational training; a shortage which is really frightening.

So much for the past. But matters will certainly not improve in the present either, or in the near future, with appropriations in the 1973 budget for vocational training of only 330 thousand units of account, and when one thinks that the Council of Ministers has approved only thirteen out of the thirty projects envisaged in the Commission's programme for 1973, and deferred the rest for the future general programme. This, as was rightly brought out by the Social Committee, is likely to mean that money and staff will not be allotted in time for carrying out the 1974 programme.

Of what use is it, then, to talk about a European vocational training centre—which will be an excellent thing if it is ever set up—if there is going to be a lack of money and personnel? Why arrange for exchanges of information and experiences, and organize study groups and

**Bermani**

seminars on what should be done for the sons of migrant workers—another excellent proposal—if there will not be enough financial resources? When I was speaking on this subject in Rome I remembered a half dog-Latin saying which is used in the part of the world where I was born: "*quando non ce n'è, quare conturbas me?*" Which means, it's no use urging me on to start anything if I haven't got the money to do it. And I am afraid that so far this has been the case with the Commission and the projects it proposes to adopt in order to achieve the objectives which we all want to see achieved in the field of vocational training.

Nor can the Council object that it has, after all, approved thirteen of the thirty projects, because this really is too little in view of the great importance which the subject of vocational training has today. And it really is deplorable, as first the Committee on Social Affairs and Employment and then Mr Pisoni have emphasized, that since 1963, that is to say ten years after the Council of Ministers approved the relevant guidelines, there has been so little material achievement, and that we are still virtually at the preparatory stage.

Again, the guidelines for action which, as has been said, have already been laid down for the important sector of the handicapped, have been constantly neglected; there are criticisms about insufficient appropriations, the lack of detailed measures for a sector as important as agriculture has been deplored, as has the failure to include industry among the sectors to be given priority for Community action in the area of vocational training; there have been urgent appeals to deal with all these deficiencies, and above all appeals to supply the fuel to get the machine running, that is to say finance; in short, everything that has been brought out in the motion for a resolution by the Committee on Social Affairs and Employment has the full approval of the Socialists.

Of course these criticisms are in the nature of suggestions, that is to say they have been made in the hope of achieving results, and we Socialists shall vote in favour of the motion for a resolution in the hope that the next ten years will be more fruitful than the last ten as regards Community policy on vocational training, which must not be allowed to remain the Cinderella of the policies of the Community. And since I have mentioned Cinderella, let us get this policy married to the prince, as in the fairy-tale. If we do that, we shall certainly not go wrong.

(Applause)

**President.** — I call Lady Elles on behalf of the European Conservative Group.

**Lady Elles.** — I speak on behalf of the Conservative Group and I begin by congratulating Mr Pisoni on his report on a subject which has been lying dormant for many years and which we hope, by this discussion, will again become a lively factor in Community policy.

The conclusions of my group follow very similar lines to those contained in Mr Pisoni's report and in particular with reference to paragraph 11 of the motion, in which he invites the Commission as a matter of urgency to incorporate more specific and direct action in its future programme. We believe that a narrower selection of policies might produce more practical results. We are aware of certain legislative lacunae evident from the Treaty of Rome, because its two articles which appear to deal specifically with vocational training are more exhortative than mandatory. Article 118 asks the Commission to promote closer cooperation between Member States. That is a vague term and has obviously produced very little. Article 128 asks the Council to lay down general principles for the implementation of a common vocational policy. All of those who have been in politics long enough will know what a term like 'laying down general principles' means in fact.

Article 50 deals more specifically with the exchange of young workers but has achieved remarkably few results. From an examination of the figures of exchanges of young workers within the six members of the Community up to January 1973, one would think that Article 50 did not exist at all and that the Member States are merely encouraged to formulate a joint programme, with again nothing mandatory about getting on with the job.

We therefore recommend that a closer look should be given to this policy under Article 235, which gives the Council the opportunity, acting on a proposal from the Commission and, in this case, after consultation with the European Parliament, to take the appropriate measures. This is a more positive approach to a problem with which all the Member States are being confronted.

I have certain practical observations to make. First, the programmes being produced by the Community should not overlap with those already in existence and excellently produced by the International Labour Office. Secondly, there is great necessity for exchange of information, not only within the Member States. We should be prepared to look beyond Member States for modern and progressive methods of training. I am thinking here in particular of certain parts of the United States which have very valuable contributions to make in a study of vocational training.

**Lady Elles**

Thirdly, there should be closer cooperation in research and methodology. A very important point here is the training of teachers for vocational training not only within the Community itself but in pursuing the responsibilities which we in Europe owe to developing countries. I have in mind in particular a place such as Borgo a Mozzano, where excellent work is being done in the training of teachers for agricultural training in developing countries. Far more should be done on these lines.

Fourthly, there is a need for coordination in statistical presentation. The terminology should be clearly defined and spelt out so that in the production of comparable tables the same terminology applies throughout the Member States.

Finally, there is the problem of financing. The costs of training and re-training will depend on the value and quality of basic educational programmes within the Member States. Far more attention should be paid to the kind of educational programmes which are being prepared within the Member States with a view to contributing to a full vocational training of the peoples of the Community.

There are also three economic factors which we must bear in mind. They have been touched upon already by Mr Pisoni. The first is the question of youth employment. We are all aware of the evidence of the declining number of youths going into industry. This has arisen partly because of the raising of the school leaving age throughout the Community but also because of the decline in the birthrate in Western Europe. Yet, despite the fewer youths going into employment, there is increasing unemployment in proportionate terms within these age groups. This again is a major point of importance which should be considered by the Community. One of the worst things that can happen to a young person after his education and training and his examinations is to find no work available to him within the Community.

Third is the question of migrant workers coming into the Community to do jobs which members of the Community do not consider themselves sufficiently humble to undertake.

I therefore recommend that certain basic assumptions are necessary for successful results in a positive vocational training policy within the Community. First, while attempting to achieve minimum standards, a certain flexibility should be retained in the methods of training, in the light of climate, mental aptitude and, most important, the varying levels of industrial development which exist even within the Com-

munity. Secondly, this should be based on the aptitudes and character of the people concerned and, thirdly, on the demand for jobs available in both the short and the long term, taking into account, as has often been emphasized, rapid technological changes. One cannot concentrate merely on highly specialized people; basic training must enable people to readapt to different kinds of jobs throughout their lives.

Two very important psychological points are involved here. Diplomas are not a passport to a job. For too long children have been told that if they pass their examinations they will have an automatic right to a job. This is no longer true in our Community. The minds of the young must therefore be prepared to enable them to undertake jobs which they do not necessarily find amenable or acceptable, if full employment is to be achieved. Men and women must also be prepared to change their jobs more than once in their lifetime.

The second psychological point concerns the prerequisite of modifying the differentiation in wage levels which has been fostered by trade unions, the bastion of conservative thinking on employment. Of course, that these levels, whereby the manual worker is the lowest and certain jobs are unacceptable once a person has reached a certain level of intellectual training, must no longer be retained.

I should like here to remind the House of the very wise words of St. Teresa of Avila, one of the greatest intellectuals of her day. She used always to say, 'I find the Lord even among the pots and pans'. This was an acceptable view 300 years ago and it should still be acceptable today if people are to have any kind of job satisfaction and not rely entirely on intellectual prowess to earn their living.

Finally, vocational training is no longer for the specialist only. We must ensure that training recognizes the right of the individual to earn his living by having training and opportunities based on the cornerstone of the EEC policy which is a sustained growth together with full employment.

*(Loud applause)*

**President.** — I call Dr Hillery.

**Dr Hillery, Vice-President of the Commission of the European Communities.** — I thank the rapporteur, Mr Pisoni, and the committee for their very useful, clear and honest appraisal of the programme of initial measures for vocational training. I wish also to thank Mr Bermi and Lady Elles for their contributions.



## Hillery

The Commission realizes the limitations of the programme of initial measures which has been placed before the House and examined by its committee. Hardly anything has been said, either in the report or in the discussion, with which I could not agree.

I welcome the criticisms that have been made. It is easier to accept criticisms because the explanation for them can form a good foundation for the future.

The Commission is at present preparing a social action programme. The document which has been examined by Parliament's committee and discussed here must be seen in the context of that social action programme and as part of a much wider structure.

I should add that many of the points made are points that will also be made in the proposals of the Commission later this year.

Parliament is aware that this time the Commission has, before preparing the proposals for a social action programme, prepared a document for consultation asked for by the summit conference. It was decided by the Council that such consultation should take place at a conference of the social partners called by the Council, and the document for consultation at that conference has already been presented to the Council. It contains the possibilities in principle for accepting all the points raised today and in the report—all the matters that were found to be lacking in the present document.

I take the points made in the report and in the speeches today as part of that consultation and they will be very much in the mind of the Commission in preparing definitive proposals.

Since the question has been raised, I should add that the position of staff requirements will be dealt with. Special efforts will be made by the Commission to see that whatever holds up progress in vocational training it will not be a lack of staff in the Commission. We shall do our best to see that that is so.

Having explained to some extent that this document is open to criticism and will find its way into a larger programme, I should add that some definite practical steps are being taken regarding the guidelines for a social action programme. The Commission will propose the creation of a European centre for vocational training. This would promote research, the exchange of information, and the alignment of standards in vocational training mentioned here, as well as the organization of training programmes. Other centres could be set up in countries with a heavy concentration of workers—particularly migrant workers—and the establishment of

those other centres should form part of a medium-term programme to be realized in accordance with the special needs of the area and the sector.

Another practical step which may seem small but will be a useful beginning is that at the moment the German and Italian Governments, at the request of the Commission and with the prospect of aid from the European Social Fund, are preparing a training programme for 800 Italian migrant workers with a view to their being placed in employment in German industry. It is intended that this programme should begin on 1 September 1973.

The courses will be carried out on the basis of the training programme established by the two countries, and again I should mention that it will be complemented by language training, which has been referred to here. On the basis of that experiment the Commission could draw up similar types of programme in other Member States.

In relation to the handicapped, the European Social Fund, at the request of the Council, is on the point of elaborating a detailed report on this question. There are many difficulties, especially from the point of view of the availability of adequate financing to take full advantage of the possibilities of integrating handicapped workers in the normal working force. It is generally considered that the calls for aid would far exceed the money available, but to encourage and improve the training of handicapped workers as well as to improve the training of teachers of handicapped workers it is intended to hold more seminars in 1973. The year 1972 has already had some seminars and in 1973 there will be others, to deal with the handicapped, in the domain of vocational training. The conclusions of these seminars will be examined by the Consultative Committee on Vocational Training for the implementation of action in these areas. The 1972 seminar was held in June of last year in Heidelberg.

On the question of the exchange of young workers, the Commission agrees that this requires much greater attention than hitherto. This is emphasized in the *avant-projet* of the guidelines for the social action programme. There is far greater need for the Member States to make fuller use of Article 50 of the Treaty by setting up, in cooperation with the Commission, a comprehensive exchange programme.

May I again thank the rapporteur and the speakers for the clarity of their criticisms and for encouraging the Council to ensure adequate financing and the Commission to ensure that we have adequate staff. I repeat that the in-

**Hillery**

adequacies in the report must be seen against the prospect of making up for these deficiencies in the social action programme.

Finally, I welcome the accent put in Parliament on the need for practical measures. We have had a series of philosophies and programmes and we must now respond to the demands being made by those who need training and those who call for programmes of action to be carried out. I thank Parliament for stressing the need to put the accent on the practical aspect of our affairs.

*(Applause)*

**President.** — Thank you, Vice-President Hillery.

Does anyone else wish to speak?

I put the motion as a whole to the vote.

The resolution as a whole is adopted.<sup>1</sup>

*12. Agenda for next sitting*

**President.** — We have now completed today's agenda.

The next sitting will be held tomorrow, Wednesday, 6 June 1973, with the following agenda:

*10 a.m. and 3 p.m.*

— Question Time;

— Oral Question No 50/73, with debate, on agreements with EFTA countries which have not acceded to the Community;

— Report by Mr Ballardini on participation by the Communities in the activities of the different UNO bodies;

— Report by Mr Harmégnies on the Ninth Annual Meeting of the Parliamentary Conference of the EEC-AASM Association;

— Statement by Mr Cheysson on behalf of the Commission on famine in the Sahelian region;

— Report by Mr Offroy on the report of the ECSC Auditor for the financial year 1970;

— Report by Mr Offroy on a transfer of funds to cover the balance sheet of research and investment expenditure for the financial year 1973.

The sitting is closed.

*(The sitting was closed at 6.15 p.m.)*

<sup>1</sup> OJ C 49, 28. 6. 73.

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## IN THE CHAIR: MR BERKHOUWER

*President*

*(The sitting was opened at 10.00 a.m.)*

**President.** — The sitting is open.

1. *Vote of thanks to Mr Calmes —  
Relations with the Council of Ministers*

**President.** — I should like to take this opportunity not only to welcome Mr Van Elsdale, President-in-Office of the Council, but also to say a special word to Mr Calmes, Secretary-General of the Council, whom—if I am not mistaken—is unfortunately with us for the last time today.

I should like to speak for all those here who have known Mr Calmes for a long time and to express our great appreciation as Members of the European Parliament for all he has contributed to the building of Europe in the important office he has held for many years. I thank Mr Calmes on behalf of us all. I hope that, after all his work in the field of European integration, he will long enjoy not so much a well-earned rest as the time which is now at his disposal.

Many thanks once again, Mr Calmes, for all you have done during your years in office.  
*(Applause.)*

2. *Approval of minutes*

**President.** — The minutes of yesterday's sitting have been distributed.

Are there any comments?

The minutes are approved.

3. *Documents received*

**President.** — I have received the following documents:

(a) from the Council of the European Communities, requests for an opinion on:

— the proposals from the Commission of the European Communities to the Council for

I. a regulation opening, allocating and providing for the administration of a Community tariff quota of 30 000 head of heifers and cows other than those intended for slaughter, of certain

mountain breeds, falling within sub-heading ex 01.02 A II b 2) of the Common Customs Tariff.

II. a regulation opening, allocating and providing for the administration of a Community tariff quota of 5 000 head of bulls, cows and heifers other than those intended for slaughter, of certain mountain breeds, falling within sub-heading ex 01.02 A II b 2) of the Common Customs Tariff (Doc. 90/73).

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;

— the proposal from the Commission of the European Communities to the Council for a regulation supplementing Regulation (EEC) No 816/70 by introducing new provisions concerning ecological processes (Doc. 91/73).

This document has been referred to the Committee on Agriculture as the committee on Public Health and the Environment for its opinion;

— the proposal from the Commission of the European Communities to the Council for a regulation fixing for the 1973/1974 sugar marketing year the derived intervention prices, the intervention prices for raw beet sugar, the minimum prices of beet the threshold prices, the guaranteed quantity, the maximum amount of the production levy and the special maximum quota (Doc. 94/73);

— the proposal from the Commission of the European Communities to the Council for a regulation fixing the main intervention centres for oil seeds for the 1973/1974 marketing year and the derived intervention prices applicable in these centres (Doc. 95/73);

— the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation No 1009/67/EEC on the common organization of the market in sugar (Doc. 96/73);

(b) from the committees, the following reports:

— Report drawn up by Mr René Lefèvre on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation providing for

**President**

special measures in respect of colza and rape seed for sowing and adapting in respect of these products the nomenclature given in Regulations No 136/66/EEC (EEC) No 2358/71 and (EEC) No 950/68 (Doc. 92/73);

- Report drawn up by Mr Lucien Martens on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation temporarily suspending the autonomous duties in the Common Customs Tariff on a number of agricultural products (Doc. 93/73);
- Report drawn up by Mr Charles-Emile Heger on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation fixing for the 1973/74 sugar marketing year the derived intervention prices, the intervention prices for raw beet sugar, the minimum prices for beet, the threshold prices, the guaranteed quantity, the maximum amount of the production levy and the special maximum quota (Doc. 97/73);
- Report drawn up by Mr Charles-Emile Heger on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation fixing the main intervention centres for oilseeds for the 1973/1974 marketing year and the derived intervention prices applicable in these centres (Doc. 98/73).

**4. Question Time**

**President.** — The next item is Question Time. I call Oral Question No. 42/73 by Mr Brewis to the Council of the European Communities on cuts in the administrative budgets from 1975:

The Council is asked whether it accepts that the 1970 Treaty of Luxembourg and subsequent Council declarations about it, empowers the European Parliament, from 1975 and should the occasion arise, to insist on crucial cuts in the administrative budgets of the Commission and Council; and that this creates an effective sanction for Parliament, allowing a more direct constitutional relationship to be steadily built up with the Council.

I call Mr Van Elslande to answer the question.

**Mr Van Elslande, President-in-Office of the Council of the European Communities.** — (NL) Mr President, may I on behalf of the Council reply to the question put by Mr Brewis:

As from the beginning of the 1975 budgetary year the European Parliament will by virtue of Article 203 of the EEC-Treaty and the appropriate articles of the other Treaties have power to make the final decision as to expenditure not arising compulsorily from the Treaties or from declarations made in execution thereof. When the budgetary estimates of the Institutions contain such expenditure it will be for the European Parliament to decide on it.

**President.** — I call Mr Brewis to put a supplementary question.

**Mr Brewis.** — Is the President of the Council aware that this Parliament is the only European institution where the points of view of opposition parties can find a forum—with the notable exception, of course, of the British Labour Party? Irrespective of whether Parliament actually invokes its budgetary powers, will the Council, within the context of the expenditure estimates, particularly for obligatory expenditure, be prepared to take part in topical debates on policy on such subjects as the social fund, the regional development fund and the common agricultural policy?

**President.** — I call Mr Van Elslande.

**Mr Van Elslande.** — (NL) Mr President, I feel that I can reply without the slightest hesitation that it is very clear that the Council will indeed reply to *all* questions with regard to budgetary discussion, including those connected with social policy.

**President.** — I call Oral Question No 45/73 by Mr Dalsager to the Council of the European Communities on the recent arrest of Professor Pespazoglou:

How does the Council think relations between the Community and Greece will be affected by the recent arrest and detention by the Greek military police of Professor Pespazoglou, who played a decisive role in the conclusion of an association agreement?

I call Mr Van Elslande to answer the question.

**Mr Van Elslande, President-in-Office of the Council of the European Communities.** — (NL) Mr President, ladies and gentlemen, the official answer is as follows:

Mr Dalsager in the question that he has put broaches a problem on which the Council has already had occasion to comment earlier. It did so for the first time in November 1967 in reply to oral question No 9/67 and subsequently in February 1970 in reply to oral question No 15/70.

**Van Elslande**

Since then the Council has again confirmed its attitude on various occasions, both in reply to a written question and during the meeting between your appropriate committee and the chairman-in-office, and finally, too, in the annual report on its activities. The position of the Council has not changed since then and the agreement is being kept to as in the past.

Mr President, I must take into account the fact that my honourable friend, judging by his question, is not aware how things stand. He was not even a member of the Parliament at the time when the replies I have referred to were made to Parliament. So I should like to add the following personal remarks as well.

There is a treaty of Association. This treaty does not include any suspension clause, but one of the organs of the Association is, among others, your Parliamentary committee, which for reasons that are very well known can no longer function. For this reason the Council decided to refer execution of the treaty of Association to the refrigerator, as we traditionally refer to it. Only when new circumstances make it possible for all organs again to be able to function properly will it be possible for any likely change in this situation.

**President.** — I call Mr Dalsager to put a supplementary question.

**Mr Dalsager.** — (DK) I wish to thank the President-in-Office of the Council for his answer to my question although it would almost have been possible for me to predict what it was going to be.

I would like to put a supplementary question which, as the Council's President-in-Office will surely understand, is important for us as parliamentarians: would it not be possible for the Council to tighten up its policy towards Greece in some other way? What is at issue is the re-arrest of a Greek politician who is well-known to this Parliament and who has served the cause of European cooperation in many different ways. As parliamentarians our reaction to this must be vigorous.

**President.** — I call Mr Van Elslande.

**Mr Van Elslande.** — (NL) Mr President, as President-in-Office and almost in-retirement of the Council I can only reply to Mr Dalsager that I have taken good note of his comment. I shall put this forward for discussion at the next sitting of the Council.

**President.** — I call Mr Cifarelli.

**Mr Cifarelli.** — (I) I should like to ask Mr Van Elslande whether the Council remembers a motion voted by this Parliament in May 1970, asking for procedures to be implemented to rescind this treaty following the situation that had occurred in Greece, one that has now deteriorated.

**President.** — I call Mr Van Elslande.

**Mr Van Elslande.** — (NL) Mr President, though I do not do so personally, the executive obviously remembers the motion to which my honourable friend refers. I can only say that since then the Council has not taken any decision in the matter.

**President.** — I call Mr Fellermaier.

**Mr Fellermaier.** — (D) I should like to ask the Foreign Ministers whether, in view of the increase in arrests in Greece and the imprisonment of many Greek citizens without trial in Greece, the Council is prepared publicly to make it quite clear to the Greek Government that this is bound to cause a substantial deterioration in relations between the Community and Greece.

**President.** — I call Mr Van Elslande.

**Mr Van Elslande.** — (NL) Mr President, I am sorry to say that I cannot reply off my own bat on a question of such importance and the Council was not in a position to prepare an answer to this.

**President.** — I call Mr Corona.

**Mr Corona.** — (I) The Council has replied by referring to one of its previous communications. May I now ask the representative of the Council of Ministers whether something has not happened in Greece in the past few days that should cause a little more concern to the governments and democratic parliaments of Western Europe?

**President.** — I call Mr Van Elslande.

**Mr Van Elslande.** — (NL) Mr President, I should simply like to reply to this that there are Member States as well as the Community and that each of these will react thereto in an appropriate manner according to its own disposition and conviction.

**President.** — I call Oral Question No 46/73 by Mr Dewulf to the Council of the European Communities on the working methods of the Council:

Having regard to the fact that four meetings, the final one lasting for 50 hours, were recently

**President**

devoted to agricultural prices, does the Council realize that this form of decision-making has taxed the patience of European citizens to the limits of their endurance, and what steps does the Council propose to take in order to accelerate and improve its decision-making process?

I call Mr Van Elslande to answer the question.

**Mr Van Elslande, President-in-Office of the Council of the European Communities.** — (NL) Mr President, the answer to this question is as follows.

Pursuant to the provisions of item 15 of the Declaration of Heads of State and of Governments the Council is at the present time examining the institution of practical measures for the improvement of its procedures of decision-making in conjunction with jointly approved action.

The Council has already made good progress with this examination and hopes to be able to take a decision in the matter before 30 June 1973. The Council intends to inform the European Parliament on this in detail when it answers the oral question put to it by the Political Affairs Committee.

Speaking for myself, I should like to add to this that we discussed this problem at the sitting of the Council last Monday. A few weeks ago a document in the matter was put on the table by the executive. The Chairman of the Committee of Permanent Representatives also spoke about this at the sitting of the Council last Monday. The Council asked the Committee of Permanent Representatives to prepare a document on this by 15 June. We have agreed to unravel this knot at the sitting of the Council on 25 and 26 June next, so that we can keep to the promise that this matter will be brought to a proper conclusion in the course of the Belgian chairmanship.

**President.** — I call Mr Dewulf to put a supplementary question.

**Mr Dewulf.** — (NL) Mr President, I thank the President of the Council for his reply to my question in the version as censored by the Bureau of Parliament, which the Chairman of the Council received. I wanted to restrict myself to a supplementary question.

The so-called Treaty of Luxembourg of 1 January 1966 provides for Members of the Council to be able to invoke vital interests in order provisionally to evade a majority decision. Does the President of the Council not consider that the Council has in practice proceeded to institute an unlimited and unbridled right of veto that must be pruned as quickly as possible by an appropriate procedure?

**President.** — I call Mr Van Elslande.

**Mr Van Elslande.** — (NL) Mr President, Mr Dewulf will understand that I cannot reply to this question as President of the Council, as this question was not put to me at the appropriate time. I should at least like to say as Minister of Foreign Affairs for Belgium that the Treaty of Luxembourg does not mean that the Member States have lost the right to take majority decisions. By the time-honoured formula it would also be possible to refer to the Treaty of Luxembourg as an "agreement to disagree", an agreement that in fact admits that there is disagreement about continuing efforts for integration further.

It is clear in my opinion that Belgium is in any case most strongly inclined and absolutely prepared to strive for the application of the provisions of the Treaty and to have them restored to highest respect.

**President.** — I call Mr Kirk.

**Mr Kirk.** — Can the President-in-Office say whether these improved methods will apply to meetings under the Davignon procedure, thus avoiding the sort of lamentable performance that that we had yesterday in Luxembourg?

**President.** — I call Mr Van Elslande.

**Mr Van Elslande.** — (NL) Mr President, in this world and in this context there are many things that we can deplore, but in the Community and with the problems to which allusion is now made it is possible to progress only if all those concerned are in agreement with each other.

**President.** — I call Sir Derek Walker-Smith.

**Sir Derek Walker-Smith.** — Will the Council take into consideration, in the context of an improved decision-making process, the practicability and desirability of holding at any rate a large part of their sessions in public? Would this not have the added advantage of giving to consumers in the nine countries concerned a clear insight into some of the anomalies and absurdities of the present working of the common agricultural policy?

**President.** — I call Mr Van Elslande.

**Mr Van Elslande.** — (NL) Mr President, the question that has just been put concerns one of the points that at this moment form part of the discussions on improvement of our working methods.



**President.** — I call Lord Gladwyn.

**Lord Gladwyn.** — In the course of its examination of means of bettering procedures in the Council, which will be made public before the end of the month, is the Council considering the possibility of defining more closely what is meant by 'vital interests'?

Is it considering the definition of certain spheres in which such so-called 'vital interests' cannot be invoked?

**President.** — I call Mr Van Elslande.

**Mr Van Elslande.** — (NL) Mr President, this of course is something that we could consider, but unless I am mistaken, the Treaty of Luxembourg does not mention this. I even wonder whether it would be a good idea, because I could imagine it containing a restriction of our opportunities.

**President.** — I call Oral Question No 51/73 by Lord Reay to the Council of the European Communities on relations between the Community and countries referred to in Protocol No 22 to the Act of Accession:

Which countries does the Council intend to invite to the Conference envisaged to start on or around 1 August 1973 concerning relations between the Community and countries referred to in Protocol No 22 to the Act of Accession?

I call Mr Van Elslande to answer the question.

**Mr Van Elslande, President-in-Office of the Council of the European Communities.** — (NL) Mr President, in the course of its sitting of 4 and 5 June last the Council gave its approval to the text of an invitation to the heads of state and of government of the associated African States and Madagascar who are a party to the Yaoundé Agreement, of the states of East Africa that are a party to the Arusha Agreement, and to the independent developing countries of the Commonwealth in Africa, in the Indian Ocean and in the Pacific Ocean, and in the Caribbean area. In this letter the Community proposes that negotiations be conducted as from 1 August 1973 towards setting out its future relations with the countries concerned. To this end it has invited these countries to be represented at an opening conference which will be held at Brussels on 25 and 26 July next and at which the participants can make their first contacts and exchange facts with a view to the actual negotiations, which should start as soon as possible.

During its discussions the Council exchanged ideas on the attitude that the Community must adopt when other independent countries, which

are now not associated nor can any longer be considered for association, ask to participate in this conference. It was recalled on this point that the Council's declaration of intent of 1 and 2 April 1963 concerning third countries with an economic structure and production comparable with that of the associated African States and Madagascar, still applies. It was accordingly agreed that the Community will be well disposed when considering any request that such countries might make with a view towards their participating in the conference of 25 and 26 July next.

**President.** — I call Lord Reay to put a supplementary question.

**Lord Reay.** — I am grateful to the President-in-Office for that reply and for the information that a date has been fixed for an opening conference and a letter agreed on to be sent to the Associated and Commonwealth States. As for countries not listed in Protocol 22, however, I should like to ask the Council to reconsider its decision not to send formal invitations at this stage but to wait until further interest is expressed from their side.

It is well known that some three or four, or perhaps five countries are interested in having relationships with the Community. In these circumstances, would it not be better for the Community to take the initiative of formally extending invitations to these countries, thereby putting them on the same level immediately as the Associated States and Commonwealth countries listed in Protocol 22, and demonstrating that the Community really wishes to broaden the Association in this way?

Second, can we take the declaration of 1963, which the President-in-Office has confirmed is still valid, as being open to countries of comparable economic structure and production, whether or not such countries are situated in Africa?

**President.** — I call Mr Van Elslande.

**Mr Van Elslande.** — (NL) Mr President, I should like to give a brief answer to these questions. We decided yesterday not to send the letter about which we have just spoken directly to the independent countries. They will, however, be informed of the decision taken by the Council. Should it appear that there is a positive desire on their part to commence negotiations then they will be invited, which I think goes without saying.

To your second question I can only reply: Of course.

**President.** — I call Sir Tufton Beamish.

**Sir Tufton Beamish.** — May I ask the President-in-Office a related question, whether Pakistan is still regarded as coming within the joint declaration of intent annexed to the treaty providing for the accession of the United Kingdom to the Community, and whether the declaration of intent is now regarded as applying to Bangladesh, which had not been founded when the declaration was made?

**President.** — I call Mr Van Elslande.

**Mr Van Elslande.** — (NL) Mr President, this is a question that I had hardly expected. It would not be correct if I were to say that this is a technical point, but it is nevertheless a question to which I cannot reply directly. My colleagues sitting behind me and who know everything, consider that the reply that I should give should be in the affirmative.

**Persident.** — I call Mr Dewulf.

**Mr Dewulf.** — (NL) Mr President, I should like to put the following question to the President of the Council: When negotiations start will the Council by then have drawn up the mandate to be given to the Commission and will this mandate then be very wide?

**President.** — I call Mr Van Elslande.

**Mr Van Elslande.** — (NL) Naturally, Mr President.

**President.** — I call Sir Douglas Dodds-Parker.

**Sir Douglas Dodds-Parker.** — May I press the President-in-Office about the independent countries of Africa? The present procedure seems to put them in a different category from the associates and those in a position to be associated. Could he not be more definite and invite them all together?

**President.** — I call Mr Van Elslande.

**Mr Van Elslande.** — (NL) Mr President, if I were to answer for my part I should say: willingly. I can now only repeat what the Council has already decided; I cannot add anything to this.

**President.** — I thank the President-in-Office of the Council for answering the questions.

I understand that he would like to make a brief statement, and I now call upon him to do so.

**Mr Van Elslande.** — (NL) Mr President, I thank you for giving me the opportunity of saying something further here.

You will not be unaware that the Belgian chairmanship of the Council ends on 30 June next. This is therefore the last time that I shall have the opportunity of answering a few oral questions in open session. Five years ago I already had the pleasure and the honour of being allowed to work with the European Parliament. I preserve very pleasant memories of this. The several opportunities that were offered to me of working once again with Parliament during my chairmanship will, I hope, leave a yet better impression.

This is partly the result of the fact that several changes have in the meantime been made to working methods, including that of question time. It is clear that this cannot have the same content or significance as in national parliaments, if only for the fact that in national parliaments the replies are given by the Minister on his personal responsibility, whereas we have always to refer to what the Council—and there are nine of us there—has decided. It can at times be a bore for the President-in-Office to have to give a reply in this manner. In addition, the questions are always prepared in writing, which permits less flexibility in answering.

I am pleased that the system of supplementary questions was 'discovered', as a certain amount of 'flexibility' has thereby been introduced into the system. I am grateful for this new experience. I should like to express the hope that this form of dialogue between the Council and Parliament will experience favourable development, to such an extent that better cooperation between both Institutions of the Community becomes possible. In any event I shall have grateful memories of these last six months.

(Applause)

**President.** — I thank the President-in-Office of the Council for his statement.

I now call Oral Question No 39/73 by Lord O'Hagan to the Commission of the European Communities on statistics on migrant workers from countries outside the Community:

The Commission is asked what steps it is taking to improve statistics on migrant workers from countries outside the Community?

I call Mr Dahrendorf to answer the question.

**Mr Dahrendorf, Member of the Commission of the European Communities.** — (D) Mr President, the Commission shares Parliament's concern at the fact that either there are no statistics on

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migrant workers from countries outside the Community or such statistics are incomplete or not comparable. The number of migrant workers employed in the Community is at the present time estimated at possibly about 7 million. This order of magnitude shows the extent of the problem. The absence of precise statistical data can have an adverse effect on all the Community efforts in the field of social policy, employment policy and other areas. At present the situation is as follows:

Firstly, all Member States of the Community have relatively complete statistics on arrivals—I emphasise arrivals—of migrant workers from countries outside the Community. However, as no records are kept of the departure of these workers from the Community, only a few countries have statistics on the employment of migrant workers.

Secondly, on 9 June 1972 the Commission submitted to the Council a proposal for a regulation on the compilation of uniform statistics on foreign workers. This proposal is aimed at the production of statistics on arrivals and existing numbers of migrant workers, both those who are nationals of a Community Member State and those who come from third countries. The draft also makes provision for statistics to cover identical periods and for Member States to obtain the necessary data from the social security authorities.

Thirdly, according to the Commission's proposal, the European Parliament and the Economic and Social Committee were consulted on the proposal put forward by the Commission. The European Parliament gave its opinion on 13 November 1972, in principle approving the Commission's proposal. The Commission adopted the suggestions for improvements made by Parliament. The Economic and Social Committee gave a favourable opinion on 28 March 1973.

Fourthly, the Council has in the meantime started its examination of the Commission's proposal.

**President.** — I call Lord O'Hagan.

**Lord O'Hagan.** — I thank Mr Dahrendorf for standing in so ably for Dr Hillery. Can he give a specific date by which the Commission will demand from Member States in this very important area? Will those statistics be published on a Community basis in an intelligible form regularly?

**Mr Dahrendorf, Member of the Commission of the European Communities.** — (D) Mr President, the Commission is not in principle in a position

to demand statistics from Member States. It can only prepare statistics in areas in respect of which the Council has already taken a decision in that sense. The proposal made by the Commission to which I have just referred is intended to induce the Council to empower us—I apologise for the complicated wording, but it corresponds to the Community procedures—to collect these statistics and then of course to disseminate them. If it were up to us, we should start on it tomorrow. I do not know what the Council of Ministers says.

(Amusement)

**President.** — I call Lady Elles.

**Lady Elles.** — Is the Commissioner aware of the great difficulty in identifying migrant workers moving from one State to another? We in Britain are having troubles in our ports with workers coming in who do not register with employment agencies, and they include people under the age of 16. There is thus no means of identifying them and therefore no means of giving them social security in order to help them to get back home. I hope that this aspect will be considered in the general question of statistics on migrant workers.

**President.** — I call Mr Dahrendorf.

**Mr Dahrendorf.** — (D) Mr President, you surely do not expect me to give an opinion on the social policy implications of this question, although I do not overlook them.

As far as statistics are concerned, there are two main difficulties that give us cause for concern when we go into details. One is the question as to whether it should even be permissible to enquire about the nationality of employed persons when compiling statistics. There are various views on this and so far no uniform attitude has emerged within the Community. The second is the question as to whether or not it should be permissible for material available to the social security authorities to be made accessible for public statistics. This question is also undecided at the present time.

And I should like to point out to the original questioner that it is this type of question that is causing us difficulties in the practical compilation of Community statistics for migrant workers, quite apart from the question of the Council decision.

**President.** — I call Mr Fellermaier.

**Mr Fellermaier.** — (D) May I put a supplementary question to Mr Dahrendorf to ask

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whether he considers the difficulties, which he has mentioned several times, between the Commission and the Council or in the Council itself?

**President.** — I call Mr Dahrendorf.

**Mr Dahrendorf.** — (D) The Council has only just started to examine the proposal made by the Commission. At this point in time we have no reason to believe that this examination will not be completed at an early date. It would certainly be better if I could give an opinion on this question after the discussions in the Council had been completed. At present I see no problems between the Commission and the Council in this respect.

**President.** — I call Oral Question No 40/73 by Sir Tufton Beamish to the Commission of the European Communities on sea fisheries conservation:

On what date did the Commission consider the Report of the International Council for the Exploration of the Sea with special reference to the effects on conservation of different types of trawling gear in the light of the views expressed by the North-East Atlantic Fisheries Commission; and what recommendations does it have to make in order to ensure that over-fishing does not take place around the United Kingdom shores as it has on the other side of the Channel?

I call Mr Lardinois to answer the question.

**Mr Lardinois, Member of the Commission of the European Communities.** — (NL) Mr President, I should like to reply as follows to Sir Tufton Beamish's question.

At the beginning of May the Commission dealt with the report from the International Council for the Exploration of the Sea. One of the results of this was that the attitude of the Community at the meeting of the North East Atlantic Fisheries Commission, was positively inclined toward further exploration in respect of fishing methods, particularly in and in the neighbourhood of the North Sea.

The Commission fully shares the anxiety expressed in Sir Tufton Beamish's question. The Commission, too, considers that if this exploration produces further results the time will have come for it to come forward with further proposals regarding the way in which fishing may be carried out in certain areas. This applies not only to the question of the form and the use of trawls, but certainly in my opinion also to the engine capacities of the vessels used for this purpose.

**President.** — I call Sir Tufton Beamish to put a supplementary question.

**Sir Tufton Beamish.** — I should like to thank Mr Lardinois very much for his helpful reply, knowing, as I do, what a clear appreciation he has of inshore fishing as a Community asset, although, unhappily, a wasting asset. In any new regulations or directives which are being considered, will he give careful consideration not only to possible restrictions on the size and horse-power of vessels and to limitation of catches—which he mentioned, but also and in particular to evidence that I have collected about the damage done by heavy-beam trawlers which plough up the seabed with huge tickler chains and chain bellies, as they are called, the use of which seems to be quite unjustified from a conservation point of view?

**President.** — I call Mr Lardinois.

**Mr Lardinois.** — (NL) Mr President, attention will also be paid to this aspect of fisheries. But for this it is very necessary that we have available the results of a supplementary survey which is now being carried out within the framework of the North-East Atlantic Fisheries Commission. We shall certainly be paying attention to this.

I can, however, tell Sir Tufton Beamish that the opinion of the experts differs considerably on the question whether this specific aspect is advantageous or disadvantageous toward conservation. But there is no difference of opinion at all regarding the point that when using these nets fishing vessels with very large engine capacities will in fact be virtually indispensable to a proper conservation policy.

I repeat, we shall willingly pay yet further attention to the survey in progress on this matter.

**President.** — I call Mr Cifarelli.

**Mr Cifarelli.** — (I) I should like to ask Commissioner Lardinois whether the Commission intends to extend these studies and the relative proposals to the other seas in the Community where the damage is no less serious. I refer to the Italian and French coasts of the Mediterranean Sea.

**President.** — I call Mr Lardinois.

**Mr Lardinois.** — (NL) Mr President, I should like to give very active consideration to this request and shall let the questioner know later what we can do about this in the short term.

**President.** — I call Mr Lange.

**Mr Lange.** — (D) Mr President, I should like to ask the Commission whether, once certain results have been obtained regarding the conservation of fishing within Community jurisdiction, it is prepared to exert influence as a Community to see that Member States also accept the same principles in respect of third countries.

**President.** — I call Mr Lardinois.

**Mr Lardinois.** — (NL) Mr President, this aspect, too, we shall look into further and consider.

**President.** — I call Oral Question No 41/73 by Mrs Carettoni Romagnoli to the Commission of the European Communities on the imprisonment of Professor Pasmazoglou in Greece:

The eminent Greek jurist, Professor Pasmazoglou, a staunch supporter of European ideals and one of the architects of the EEC-Greece Treaty of Association, has been imprisoned by the fascist Colonels' regime

Does the Commission intend to take any action?

I call Sir Christopher Soames to answer the question.

**Sir Christopher Soames.** — Some weeks ago, I expressed to the Greek Ambassador to the Community the Commission's grave concern over the imprisonment of Professor Pasmazoglou, especially as we had no knowledge of the reason for his arrest, nor of any charge that might have been brought against him. At the same time, I expressed our concern about certain other prisoners, notably a group of young lawyers arrested after the student disturbances at the University of Athens early this year.

The Ambassador assured me that he would inform his government of these representations. At my request, he came to see me again last week, after his return from Athens. I regret to have to tell the House that, having made inquiries of his government, he was still unable at that time to give me any substantive reply to my questions. I can assure the House that I shall continue to press the matter.

**President.** — I call Mrs Carettoni Romagnoli to put a supplementary question.

**Mrs Carettoni Romagnoli.** — (I) You referred to the Commission's known position on the Greek question. This position has been, and still is, a source of hope and support for Greek democrats.

This is my question: does not the Commission think it should make a public and widely publicized pronouncement on the gravity of recent development at all events before the institutional referendum is held?

**President.** — I call Sir Christopher Soames.

**Sir Christopher Soames.** — I understand that there is to be a topical debate on this matter. In the interests of the procedures of Question Time, I kept my answer short and—I felt—to the point. There are many other things that I should like to touch upon, including what the honourable lady has mentioned, but, as there is to be a debate, perhaps I might hear what honourable Members have to say, and then incorporate my answer in a speech at the end of the debate.

**President.** — I call Mr Dalsager.

**Mr Dalsager.** — (DK) Mr President, the Socialist Group would like to ask whether, in the light of the answer to the question concerning the Greek Professor Pasmazoglou, we may hold a debate immediately after question time in accordance with Rule 47A (2) of the Rules of Procedure.

**President.** — I duly note that Sir Christopher's proposal meets with the approval of the House. I now have a request from the Socialist Group, pursuant to Rule 47A of the Rules of Procedure, for a topical debate on the answer given by Sir Christopher Soames to Mrs Carettoni Romagnoli's question.

I would propose that a debate on this matter be limited to half an hour instead of one hour, since that would appear to be long enough.

Are there any objections?

I call Mr Kirk.

**Mr Kirk.** — I have no objection to a debate on Greece. In fact, I think it would be a good thing. But if I remember the rule aright, Mr President, you should not rule on this matter until the end of Question Time, in case there are other applications for a topical debate.

**President.** — You are quite right, but on the one hand I have to apply the Rules of Procedure and on the other take account of an urgent request to be flexible. I have received a request from the Commission to do what I have just proposed. While noting that your political friends support you on this point, Mr Kirk, I have in fact tried to apply the rules flexibly. I hope that, especially in view of the system in your own country, you will be able to cooperate on this matter.

Does anyone else wish to speak?

I call Sir John Peel.

**Sir John Peel.** — Would it not be correct to put the question to a vote so that we can decide whether we want this question or some other question debated?

**President.** — I cannot allow a vote. It is a matter for the President to decide.

I call Lord O'Hagan.

**Lord O'Hagan.** — I shall be brief, because the last time I tried to be constructive in a procedural debate at this time, you became very angry with me, Mr President...

**President.** — Why should I become angry?

**Lord O'Hagan.** — I was wondering whether you would follow the precedent! My question is this: will it not appear to members of the public that this debate has been chosen by the Commission rather than you, Mr President, as the Commission assumed that your decision had already been taken?

**President.** — There is no need for me to answer this question.

I call Lady Elles.

**Lady Elles.** — May I ask that if you are to be flexible with regard to the way in which this House is run, Mr President, you should also be flexible with regard to taking a vote that displays the wishes of the Members of this Parliament?

**President.** — I note what you have said, Lady Elles, but I cannot at the same time apply the Rules of Procedure and not apply them. I have no choice but to apply the Rules, and this I shall do with the necessary flexibility.

I now call Oral Question No 43/73 by Mr Dich to the Commission of the European Communities on the harmonization of tax legislation applicable to holding companies:

Does the Commission intend to table proposals for directives or regulations harmonizing the Member States' tax legislation applicable to holding companies which appear indispensable in view of the crisis which accompanied the formation of the European Monetary Fund?

I call Mr Scarascia Mugnozza to answer the question.

**Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities.** — (I) Mr President, honourable Members, first of all I should like to say that I am replying in

place of my colleague Mr Simonet, who is at present absent due to his work.

The reply to Mr Dich's question is as follows: on the recommendation of the German and French delegations, in its meeting held in Luxembourg on 2 and 3 April 1973 the Council asked the Commission to consider the problem of the tax position of Luxembourg financial undertakings the report that the Commission is to submit to the Council by 1 July 1973 on short term monetary support and on the conditions for pooling of reserves.

Complex problems have to be considered in reviewing the tax position of these undertakings, especially as capital circulates not only in the Member States but also between the Community and third countries. The Commission is now proceeding with this review and in consequence will be unable to make a pronouncement on this point until it forwards its report to the Council at the end of June. The Commission knows that the problem of the tax system applicable to the Luxembourg financial undertakings is not new. The problem was raised by the Commission itself in 1967, in its plan for the harmonization of direct taxation. During discussion of that plan, however, the Council thought it advisable that a solution be found to the problem in the general context of tax harmonization.

It should also be borne in mind that the problem comes under the heading of 'tax evasion'. In its communication to the Council dated 19 April 1973 concerning the measures to be adopted in implementation of the second phase of economic and monetary union, the Commission declared that it is becoming increasingly urgent that regulations be established on Community level to combat fraud and tax evasion.

With this in mind, the Commission departments have already started to examine the problem and to find solutions in a general framework, in cooperation with the national experts.

When these various studies are completed, the Commission will make appropriate proposals to the Council of Ministers.

**President.** — I call Mr Leonardi.

**Mr Leonardi.** — (I) It is very important that we be aware of the extent of the phenomenon. For this reason, I should like to know whether the Commission is in a position today, or whether it will soon be in a position, to provide information of a quantitative nature on the degree of concentration of companies, on the possible reason for such concentration, not only in the fiscal field.

**President.** — I call Mr Scarascia Mugnozza.

**Mr Scarascia Mugnozza.** — (I) As I have already stated, the Commission will be dealing with this in the report to be presented at the end of June.

**President.** — I call Miss Lulling.

**Miss Lulling.** — (F) Mr President, I would like to ask the Commission whether it intends to check on the possibility that similar situations might exist elsewhere in the Community, and not only in Luxembourg.

I would also like to know if the Commission feels that it ought to encourage holding companies to move their capital to Liechtenstein and the canton of Glarus rather than allow them to establish themselves in a financial centre within the Community, where besides anything else they provide employment for young professional people.

**President.** — I call Mr Scarascia Mugnozza.

**Mr Scarascia Mugnozza.** — (I) Mr President, I have already stated that the problems are now being considered by the national experts, so that the question raised by Miss Lulling will also be examined at that time.

**President.** — I call Oral Question No 44/73 by Mr Noè to the Commission of the European Communities on the Commission's interest in the INSEAD business school at Fontainebleau:

In view of the ever-growing demand, particularly in the field of decision-making, for the services of specialists combining thorough technical and economic training, the Commission is asked what interest and possible support it accords to the INSEAD at Fontainebleau, the leading business school in Europe?

I call Mr Dahrendorf to answer the question.

**Mr Dahrendorf, Member of the Commission of the European Communities.** — (D) Mr President, the Commission is aware of the fact that the services of persons with a thorough economic and business management training is of ever-growing importance in decision-making in many fields. It is therefore very interested in the INSEAD business school at Fontainebleau and has specifically confirmed this in recent contacts with the INSEAD management. The Commission has already helped INSEAD in the past by providing lecturers on questions of European integration. It is prepared to support INSEAD's teaching activities in the future by supplying lecturers and information material.

In addition the Commission is now examining the possibility of developing new procedures in order to send teaching staff on a temporary basis to existing institutions, especially for studies of European interest. Such a possibility could also be of interest to INSEAD.

**President.** — I call Mr Noè to put a supplementary question.

**Mr Noè.** — (I) Mr President, I should like to thank Commissioner Dahrendorf for his reply and I am satisfied with the concern shown in this problem.

The basic issue that I should like to re-emphasize is that we should all be concerned that the Community States should have an adequate number of people in future years with both technical and economic knowledge (and there is a great shortage today). This multi-disciplinary combination is vital if we are to have personnel capable of paving the way for decisions on the company management and public authority level as well as assisting governments and, I would add, the Community institutions too, which will be able to provide valid support to these schools in due course and also use the personnel trained by them. With this purpose in mind, I think that it is a good idea to consider granting scholarships to the more meritorious pupils.

**President.** — I call Mr Normanton.

**Mr Normanton.** — Without wishing to detract from the INSEAD Business School or its very high reputation, which is richly deserved, I ask the Commission what action it proposes; firstly, to carry out a comprehensive survey of all institutions in Europe which are specializing in advanced business studies, and, secondly, whether it will consider what action is appropriate to promote the wider study of these subjects throughout the Community. In Britain this is regarded as a most important and urgent area for expansion, and I give three examples of the progress achieved to date. They are the Manchester Business School, the London Business School, and the Administrative Staff College at Henley, all of which are becoming increasingly international in character.

**President.** — I call Mr Dahrendorf.

**Mr Dahrendorf.** — (D) Mr President, the Commission shares the views of the two Members of this Chamber who have just said that institutions of this kind are of great and growing importance. In reply to the question by Mr Normanton, let me first say that there are

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already very comprehensive catalogues of institutions of this type in Europe. These catalogues are available to us. We have not yet considered the next question, as to whether an effort should be made to assess these institutions.

As far as the support of these institutions is concerned, I referred in my original answer to certain deliberations on our part. These cover both teaching staff and scholarships. Naturally, as far as the Commission is concerned, the interest in European studies will be the prime consideration.

**President.** — I call Oral Question No 49/73 by Mr Johnston to the Commission of the European Communities on Regional Development Areas:

Will the Commission consider reviewing the current policy of designating peripheral and central areas in order to create a system with three or four categories of Regional Development Area in which different levels of aid are acceptable?

I have been informed that Lord Gladwyn will be deputizing for Mr Johnston for the purposes of this question.

I call Mr Borschette to answer the question.

**Mr Borschette, Member of the Commission of the European Communities.** — (F) Mr President, Article 154 of the Treaty of Accession states that 'the principles concerning the general arrangements for regional aid... shall apply to the new Member States on 1 July 1973 at the latest'.

Now, one of the most important aspects of the coordination solution is precisely the division of regions into central regions and peripheral regions.

The Commission is thus obliged to make a decision before 1 July of this year on central and peripheral regions in the three new Member States. I would, however, like to say that having taken this decision, the Commission will immediately institute a study on ways of setting up a more finely nuanced system for the regions in the enlarged Community.

**President.** — I call Lord Gladwyn to put a supplementary question.

**Lord Gladwyn.** — Mr Johnston has unfortunately had to leave Strasbourg to attend an important political meeting in Scotland, but he has asked me to put the following supplementary question to the Commissioner.

Will the Commission be prepared to give an assurance that should Britain—or, indeed, any other new member country—fail to retain the same proportion of peripheral territory as it

currently possesses, the Commission will at least devise intermediate arrangements to enable the hitherto protected areas gradually to adapt themselves to competition from the wealthiest or wealthier areas of Europe?

**President.** — I call Mr Borschette.

**Mr Borschette.** — (F) Mr President, I do not wish to prejudice now the decision which the Commission will, I believe, be taking in a fortnight's time. However, I will say today that where the Commission considers a temporary solution of some sort, it should, to a large extent, be possible to take the wishes of the regions in Great Britain into account.

**President.** — I call Mr Brewis.

**Mr Brewis.** — Would the Commission add to the excellent report published last month a study of the possibility of moving service industries such as offices and research stations out of the large capital cities so that educated manpower and womanpower can be kept in the provincial areas more than at present?

**President.** — I call Mr Borschette.

**Mr Borschette.** — (F) Mr President, this question should better be put to my colleague Mr Thomson. I am dealing only with competition. The division of regions into central and peripheral ones is purely and simply a matter of competition.

**President.** — I call Mr James Hill.

**Mr James Hill.** — In that case, I am not sure whether my question will be able to be answered.

I would like to know when the Commission will be in a position to reveal the dialogues which are taking place between the Member States on the common policies to reduce economic and population concentration in the congested areas of the Community?

**President.** — I call Mr Borschette.

**Mr Borschette.** — (F) Mr President, having myself once been responsible for regional policy, I can perhaps give an answer. I believe that one of the essential goals of the regional policy is to keep people where they are and to create work in the less privileged areas. I think that is what was implied in the Commission memorandum. This is one of the goals we are trying



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to achieve with the help of the coordinating committees on regional policy.

**President.** — I call Mr Cifarelli.

**Mr Cifarelli.** — (I) Does the Commission not believe that the criterion adopted should not be static, for Almighty God has decreed which regions of our Community should be advanced and which should be underdeveloped, and we should consider them in their actual state?

**President.** — I call Mr Borschette.

**Mr Borschette.** — (F) Mr President, it is obvious that we must adopt criteria; if we did not, we should see the complete and utter end of all regional policy.

**President.** — I call Mr Gerlach.

**Mr Gerlach.** — (D) Will the Commission also pay particular attention to the problem areas around internal frontiers of the Common Market, one of which, in the German-Netherlands border region, Mr Borschette has had an opportunity of examining?

**President.** — I call Mr Borschette.

**Mr Borschette.** — (F) Mr President, as part of the coordination solution adopted by the Six on the basis of a Commission decision, the border regions between two countries are considered as central. Why is this? Because it is precisely in these regions that the situation is most acute. That is why the Member States agreed, following the Commission's decision, to fix the ceiling at 20% in the border regions.

On the other hand, it is obvious and manifest that the problems of the regions which straddle the borders of two countries are particularly serious and should be taken into account and solved in the context of the regional policy.

**President.** — I call Mr Vetrone.

**Mr Vetrone.** — (I) Can the Commission tell Parliament, which has expressed itself in favour of this directive, what has been the outcome of the directive on priority agricultural areas?

**President.** — I call Mr Borschette.

**Mr Borschette.** — (F) Mr President, still speaking as someone who used to be responsible for regional policy, I have to admit that this question

has unfortunately yet to be resolved. In December this directive was still before the Council, which, as far as I know, had not been able to take a positive decision on the matter. It is still there following the Commission's memorandum on regional policy.

**President.** — I call Oral Question No 52/73 by Mr Broeks to the Commission of the European Communities on concentration in the Dutch sugar market:

What steps has the Commission taken, or what steps does it propose to take, in connection with the intended takeover by the Coöperatieve Vereniging Suikerunie, which controls two-thirds of the Dutch sugar market, of the Centrale Suikermaatschappij, which controls the remainder of the Dutch sugar market, both of which undertakings were fined by the Commission at the end of last year for infringing the EEC's rules of competition?

I call Mr Borschette to answer the question.

**Mr Borschette, Member of the Commission of the European Communities.** — (F) Mr President the Commission has learned that a Dutch undertaking, the 'Coöperatieve Vereniging Suikerunie', has made a takeover bid in respect of the 'Centrale Suikermaatschappij'.

These are the only two sugar-producing undertakings in Holland. They account for two-thirds and one-third respectively of the country's production.

The Commission at once requested these two undertakings to supply it with the information it needs to decide whether this merger conforms with the rules of the Treaty, and notably with Article 86.

**President.** — I call Mr Broeks to put a supplementary question.

**Mr Broeks.** — (NL) Mr President, is the Commission aware that it is desirable that the Commission should make its position known with regard to the possible takeover of the one organisation by the other, as it is a known fact that the shareholders of the Centrale Suikermaatschappij are very doubtful whether to take up the proposal, as they fear that the Commission will take measures and the Court will decide against this takeover, should it come to a court case.

The sooner that the Commission makes its position known the easier it will be to prevent this takeover.

**President.** — I call Mr Borschette.

**Mr Borschette.** — (F) Mr President, the Commission will make its decision as rapidly as possible.

I will simply add that this shows just how necessary prior control of mergers is.

**President.** — I call Mr John Hill.

**Mr John Hill.** — Where there is any tendency towards a monopoly in the processing and distribution of sugar, does not the Commission think it desirable to protect the consumer's interest by examining carefully the margins for the refining of sugar, and fixing limits thereto?

**President.** — I call Mr Borschette.

**Mr Borschette.** — (F) Mr President, as I have already said, the Commission has in the past taken steps to protect consumers' interests by taking decisions with respect to Community sugar producers.

These decisions have been suspended for the present while the whole question is examined by the Court of Justice.

I would emphasize, on the other hand, that the Commission has set up a working party to review the Community's entire sugar policy. It will take all these examinations and studies, as well as the statements by the honourable Member, into account.

**President.** — I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — On a point of order, Mr President. Have you finished Question Time now?

**President.** — Please continue, Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — Then may I raise a point of order with you, Sir? It is one of the great joys of Question Time that Members have the opportunity of putting their own questions to members of the Council of Ministers and to the Commissioners. This is a very acceptable and important practice. May I ask, through you, Mr President, whether the enlarged Bureau would consider whether questions from Members who are not here, for whatever important reason, should be taken during Question Time by other Members or whether they should not be given a written answer? I would suggest that the Bureau might examine this to see whether it might not be stipulated that oral questions have to put by the members concerned present in the Chamber.

**President.** — In answer to your question, Mr Scott-Hopkins, I would point out that the decision that questions should be delivered to the President of the Bureau in writing was taken in order to speed up the procedure at Question Time. The Bureau then decides on admissibility. In order to save time, questions are not read out but are answered directly by the Commission.

I agree with the principle that the questioner should be present. On this point the Rules of Procedure read as follows: 'A question may be answered only if the questioner is present or has written to the President before the start of Question Time, nominating a substitute'. This has been done in the case of Mr Dich and in the case of Mr Johnston, both of whom have proceeded in accordance with Section III (3) of the notes on the implementation of Rule 47A of the Rules of Procedure. The second paragraph of Section III(3) reads as follows: 'If neither the Representative nor his substitute is present, the question shall be answered in writing by the institution concerned.'

I am however quite willing to arrange for the Bureau to discuss the point raised by Mr Scott-Hopkins.

I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — You will know, Mr President, that no criticism of your decision was intended. It was merely that, through you, I wished to see whether this matter could be raised in the enlarged Bureau. I am very grateful to you, Sir, for what you have said.

**President.** — I call Mr Broeksz on a point of order.

**Mr Broeksz.** — (NL) Mr President, this matter has been discussed extensively in the Legal Affairs Committee when the appropriate proposals were made. I should be sorry if this matter were to be discussed again. We came to the conclusion that, if a questioner were to be absent, an answer to the question could not be given at the meeting. Due to all kinds of circumstances, however, it is possible (I am thinking of strikes, or unexpected snow) that there could nevertheless be a last-minute delay. For this reason we decided in the Legal Affairs Committee that there should be an opportunity for the appointment of alternates. I am little inclined to having this matter discussed again, now that it has been dealt with so extensively.

**President.** — In general it is indeed best for the questioner himself to be present when the

**President**

question is called. I stress that this should be the usual procedure.

I have a request from Mr Dalsager, on behalf of the Socialist Group, to hold a topical debate, pursuant to Rule 47A(2) of the Rules of Procedure, on the Commission's reply to Oral Question No 41/73 by Mrs Carettoni Romagnoli on the imprisonment of Professor Pezmazoglou.

The debate should last for half an hour.

I hereby grant this request.

*5. Debate immediately after Question Time - Situation in Greece*

**President.** — The next item is the debate requested by the Socialist Group on the answer given by Sir Christopher Soames on behalf of the Commission of the European Communities to Mrs Carettoni Romagnoli's question.

I call Mr Dalsager to speak on behalf of the Socialist Group. He may speak for five minutes.

**Dalsager.** — (DK) Mr President on behalf of my group I thank you for this chance to return briefly to the Greek problem about which the members of the group are so concerned.

I would like to say, Mr President, that the answer we received from Commissioner Soames on this matter was, in view of the circumstance, the most correct and proper answer which he could give us.

I would like to add, Mr President, that the answer only added to our anxiety and reinforced the concern which we must feel at the continuing developments in Greece.

The question which was raised partly by me and partly by our colleague, Mrs Carettoni Romagnoli, concerns a single person who is very well-known to this House, but at the same time it is also a question about a single link in a long chain of similar occurrences. Nor is it only a question of the arrest of a single politician. This is a question of a protracted series of arrests of politicians who, as we know, represented the democratic system in Greece. Professor Pezmazoglou, who is the subject of this debate, was the person mainly responsible for bringing about the Association Agreement between the European Economic Community and Greece. He has had a long international political career. He has now been arrested for the second time and is being held, as far as we know, in the military police headquarters in Athens. Nobody knows what he is accused of. Nobody knows what his condition is.

As parliamentarians we have a very special responsibility and I would like to say, in reply to what was said to me by the President-in-Office of the Council when he related what had previously been done by the Communities in this connection, that it is quite correct that I was not a Member of this Parliament before 1 January 1973, but I have also followed the developments in European cooperation in this field, and since I became a Member of this Parliament on 1 January 1973 this my sense of responsibility for what is happening to the Greek parliamentarians has increased.

We in Denmark had great confidence that the resolutions passed by the Human Rights Commission on the Greek question would represent the first step on the way back to democracy in Greece. We have been disappointed time and time again.

I believe that we must, as Members of this Parliament and thus representatives of the peoples of the European Communities, be clear about the fact that our attitude to these questions also helps to influence to a large extent the attitude of the European peoples towards those Communities.

We have many ties with the United States of America and we conduct many negotiations with the representatives of political life in the United States, and we ought according to our stated views make the political representatives of the United States aware that it is the USA's policy towards Greece which, as far as we can ascertain, is largely helping to keep the undemocratic government in Greece on its feet, and that this policy also influences the attitude of our peoples to the United States of America.

There are many people here who are also in a position to influence NATO policy, and I would like to take this opportunity to point out that in our national parliaments, where we also have a responsibility for the policy conducted here, we ought also to point out that the attitude of Europe's peoples to our defence policy, and also towards our cooperative defence policy within NATO, is greatly influenced by the fact that NATO has contributed towards keeping the undemocratic government in Greece on its feet.

Mr President, I shall conclude very briefly. The fact that some Eastern European countries are now also contributing, by their relations with the Greek government, to keeping that government on its feet does not exempt us as democrats from a particular obligation towards our colleagues in political life, and towards the democratic and parliamentary ideal, which must form a fundamental basis for the viewpoints which we adopt in the European Communities.

(Applause)

**President.** — I call Mrs Carettoni Romagnoli. I would remind the House that speaking time is limited to five minutes per speaker.

**Mrs Carettoni Romagnoli.** — (I) Mr President, honourable Members, the recent events in Greece, of which, to my great surprise, the President-in-Office of the Council seems to be unaware, demonstrate that Fascist dictatorship always goes through the same phases. It starts by striking out against the Left, it continues with the Centre forces, goes on to the Democratic Right, then to Right wing adversaries of the regime, then the army and then even the monarchy, if there is one. These are not irrelevant events, as Mr Corona has emphasised. In fact these events have extinguished the hopes of those who looked for an alternative to the regime. A further proof is the fact—and this is very important—that extensive opposition forces have finally been deployed in Greece in the form of student unrest, solidarity among the intellectuals, revolt by the military and the imprisonment of our friends, the friends of Europe, which have so clearly been evoked here.

A few days ago, on 2 June, the *Eleftheros Kosmos*, the only newspaper that can be printed in Athens because it is a government paper, said that the dethronement of the king means that a grave threat of civil war had been eliminated. This means that the people are not satisfied, that a very large portion of the Greek population is not in agreement with the military junta, otherwise the *Eleftheros Kosmos* would not have spoken of the threat of civil war. We, gentlemen of the Commission, have a specific duty to the Greeks, to the democratic Greeks, in particular—as Mr Dalsager has said—towards the friends of Europe, and first and foremost towards Professor Pezmazoglu, but also towards those humbler friends of ours who appeared before the court for having invited a former colleague of yours, Mr Rey, to give a lecture in Athens. This was enough to bring them before the court. In this case the Commission cannot fall back on bureaucratic procedures, referring to previous views, however correct. The Commission's views are very important, they are vital both to the possibility of a return of democracy in Greece and to our own political future. We must realise—and this is a purely political matter—that the existence of Fascism in three Southern European countries is preventing the smooth development of relationships with Southern Europe and the subsequent move towards an integration of those countries. I refer to Greece, Spain and Portugal.

If it wishes, the Commission can do a great deal: it has great authority and great weight, especially as in the present world economic situation

and with the existing balance of power every country needs to establish ties and relationships, not only bilaterally but above all with the supranational powers, with the Community. We see that day by day those countries (Greece, Spain and Portugal) are urging further moves in this process. It seems to me that this opens a very important field of political action for the Community. It is not a matter of violating international principles, it is a matter of taking specific political action, and we must take this action because our Community is founded on the principles of respect of democracy and respect of human rights.

As for us, honourable Members, we who have come here as the representatives of democratic parliaments, democratically elected, let us face our responsibilities towards those peoples, towards the leaders who were once democratically elected by those peoples; let us reflect very seriously on the fact that Fascism is a serious sickness, a sickness that is contagious. Nobody can be sure that he is truly immune from that sickness or that any vaccination is effective. (Applause)

**President.** — Mr Romualdi, do you wish to be entered on the list of speakers?

**Mr Romualdi.** — (I) Yes, I would like to speak on this matter.

**President.** — I shall call you after Mr Kirk. I call Mr Blumenfeld on a point of order.

**Mr Blumenfeld.** — (D) Mr President, thank you for allowing me to speak on a matter of procedure.

Do you not think, Mr President, that it would add to this topical debate if we could now hear from Sir Christopher Soames the answer that he withheld during question time to the question that has in fact been raised and that we are debating here? I at any rate would think so.

**President.** — I will certainly consider what Mr Blumenfeld has said. For the time being, however, I am obliged to apply the Rules of Procedure. Section V of the notes on the implementation of Rule 47A provides that Rules 30 and 32 of the Rules of Procedure shall also apply, which means that in this instance the normal procedure should be followed. In other words, Parliament speaks first and the Commission answers. I presume that in this case the Commission would prefer all Members who have asked for the floor to speak first, before it gives its answer. I observe that Sir Christopher Soames is in agreement.

**President**

I call Miss Lulling on a point of order.

**Miss Lulling.** — (F) Mr President, since we have just been dealing with the question of regimes which hinder the smooth development of the Community I would like to ask whether, during the course of this topical debate, we could not also consider the problem of the non-fascist dictatorships—which call themselves socialist but are in fact communist—which hinder the smooth growth of the Community not towards the South but towards the East of Europe.

**President.** — What Miss Lulling has said is not a point of order, but a possible contribution to the debate.

I call Mr Vals on a point of order.

**Mr Vals.** — (F) Mr President, the question which was raised concerns Greece. It is not aimed at Spain or Portugal, both dictatorships, nor at those countries to which Miss Lulling referred.

The question applies to Greece because that country signed a treaty of association with the European Community and because we have a direct interest in the situation of the people—parliamentarians or members of the Association Committee—who worked with us, and because questions concerning their fate have been raised by several Members of this Assembly.

We are obviously in favour of broadening the debate, but, in this particular case I myself would like to see it restricted to Greece. If, on some other occasion, we want to discuss other problems, then there is always the possibility of raising an oral question and we can then debate these other problems.

*(Applause from the left)*

**President.** — I call Mr Lückner on a point of order.

**Mr Lückner.** — (D) On a matter of procedure, Mr President, I think I should point out to my esteemed colleague, Mr Vals, that it was not Miss Lulling's question that expanded the subject; the subject with which we are concerned here had been expanded by Mrs Caretoni Romagnoli. She crossed the Rubicon and spoke not only of Greece, but also of Spain and Portugal. Once the Rubicon is crossed, Mr Vals should realize that the political content of the debate is of course enlarged. Much of what has been said here would be very much more convincing if people did not always turn a blind eye to dictatorial regimes.

I agree with Mr Vals when he says that we are concerned here with the Greek question because

Greece has signed an Association Agreement with us. This Association Agreement makes provision, after a certain transitional period, for Greece to become a full member of our Community: But then all speakers should keep to this and not enlarge the topic into a general political discussion, as that calls for corresponding answers. I have the impression that Miss Lulling's question was a response to the fact that the subject had already been expanded by another Member in this House. To this extent it was justified.

*(Applause from the centre)*

**President.** — I call Mr Fellermaier, who will be the last speaker on a point of order.

**Mr Fellermaier.** — (D) Mr President, Ladies and Gentlemen, I find it a curious situation that by reference to a matter of procedure there is virtually a political debate going on here. I believe it is one of the original rights of the Members of this House, when they have entered their names on the list of speakers for a specific point, to decide for themselves whether they then wish to bring in other things from a political angle. Other speakers from other Groups have a similar right to reject this. But I consider it an abuse of the Rules of Procedure to do what the Socialist Group proposes here, because Greece has a special relationship with the European Community under the Association Agreement, so that they can then—as has been done several times here—give opinions indirectly by raising points of order.

*(Applause)*

**President.** — We shall now procede with the topical debate. Members may speak on whatever they consider of particular relevance.

I call Mr Kirk on behalf of the European Conservative Group.

**Mr Kirk.** — The last four points of order have made quite a number of the points I had intended to make, so I shall be very brief.

The European Conservative Group, and certainly I as its chairman, has a very simple view of the Greek situation as it has of all situations where people are oppressed by a tyrannical government: we are against it.

I have myself been preoccupied with the Greek situation since I was chairman of the Political Committee of the Council of Europe at the time when Greece was forced to withdraw from the Council of Europe. I have not changed the view I held then of the present government in Greece.

**Kirk**

As Mr Vals has reminded us, we have a special responsibility, since Greece is an Associate State of the Community.

What we want to hear from the Commissioner today is that the policy, which I believe he announced in this House three months ago, of the suspension of the Greek Association remains, and will remain, the Commission's policy.

If that is so, this is all we can do to ensure that that policy remains, and this debate will have served a very useful and worthwhile purpose.

**President.** — I call Mr Romualdi. I would remind him that speaking time is limited to five minutes per speaker.

**Mr Romualdi.** — (I) Mr President, I shall make an even briefer statement as I agree entirely with what Miss Lulling has said on it being impossible to extend this debate to Greece without first asking ourselves what is happening in other countries that are very close, indeed that border upon the Community.

I am also surprised that it should be the Communist group which invokes the principles of democracy and respect of human and political personality.

Nevertheless, since the debate has broadened, starting from Greece—in other words, a country associated with our Community—I should like to know whether the European Parliament is aware of the fact that there is such a diverse interpretation of democracy in different European countries that in Italy, for example, the secretary of a party that obtained more than three million votes has been referred to the legal authorities and may be sentenced to twelve years' prison.

I say this so that Parliament will be aware of what is going on and of the nature of the Communists' current concern with protecting our democracy.

**President.** — I call Sir John Peel.

**Sir John Peel.** — I can well understand the indignation of many of my colleagues at what is going on in Greece, but many of us are indignant about many things that are going on in quite a number of countries which we do not consider to be very democratic. I have listened, over the years, in other European bodies, to debates on this sort of matter and I do not believe that they have got us or those countries very much further along the road.

We have heard this morning from the President-in-Office of the Council of Ministers that the Council is prepared to look at certain questions put to him today by Members of this Parliament, and we have heard from Sir Christopher Soames that the Commission is taking all the action it can to pursue this matter and to get a reasonable solution to it. Therefore, what can we do by talking about this matter? What can we do to help the Greek people, which is what matters? I do not think that this sort of discussion helps the Greek people.

How do we know that, in present circumstances, the majority of the Greek people would like to get rid of their present government—the majority of the Greek people? We do not know; it has not been put to the test.

So far as I can make out, all that we could do as a Community is abrogate the Treaty of Association. It is already in cold storage and the only further step we can take is to abrogate it. Would that help the majority of the Greek people? That treaty is meant to be helpful to the Greek people as a whole. If we abrogated it, would we help them?

We should also be careful about the NATO alliance. The Greeks are very loyal members of that alliance. We should be much more sure of our facts about Greece before we get too excited about these matters and before we demand action which may injure the Greek people. It is the Greek people that we should be trying to help.

**President.** — I call Mr Lückner on behalf of the Christian-Democratic Group.

**Mr Lückner.** — (D) Mr President, I regret that for certain reasons I was unable to follow the beginning of this debate. But the part that I have just heard induces me to speak here and I hope that even without prior consultation in the Christian-Democratic Group I can speak in my capacity as Chairman of that Group.

Mr President, I fully agree with what the previous speaker, Sir John Peel, said at the beginning of his speech and I would even go a step further. We are not only disturbed at the news of certain events in Greece, we are also disturbed at similar events in other countries, and I would add, Mr President, that we are not only disturbed, but we condemn them. We condemn them in particular when they are events that fail to respect human rights, events that are in contradiction to official statements, as in this case in Greece, that normal democratic conditions are to be restored as soon as possible.

**Lücker**

I would say on behalf of my Group that we have expressed this attitude here since the day of the military coup in Greece in 1967. I wish to underline that today.

But I also ask myself the question that Mr Kirk and Sir John Peel have asked: what can we do? May I remind you, Mr President, that at that time—the end of the 'sixties—Parliament approved the suspension of the Association Agreement—I believe unanimously. My Group in any case was very clearly and unanimously in favour of suspending the Association Agreement and that is still true today.

When we ask whether we should terminate it, then I should like to say to Sir John Peel that we have already examined this question very thoroughly in this Parliament and we found that from the aspect of treaty law it was not such a simple matter. What is more, behind all this there lies the great question: how can we in our own way best help the Greek people, about whom we are mainly concerned rather than the present Government? I remember the debate we had here in connection with our Agreement on Cyprus. We adopted the same attitude then because in the final analysis we are concerned about the welfare of a people and we put that before the situation of the present Government in such a country. Therefore I have grave doubts whether we can go any further than continuing to suspend the Agreement with Greece.

But I do not want to stop at this. In connection with this debate, I am asking myself: could we not have made provision earlier for some procedure to enable Parliament to show world opinion quite clearly what we want, at least in a political protest, in a political approach to the Greek Government. I am grateful to Mr Baas when he says that we have the same attitude. It is a matter here of our human, moral and political obligation as a democratic Parliament. On earlier occasions we have frequently taken an interest in particular in the situation of the former Members of the Greek Parliament who had worked with us in the Association Committee and intervened actively on their behalf. But we have not stopped at that, we have intervened on behalf of all those who were persecuted or put under pressure by the regime in Athens. I wonder whether the present situation could not provide an opportunity for this Parliament to take action in the same way as it did in earlier situations. To this extent I agree with the persons concerned. If we speak of this subject here in Parliament, then we should not let it rest with a debate such as this, but should have the courage to make a concrete political gesture, take a political measure which really justifies this debate and which could in any case arouse

world opinion. We should once again pay more attention to events in Greece and do everything in our power to bring about what the Colonels' regime in Athens is itself forever officially proclaiming, that it wishes to restore genuine democratic conditions in Greece.

**President.** — I call Mr Corona.

**Mr Corona.** — (I) Mr President, first of all democracy must have faith in itself. Democracy is a dialogue, a debate, the possibility of expressing one's opinion and, if necessary, one's protest. This is the reason why, as a Socialist group, we believed that this debate would be useful, for grave events have occurred in Greece which show us that the regime is moving ever more rapidly towards explicit forms of Fascism.

The principles that we would like to state on behalf of Greece apply to our own countries and to other countries. They are the principles of democracy, of the defence of human rights, of political and civil freedoms. Faced with two questions on the arrest of a citizen who is eminent by virtue of his faith in democracy and his distinction in the arts, the European Parliament could not neglect the opportunity to broaden the debate.

This is the reason for our proposal, our request to the Council and the Commission. Let them tell us where they stand, without hiding behind individual governments, behind national parliaments. A European Community does exist; it is a democratic community and it should assert these principles to all.

Let it not be said that the problem does not exist. There are peoples, there are men in this Assembly who hailed with joy, for twenty years, any voice of protest raised in other countries against the dictatorship by which they were oppressed in their own.

There will be men in Greece today who will learn of this debate and who will congratulate us for having voiced their suffering.

We have a problem in Italy, but matters are not as they have been stated here. It is the magistrature, the judges, who asked Parliament to take away the immunity of those who, in their opinion, are guilty of the accusation of trying to reconstitute a Fascist party in our country. As we are well aware, this is never a problem in one country alone.

This, Mr President, is why the Socialist group has taken this step. This, Mr Chairman of the Christian Democrat group, is why the Socialist group is prepared to consider any proposal for incisive action on the problem, why it is ready

**Corona**

to associate itself with any measure which will help to achieve the desired end. This is why we are urging the Council and Commission to take this step.

For our part, we have done our duty and that we have contributed to the democratic prestige of the European Parliament.

*(Loud applause from the left.)*

**President.** — I call Sir Christopher Soames to make a statement on behalf of the Commission.

**Sir Christopher Soames, Vice-President of the Commission.** — Mr President, during this sad debate honourable Members have expressed their concern over the fate of democratic institutions in Greece, their concern over the fate of human rights in that country, and their concern over the fate of individuals. The Commission has always shared, and continues to share, that concern. We are deeply disturbed by the events of the past months. They confirm our sad conviction that Greece, since 1967, has not maintained those forms of government and of political life which the Community took for granted at the time it made the Association Agreement and which are presupposed in its full implementation at the end of the day.

At times the debate spread wider. There are many countries in the world in which human rights and democratic freedoms are systematically suppressed. As I said when I spoke on this matter in the House in March, all such violations are abhorrent to the Commission and, of course, to this House, wherever they may be perpetrated. But in the case of Greece there is a particular poignancy for our European Community. Twelve years ago we had high hopes that here was a European country—indeed, the fount of our European ideals of democratic liberty—which would in due course join us as a full member. In that hope the Community offered Greece a most generous agreement of association without any let-out clause. We undertook far-reaching commitments towards that country to help it develop its economy for the good of its people, and explicitly looked forward to the day when Greece would join us, once her economic progress allowed her to assume the full reciprocal rights and duties of membership.

As the House knows—all too well, our hopes were dashed—or at any rate deferred—in 1967, when events took a very different turn and the Community felt obliged to confine itself to that minimal administration of the current business of the Association to which we see ourselves bound in international law.

Here I come to the main core of this debate—the point raised by Mr Kirk, Sir John Peel and Mr Lücker. It is: ‘where do we go from here?’.

I wish to make it abundantly clear on behalf of the Commission that there can be no question whatever, in present circumstances, of this Association progressing any further along the road which was mapped out in 1961 with so much hope. The Commission does not intend to swerve either way from the course which, after serious consideration of the political and legal realities, it laid down for itself on this matter in 1967. But I must say with regret that today we stand perhaps further removed than ever from the situation for which we still continue to hope: the day when Greece becomes again what once she was, and when we can develop to the full our relationship with her as a European democracy among European democracies, a country which we can eventually, in happier circumstances, welcome into our Community itself.

*(Applause)*

**President.** — The debate is closed.

## 6. Change in agenda

**President.** — I call Mr Bermani on a procedural motion.

**Mr Bermani.** — (I) Mr President, on behalf of the legal Affairs Committee, acting as its Vice Chairman, I would ask for Mr Ballardini's report on the legal problems of Community participation in the work of UNO organizations to be inserted in the agenda for the next sitting in July.

**President.** — I propose that Mr Bermani's request to defer consideration of Mr Ballardini's report (Doc. 57/73) to the July part-session be complied with.

Are there any objections?

That is agreed.

**Mr Bermani.** — (I) Thank you, Mr President.

## 7. Oral Question No 50/73 with debate on agreements with EFTA Member and Associated States which have not acceded to the Community

**President.** — The next item is Oral Question No 50/73 with debate by the Committee on Economic and Monetary Affairs of the European



**President**

Parliament to the Commission of the European Communities on agreements with EFTA Member and Associated States which have not acceded to the Community:

Does the Commission feel that the agreements concluded between the Community and the EFTA Member and Associated States which have not acceded to the Community take sufficient account of the importance to the economy of these countries of exports to the Community of certain 'sensitive' products?

If experience of the practical application of these agreements reveals this to be necessary, is the Commission prepared to encourage the introduction at an early date of a more flexible arrangement for certain 'sensitive' products?

I would remind the House that speaking time is limited to 20 minutes for the questioner and 10 minutes for all other speakers.

I call Mr Bos to speak to the question.

**Mr Bos.** — (NL) Mr President, the Committee on Economic and Monetary Affairs has repeatedly concerned itself during the past year and a half with the internal economic consequences of the agreements that the Community has made in the meanwhile with the remaining EFTA countries, i.e. the Member States of the EFTA, and the State associated with it, who have not acceded to the Community.

The Committee on Economic and Monetary Affairs received approval from the Bureau to prepare a report on this matter. Now that the agreements have all become effective in the meantime, the Committee has decided provisionally—but not finally—to forgo the submission of a report. The time did not seem ripe; it would certainly be more to the point if some experience were first obtained of the effects of the agreements in practice, before alterations could be put forward.

It would be quite untrue to allege that the Community has abused the strong negotiating position that it enjoyed with regard to the other EFTA countries. The agreements concluded provide for trade in industrial products to be completely liberalized in five phases. The first phase starts on 1 April 1973, and the subsequent phases on 1 January of each year up to 1977.

As regards the number of 'sensitive' products—that is the sensitive point—the dismantling of tariffs will progress rather more slowly; this concerns paper, iron alloys, certain kinds of special steel, steel tubes, aluminium, lead, zinc and several rare metals. For these products the transitional period will be longer, in effect from seven to eleven years. Trade in foodstuffs will

be free virtually without exception, as will be several agricultural products also.

For most of the 'sensitive' products, further, indicative maxima will apply, which means that if imports from the remaining EFTA states exceed a certain ceiling the Community external tariff can be applied to such imports.

The provisions concerning these 'sensitive' products cannot be called unreasonable even though, in our opinion, they have turned out rather meagre. This is what this short debate is concerned with. As an example, and definitely as not more than that, because what counts for Finnish paper and wood probably also counts for other products, the regulation applying to Finnish exports of wood and paper products can be mentioned. These commodities—or putting it more precisely, the commodities referred to in chapters 48 and 49 with the exception of item 48.09 of the Community external tariff—represent 74% of exports from Finland to the Community. Finnish wood and paper products have a share of about 6% in the Community market. This percentage is in fact falling. Finland would be happy to be able to maintain its share in the market. In addition there is the fact that paper consumption in the Community is certainly likely to increase strongly in the years to come and that production in Finland can only be stepped up to a limited extent.

The conclusion to be drawn therefore is that the Community industry has little to fear from a rather more generous arrangement for Finland. Dangerous competition will probably come more from the United States and Canada than from Finland.

What the Committee on Economic and Monetary Affairs has in view with this oral question to the European Commission is not a radical revision of the agreements which have not even had time to reveal their worth in practice. It has appeared in fact—inter alia in the course of talks at several Ministries of Economic Affairs, including that of Holland—to what extent agreements of this kind are in fact a 'gamble'. Even in the national institutions responsible for this policy it does not seem to have been possible for a clear picture to be obtained of the consequences that the agreements with the remaining EFTA countries might entail for the Community's economy in general and in particular for certain sections of industry. These consequences are in fact very difficult to forecast. The desire to go about things carefully is therefore understandable.

Precisely because these effects are so uncertain, the Committee on Economic and Monetary Affairs attaches particular importance to the development clause which is included in every

**Bos**

one of the agreements and which is intended to make it possible for alteration in the agreements to be decided upon on the basis of experience in practice.

Parliament could press the European Commission to promote, where necessary, the use of this development clause and particularly in such cases where the agreement obviously puts one of the remaining EFTA countries into serious difficulties. The chance of this happening is undoubtedly present. In our opinion the executive will in that case have to do whatever is necessary for trade with the EFTA countries concerned to be enlarged. As a large economic area and as the largest trading power in the world, the Community has a special responsibility for the good and ill of economic events in many countries, not least in the European countries which due to special circumstances—which may also be political circumstances—are forced to remain outside the Community.

IN THE CHAIR. MR RIBIERE

*Vice-President*

**President.** — I call Mr Scarascia Mugnozza.

**Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities.** — (I) Mr President, I am replying on behalf of my colleague, Sir Christopher Soames, who is unable to be present as he is on business in Brussels. I trust nonetheless that my reply will satisfy Mr Bos, whom I thank for his question.

As is known, the Community has reached agreements with all European Free Trade Association countries which have not become members of the Community, and also with Finland, an EFTA Associate State. As a result, by 1977 we shall in practice have an industrial free trade area incorporating sixteen European states. This we have achieved in a spirit of friendship towards the EFTA countries. They have always had close commercial relationships with us and we certainly wished to avoid setting up tariff barriers once again between the EFTA countries not joining the Community and the two countries which decided to become members.

There are two groups of sensitive and economically important products for the countries in question and we felt an obligation to adopt special measures for those products: in the first place, paper, as has already been mentioned, and in the second place ferrous and non-ferrous metals and rare metals. In the case of Portugal, alone, the list of sensitive products also included textiles. In a period of time that may vary from

4½ to 11 years, depending on the products, a free trade area will also be established for sensitive products. In this way, completely free trade will be created for all industrial products in the Community and these EFTA countries. During the transition period, we planned for a recommended ceiling for the volume of imported sensitive products from these countries, which may automatically avail themselves of the preferential tariffs laid down by the agreements. This ceiling is higher than the average for current imports and will be increased by 5% per year. This should allow for normal development of trade with these countries. Even if this ceiling is exceeded, the customs tariffs for non-Member States are not automatically applied.

We trust that there will be recourse to this facility only in very few cases, in other words only when truly substantial problems arise.

Furthermore, the Community may suspend the application of any ceiling on preferential imports if the imports remain below 90% of that ceiling for two consecutive years.

The joint Committee responsible for supervising application of the agreements may always envisage the possibility of making the annual increase over the ceilings for the products subject to the special arrangements more than 5% after mid-1977. Mr Bos mentioned the progressive clause, and I can assure him that the Commission will do its best to ensure that this clause will promote the reaching of agreements.

It may, therefore, be concluded—and I believe that this is the point raised in the second part of Mr Bos's oral question—that we consider the agreements to be extremely flexible and we are sure that there will be sufficient flexibility to promote a reasonable balance in the advantages to the parties to each agreement.

We have made full allowance for the importance of the aforesaid sensitive products to our partners. We shall gradually increase the ceiling and we shall attempt to find an adequate solution if new problems arise, for we are guided by the desire for fruitful cooperation.

**President.** — I call Sir Tufton Beamish on behalf of the European Conservative Group.

**Sir Tufton Beamish.** — Thank you, Mr President, for giving me a chance to say something about this question. I am very glad that Mr Bos raised it. I listened with great interest, as we all did, to the reply by Mr Scarascia Mugnozza, which was very helpful.

I should like to suggest that this is not the time to question the agreements—indeed, Mr Bos did

**Beamish**

not question them—which have the approval of all nine Member States' governments. There will be ample time, of course, during the transitional period, which is a long one—varying for different products, to keep an eye on any sensitive aspects of these agreements.

It seems to me that these agreements with the EFTA countries that did not wish to join the Community are entirely consistent with European unity in its wider and longer term context. EFTA, after all, was always regarded as a fall-back position from which those democratic countries in Europe that were unable or unwilling to join the Community, or not qualified to do so, could in future years do so when it became possible.

Now, three of those countries have joined the Community, although, unhappily, Norway has not. I am sure that no one here will disagree with me when I say that we hope that one day Norway will do so and that we would all wish to make it as easy as possible for her to do so. Therefore, the pattern of the Community's commercial relations with these EFTA countries is now complete, with one exception only.

I certainly do not want to start a debate on Iceland, although that would be in order; I simply want to draw attention to the report drawn up by Mr de la Malène on behalf of the Committee on External Economic Relations (Doc. 322/72), paragraph 13 of which said:

'We hope that negotiations under way between certain Member States and Iceland on problems raised by the measures taken by the latter country in the matter of fishing rights can soon be concluded in such a way as to enable the provisions of Protocol 6 to the agreement between the Community and Iceland to come into force on the scheduled date of 1 April 1973.'

We are beyond that date and I understand that a delay of three months has been imposed. I take it for granted that, until Iceland complies with her international obligations, Protocol 6 will not come into force.

I simply note the facts of the case, which are these. All European States except Iceland are bound by the 1964 European Fisheries Agreement, and in any case Iceland is still bound by the bilateral agreement concluded with Britain in 1961, which the International Court at The Hague has enjoined her to follow, stating clearly that, in its opinion, that agreement remains in force. If Mr Scarascia Mugnozza has a chance to comment on Protocol 6 in regard to Iceland, I should certainly appreciate it.

As for sensitive products, I was particularly interested when Mr Bos mentioned pulp, paper and board, because it was felt in the United Kingdom that in Finland and Sweden certain unfair trading practices which are specifically ruled out by the Treaty of Rome were taking place in relation to exports. I therefore feel sure that the Commission should keep a watchful eye on this sensitive question, which I have already raised in the Committee on External Economic Relations.

But there will be ample time to watch that matter because the transitional period is such a long one. There are other sensitive fields as well, of course, but this is not the time to question these agreements as a whole, which are entirely consistent with the liberal attitude of the Community towards trade and with the development of our common commercial policy.

I should like to take this opportunity of saying yet again how much I regret the fact that we are still bound by the Luns procedure and that the Giraudo procedure, unanimously approved by this Parliament, has not yet been adopted.

We are meant to be consulted by the Commission about commercial agreements, but in the Committee on External Economic Relations, as often as not, we are really only informed—this was the case over the Norwegian agreement—because we are not presented with the background information which would enable us to have a useful debate. In any case, we were told that it would come into force within two weeks of our being provided with such information as we were given. So we had no chance to study the details and it seemed to me and, I think, to most members of the committee that 'consulting' us was a mere formality which we had to take or leave.

Of course, the really important thing is that Parliament and its committees should be consulted early enough to be able to influence events. We have the enormous advantage in Parliament of what I would call 'pre-legislative consultation', and we want to take the maximum advantage of it that we can. It seems to me that the Luns procedure is unsatisfactory and prevents us from doing so. I very much hope that we will hear before long that the Giraudo procedure, which Parliament favours overwhelmingly, will be introduced.

**President.** — I call Sir Douglas Dodds-Parker.

**Sir Douglas Dodds-Parker.** — I support Sir Tufton Beamish in what he said about adopting the Giraudo procedure. I, too, welcome

**Dodds-Parker**

what the Commissioner said on this item. I do so having been for most of the last eight years a member of the EFTA parliamentarians group which met in this hemicycle, usually in the dead of a Sunday afternoon, to discuss our mutual affairs before the United Kingdom was fortunate enough to join the EEC. Now that three of the original EFTA group are members of the EEC, I hope that our remaining friends in EFTA will realize that they are not forgotten, just as we promised that they would not be. We are trying to maintain their interests in the enlarged Community. There are not so many of them left. Some, like Austria, are precluded by treaty from becoming members of the EEC. Others by choice remain in EFTA. I hope that in due course they will become members of the enlarged Community.

We in this House can give considerable help, as the Commissioner has told us, by harmonizing the economic side of our policy with the policy of the remaining EFTA countries, and we must leave of course certain other areas of activity to the Council of Europe, of which all of us are members.

At present, there are four parts of Europe—the EEC, EFTA, Spain and Portugal, and Eastern Europe. I hope, although I may not be right in saying, that one day the whole lot will be together in an enlarged Community. But in the meantime, if we can carry on along the lines which the Commissioner spelt out, we can do a great deal to help our friends in EFTA who are not members of the EEC.

**President.** — I call Mr Normanton.

**Mr Normanton.** — Until a few moments ago, I had no intention of intervening in the debate, but by way of supplementing the contributions made on bread principle by my two colleagues from Britain, I feel it is appropriate for me to add one detailed observation which in the case of European industry I believe will be significant.

Mr Bos made special reference to the problems and difficulties which now face, and will in future face, certain industries. He referred to paper, pulp and board. I wish to comment briefly on the textile industry, but only by way of trying to illustrate a point to which I hope the Commission will pay very careful attention.

Under the agreement which gave birth to EFTA—the Stockholm Treaty—extremely elaborate devices or rules were laid down to identify the origin of various products. There were also very carefully worked out rules which gave EFTA identity to goods once they had entered an EFTA

State. I have no intention of trying to minimize the importance of the developments towards which the Commissioner has been working and to which he has just made reference, namely, the enlargement of the commercial links of the Community with these EFTA countries. However, I earnestly hope that he and his colleagues in the Commission will look very carefully and constantly at the way those original rules of origin worked out by EFTA will operate in the enlarged relationship between the Community and the EFTA States concerned.

I feel cases may well come to light—as, indeed they did under EFTA itself when it was a very much larger trading community—where the rules were circumvented by individual Member States of the Free Trade Area, goods were brought in (contrary to all the rules and regulations of EFTA), acquired EFTA status and then, to the detriment of the industries of the EFTA countries, in some cases circulated freely and dangerously to the disadvantage of the EFTA community.

I earnestly hope, therefore, that the Commissioner will give the assurance, without attempting to inhibit the expansion of free trade or restrict the enlargement of this commercial aspect of the Community's activities, that he will keep a very close eye on this loophole: the rules of origin, the entry of goods from non-Community and non-associated territories, and free circulation thereafter.

Coupled with that is the fact that many Member States of the Community, each in their own ways, have devices which they employ to restrict the continued free circulation of goods which have entered in an authorized and fully-justified fashion. It is, or should be, within the power and authority of Parliament to comment upon, and try to correct, this situation.

I should be grateful if the Commissioner would care to comment on those three points.

**President.** — I call Mr Lange, chairman of the Committee on Economic and Monetary Affairs.

**Mr Lange.** — (D) Mr President, I should like to remind Members of the origin of this question. We were not concerned with external economic relations and external economic problems, but as the Committee on Economic and Monetary Affairs we wished to establish the effect on internal trade of enlargement and the new relations with the remaining EFTA countries. This means the effect from the outside inwards and in relation to the industries that we have in the Community. This is rather different from

**Lange**

what our three colleagues in the Conservative Group have just been discussing, although of course I agree with them that external trade relations—I myself am also a member of the Committee on External Economic Relations—must not be neglected. I just wanted to point out the origin of this question once again and to state that what Mr Scarascia Mugnozza has said here sounds very plausible, very fair and very sensible. But fundamentally the Commission had a negotiating brief from the Council that to some extent was based on a very narrow outlook by Member States. After all, the list of sensitive products and sensitive sectors was not brought into the debate by the EFTA countries, but by the Community Member States.

When the Commission was given this brief, we pointed out that basically it reflected over-anxiety on the part of specific sectors because—and what I am now saying applies to parts of the original Community of the Six, but not to all of it—certain sectors of the economy enjoying a prosperous development simply neglected to allow for competitive conditions that might change in the future. This led to a desire for protection and a protectionist attitude. And I believe that if this Community—as it always maintains—wants to continue to be open to trade relations, then priority must be given—and this is addressed to the Commission with a request to pass it on to the Council—to doing everything possible internally to encourage the industries concerned to make themselves fit to meet competition in the Common Market and also—if you so wish—on the world market.

Basically we should refrain from any kind of protectionism, we should only allow protectionist measures if they are absolutely essential for a specific transitional period, and then only a short one. What has been done here with the sensitive sectors and sensitive products introduced by the Community and the Community countries in respect of the dismantling of customs tariffs and establishment of the free trade area seems to me to be completely unjustified—we have also expressed similar criticisms on earlier occasions. For I ask you: how large is the population of the Common Market, the Communities? How high is its gross product? How do the population figures compare in those countries with which we wish to make free trade areas? And how far are the economies of those countries so structured that they can be considered as balanced? That applies at most to two economies, Sweden and Switzerland, and to a certain degree also to Austria, but it does not apply to the other non-acceding EFTA countries. I would ask the Commission—and I should like to stress this most emphatically—first of all to examine how far certain sectors

will in fact be endangered internally. According to the talks and discussions we have had so far in order to prepare a report of this kind on the internal effects on the market, as Mr Bos has indicated, such cases occur only very, very sporadically and very much on the periphery. And this leads to my second point—if this is observed so precisely, to underline what Mr Bos has said here—that the development clause should be applied very soon in order to get away from absurd periods such as eleven years for the abolition of customs duties. Without wishing to call the agreements into question, we should aim at ensuring—the development clause allows this—that an unrestricted free trade area in the industrial sector is obtained with the remaining EFTA countries at the same time as the final customs barriers are removed between the new member countries and us, the old member countries—I should not say ‘us’ here since we are all now ‘us’ or ‘we’ together—in other words that everything should be completed by 31 December 1977 at the latest; only in that way can I see any sense in it, if what Mr Scarascia Mugnozza has so kindly said here about the EFTA countries is to have any real meaning.

I repeat what I have already said on an earlier occasion: this great Community, that is always so proud that it is so great, that is proud to accept certain responsibilities, not only for the member countries but also for everything surrounding it and for everything that has anything to do with it in the world, this Community should show more generosity in this case and not adopt such a narrow outlook under certain conditions, as I have already said. We are in a position to do a great deal, without special social difficulties, in certain industrial sectors with so-called sensitive products to ensure that these branches of industry are also competitive within the Community and in relation to the intended free trade area and on the world market.

I should be grateful if the Commission were to see its work in this light so that by the end of the transitional period for the Three we have a fully-fledged free trade area with no more special arrangements and no gulf between the countries that until now have belonged to the Community and to EFTA.

**President.** — I call Mr Scarascia Mugnozza.

**Mr Scarascia Mugnozza.** — (I) Mr President, I am very grateful to those who have taken part in the discussion and, in reply to the speaker who preceded me, Mr Lange, I should like to start by saying that we are moving exactly in the direction indicated by him. We are not only

**Scarascia Mugnozza**

examining the repercussions of an internal nature, but above all we are doing everything we can to avoid difficulties arising from outside. I think I have already said that the ceiling is higher than the average for current imports and will be increased by 5 per cent per year. This should make it possible for trade to develop in a normal manner, but even if this ceiling is exceeded, it is not planned that the customs tariffs for non-Member States will be applied automatically. This means that we are prepared to take action not to create a protectionist barrier between the Community and the EFTA countries.

With regard to Sir Tufton Beamish's remarks, I would say that the agreement is already in force and, with regard to Iceland, the only part on which agreement has not yet been reached is on fishing due to the dispute between Iceland, Great Britain and Germany, the countries most concerned. I trust that these difficulties can be overcome at a very early juncture.

With regard to the second question raised by Sir Tufton Beamish, a discussion was held during recent part-sessions on the procedure for discussion of the trade treaties by the European Parliament.

Nevertheless, this will be part of a series of practical measures already considered by the Commission, which will be forwarded to Parliament at the earliest opportunity, practical measures by which the Commission hopes to improve the system for working with the European Parliament. I think that these documents will be made available to the European Parliament within a few days' time.

With regard to Sir Douglas Dodds-Parker's words—and I thank him too—I should like to confirm that there is a spirit of friendship towards the EFTA states. I have already declared that there have been close trade relationships with these countries in the past and we want at all costs to prevent the creation of tariff barriers between countries which belong to the Community and those which have not joined. This is the spirit—as I have already told Mr Lange—in which we intend to proceed.

In reply to Mr Normanton who spoke mainly on the question of the rules of origin which were the basis for the Stockholm agreement, I should like to say that the Commission has taken the existence of these agreements into account: if a product is partially processed in a third country and then finished in one of the EFTA countries, it may qualify as a product originating in this EFTA country by a system of accumulating the various phases through which it has passed.

I believe this is a favourable clause and I trust that Mr Normanton is satisfied with my reply.

**President.** — Does anyone else wish to speak?

I have no motion for a resolution on this debate.

This item is closed.

### 8. *Membership of committees*

**President.** — I have received requests for the following appointments to committees:

(a) from the Socialist Group:

— Political Affairs Committee:

Mr Patijn

— Committee on Economic and Monetary Affairs:

Mr Van der Hek and Mr Thornley

— Committee on Budgets:

Mr Wieldraaijer

— Committee on Agriculture:

Mr Kavanagh and Mr Laban

— Committee on Cultural Affairs and Youth:

Mr Kavanagh and Mr Laban

— Committee on External Economic Relations:

Mr Patijn and Mr Thornley, to replace Mr Christensen

— Committee on Development and Cooperation:

Mr Van der Hek

— Delegation to the Joint Committee of the Association with Greece:

Mr Patijn

— Delegation to the Joint Committee of the Association with Turkey:

Mr Patijn

(b) from the Christian-Democratic Group:

— Legal Affairs Committee:

Mr Schuijt

— Committee on Budgets:

Mr Notenboom

Are there any objections?

These appointments are ratified.

I shall now suspend the sitting until 3 p.m.

The House will rise.

*(The sitting was suspended at 12.45 p.m. and resumed at 3.10 p.m.)*

## IN THE CHAIR: LORD BESSBOROUGH

Vice-President

**President.** — The sitting is resumed.

## 9. Modification of the agenda

**President.** — I have received a request from the Committee on Agriculture to place the following reports on tomorrow's agenda:

- Mr Lefebvre's report on colza and rape seed (Doc. 92/73);
- Mr Martens' report on the temporary suspension of customs duties on a number of agricultural products (Doc. 93/73);
- Mr Héger's report on beet sugar prices (Doc. 97/73);
- Mr Héger's report on oilseeds (Doc. 98/73).

In addition, the Committee on Energy, Research and Technology has requested that room also be made on tomorrow's agenda for Mr Glesener's report on decisions to set up a research programme in the field of new technologies and recycling raw materials. The Committee has asked for this report to be examined by the procedure for voting without debate.

Are there any objections?

These proposals are agreed to.

I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — In the light of what you have said, Mr President, and of what took place in the Committee on Agriculture last night, I am not in a position to object, but I deplore this procedure of bringing in at the last moment reports which have not been fully and properly considered in committee and when Members of this House have not had time to read the documents. No one outside the Committee on Agriculture, for instance, has even seen the report, let alone the base documents on which the committee is reporting.

I fully understand the reasons for the situation, in that 1 July is the operative date and we have to get this matter through in this part-session. But this method of going about our work makes things extremely difficult for the House to deal with, and I ask the Bureau to consider, perhaps in conjunction with the Commission, whether we cannot do something to improve this House's working methods so that Members have more time to consider policies and programmes.

**President.** — My honourable friend knows my personal views on this matter. No doubt we should vote a little later on whether or not these additional items should be placed on the agenda.

I call Mr Héger.

**Mr Héger.** — (F) Mr President, I am extremely honoured to have been appointed by the Committee on Agriculture to deliver an oral report on this highly complex problem.

I share completely the views expressed by Mr Scott-Hopkins. I am personally vehemently opposed to improvisation and to the study of problems in the absence of either a written report or, indeed, any other document.

Without of course wishing to be sarcastic, I would add that it is the problem of the United Kingdom which concerns me, since this is the only problem on which Parliament is to be consulted.

The Council has every right to make decisions on sugar and sugar prices, but the terms of Article 52(3) of the Treaty of Accession, which provide for the United Kingdom to depart by not more than 10% from the common price level, are reason enough for Parliament to be consulted.

Why does this consultation come so late? Ladies and gentlemen, it is not my job to analyse who is responsible for what, nor to establish whether, when the Commission submits its proposals to the Council, the actual responsibility for suddenly consulting Parliament lies with the one or the other of these bodies.

I can only establish what has in fact happened. If Parliament does not give an opinion, the Council will be unable to make a decision in time and the United Kingdom will be left in a legal vacuum.

In other words, if I now speak against my conviction that no question should be examined before the necessary documents have been translated and distributed, it is because I feel that the old Community has an obligation towards the new members.

It is for this reason alone that I have made these comments.

**President.** — Does anyone else wish to speak?

I propose that the report by Mr Lefebvre on colza and rape seed; the report by Mr Martens on the temporary suspension of customs duties on a number of agricultural products; the report by Mr Héger on beet sugar prices, and the

**President**

report by Mr Héger on oilseeds, be placed on the agenda of tomorrow's sitting.

Are there any objections?

That is agreed.

I come now to the request from the Committee on Energy, Research and Technology concerning the report on the setting up of a research programme in the field of new technologies and the recycling of raw materials (without debate)

I propose that this item be placed on the agenda for tomorrow.

Are there any objections?

That is agreed.

10. *Outcome of the Ninth Annual Meeting of the Parliamentary Conference of the EEC-AASM Association*

**President.** — The next item is a debate on the report drawn up by Mr Harmegnies on behalf of the Committee on Development and Cooperation on the outcome of the Ninth Annual Meeting of the Parliamentary Conference of the EEC-AASM Association.

I call Mr Harmegnies, who has asked to present his report.

**Mr Harmegnies, rapporteur.** — (F) Mr President, the question has been put to our Committee, and thus to me as rapporteur, as to whether the submission of the report on the outcome of the ninth annual meeting of the Parliamentary Conference of the EEC-AASM Association would not be an opportune moment to widen our examination to include a whole range of problems of interest both to the Community and to the Third World.

Indeed, one is always tempted to hold such a debate. The Kinshasa meeting, in fact, took place in the immediate aftermath of several recent and significant events. These include, firstly, the enlargement of the Community which, hopefully, foreshadows the enlargement of the Association itself to the extent that various Commonwealth countries may now see their way clear to joining; secondly, the Summit Conference in October 1972 at which the Community's association policy was confirmed and, as I noted in the report, a commitment was made to uphold its achievements and basic principles while continuing Community action on development aid commensurate with Europe's growing responsibilities; thirdly, the third UNCTAD conference in Santiago in the spring of 1972, which, as far as its accomplishments

were concerned, was all too rich in recriminations, abundant in declarations of good intentions, and full of disillusionment for the majority of participants, even if, as in the case of the measures suggested to help the least advanced countries, the final resolution was at times positive.

It is these events, Mr President, that some feared—there were no lack of pessimists before the Kinshasa Conference, even in the Commission—and others wished the work of this conference to reflect. But your Committee and rapporteur are obliged to state that no far-reaching debate of consequence took place at Kinshasa.

Both the Community and the AASM stuck strictly to the programme so carefully drawn up by our joint committee. Some excellent reports were submitted and some healthy exchanges of views took place. Important resolutions were tabled and voted on and will be of great value. But despite everything, the overall outcome was meagre.

No doubt, Mr President, this moderation on both sides can be explained by the welcome proximity of the forthcoming negotiations on the enlargement of the Association.

In this connection I would like to underline the interest of the Assembly in the announcement made this morning in reply to a question by Lord Reay by the President-in-Office of the Council of Ministers on the Council's decision. I refer to the organisation of a preliminary conference in Brussels at which a free exchange of data and information can take place in advance of the actual negotiations which, it was stated, are to be opened as soon as possible.

Preparatory talks of this nature are valuable in themselves and undoubtedly go a long way towards smoothing out difficulties in advance. In addition, they are in my opinion indicative of a genuine will on the part of Europe to help the Third World.

That said, the Community, in common with other parts of the world, cannot escape the objective comparison of its good intentions with what it actually achieves. It must define and specify its policy of cooperation with the developing countries, it must promote research into a fairer balance between rich and poor, and must organise itself accordingly. To do this it can make use of the means available—the associations.

Mr President, three ideas, among many others, were brought up in Kinshasa which seem to me worth underlining.



## Harmegnies

The first of these, from Mr Aigner, proposes an increase in aid from the Community's own resources by the allocation of a part of the planned increased tax revenues to present and future Association members.

The second, which originates both from Mr Aigner and the Commission, recommends budgeting the European Development Fund, not only to enable the EDF funds to grow progressively with the increase in Community funds, but also to avoid certain pitfalls—the discontinuity of EDF appropriations on the expiry of each period or each Association agreement, for example.

The third idea, no less important, comes from the Commission itself. For a number of essential exports of the AASM to the Community, a minimum yearly revenue should be guaranteed through what Mr Deniau called 'a sort of insurance scheme'. This would make up from year to year, on the basis of the average export tonnage, the receipts of those countries.

Such a guarantee, which would imply a financial commitment on the part of the Community, would be additional to present EDF credits.

May I point out, Mr President, that this suggestion is in fact a revival of an idea dear to the hearts of the Parliamentary Conference and is embodied in several reports which have enjoyed some publicity? We should in this connection recall the excellent report by Mr Armengaud, submitted as long ago as 1967, on ways and means of, and I quote, 'promoting the marketing within the Community of AASM products at stable and remunerative prices'.

I hope, Mr President, that after hearing Mr Cheysson, this House will want to give a warm reception to these three ideas as set out in the motion for a resolution.

I want to conclude by saying, Mr President, that in the final analysis—and I am addressing these words not only to this House, but also to the Commission—it is actions and not pretty words that present and future associates justifiably want. We now await those concrete actions.

*(Applause)*

**President.** — I call Lord Reay on behalf of the European Conservative Group.

**Lord Reay.** — Mr President, I should like to make a few remarks on the subject of this report. Now I appreciate that the author of this report has been motivated above all by a desire not to upset or prejudice the atmosphere in which the

talks between the Community and the associated and associable states are to begin in July. Moreover, I find nothing at all to which to object in the motion, and there are certain passages in the report that I find excellent. The few cautionary, even negative, remarks that it is my intention to make are by no means exclusively provoked or deserved by this report. On the contrary, the element in the approach to this matter to which I wish to draw some critical attention is to be found nowadays in the discussion of this question at all levels in the Community. That element is a somewhat exaggerated, even artificial, enthusiasm for the association, both as it exists and as it might exist. The 8th Annual Report on the activities of the Association Council said on page 4 that the Council

'is convinced that in this exhilarating and particularly important period for future relations between the enlarged Community and its present and future associates, the Parliamentary Conference will continue to act as a beacon and continue to give the contracting parties food for thought...'

Or, to quote from a document of the Commission, in this case their important April memorandum to the Council,

'despite economic inequalities between the partners, the Conference of the Association should seize on every available means to emphasise their mutual equality and solidarity.'

For similar examples in this report, I would refer Members to paragraphs 2 and 7.

Now there are a number of tendencies in the world at large, some of which are directly reflected in other policies of the Community, which run counter to, which conflict with, the possibility of maintaining any serious special advantages for the Association. It is pointed out on page 10 of the Commission memorandum of 4 April from which I have quoted, that two-thirds of the exports from the Associated States into the EEC are in products which bear no duty, whatever the country of origin, and they add that 'full-scale liberalization of trade is a relatively recent event.' On page 8, the Commission goes so far as to predict that what it calls

'the great wave of international trade liberalization (especially trade liberalization between the developing and the industrialized countries)... will probably continue even more markedly in the years to come.'

The tendency has been and will be, therefore, to reduce the special value of a negotiated rela-

**Lord Reay**

tionship with the associated countries as far as trade is concerned.

This pressure against deliberately created privileged arrangements between one group of countries and another, in this case based on historical links of a particular sort, will doubtless in time be reflected in the field of aid. Acknowledgment of this demand has already been reflected in the redescription of our own Committee. In January we were the Committee on Relations with African States and Madagascar. By March we had become the Committee on Development and Cooperation, no longer with responsibilities confined specifically to ex-colonial territories.

On the political level also there are signs of a wish for a further independence from Europe on the part of certain countries within the Association.

I do not wish it to be understood that I regret these developments. On the contrary. I wish to point out that if the reality of a special relationship grows weaker—and it grows weaker if, while itself remaining positive and constant, it nevertheless becomes more similar to the relationships established with other countries, or alternatively when relationships established with other countries become more similar to it—then you must recognize this fact in your public speech. If not, if you cannot accept the failure of fact to correspond to your wishes, then two things happen. In the first place, there is a tendency to invent minor privileges of an essentially trivial nature to compensate for the loss of privileges of major value. This I believe was one of the political principles of Louis XIV. Members of the House who have had the opportunity in recent months to visit the United Kingdom will have been confronted by the remarkable phenomenon of four different customs gates through which, according to their category, visitors are received into the United Kingdom. I was once informed—and there will certainly be a scholar present to correct me if I am wrong—that Louis XIV had 14 different ways of raising his hat according to the status of the person he was greeting. Both these examples I believe proceed from the same principle, but what proceeded from strength in the 17th century today proceeds basically from weakness.

The second consequence is that by the very fact of creating a gap between what you say you want to exist and what actually exists, you provoke a considerable amount of aggression from the parties for whom you propose to have a greater responsibility than you in fact have. It is essentially this phenomenon from which we have suffered in the Commonwealth. In the beginning there is a wish to deny that the

reality has essentially changed, in our case, that our Empire had gone; in the end, conflicting interests force a retreat ever further from the position initially adopted. But the process is long, painful and damaging.

All this is not to say that there are not links of great and permanent cultural value between the countries of Europe and their ex-colonial territories. In some cases these links have been confirmed by most profitable, even affectionate, political relationships. Such links must be kept alive. This can be done. Nor is it to say that the commercial and economic relationships are not also of exceptional importance. After all, over 50 per cent of the exports of Associated States come to Community countries. As far as aid is concerned, it is noteworthy that of the list of 25 least developed countries adopted in 1971 by the United Nations General Assembly, no fewer than 16 are in Africa, and all but one of these is either a member of the Association or of the Commonwealth countries listed in Protocol 22, or one of the third countries which have shown a special interest in establishing a relationship with the Community. It is these countries on which we ought possibly to concentrate our limited aid-giving possibilities. However, what I do wish to emphasize is that it is no longer possible for governments on the one hand to act along the line of their own broad interest and on the other to pretend that they are acting only out of consideration for others. The claims of the missionary are no longer believed.

Moreover, there are other factors, which I have no time to explore now, that must tend to disturb the solidarity of post-colonial relationships. There is, for one thing, the distinction, which is likely to become increasingly important, between those countries which possess and those which do not possess the raw materials on which industrial societies depend. On the donor side, there is the problem of the involuntary redistribution of wealth from the Western countries to those who have such raw materials and what will be the effect in the circumstances of these sums becoming very large indeed, on public attitudes to voluntary aid-giving.

But these questions belong to another time. I should like to conclude by coming back to the matter with which this report ostensibly deals, namely the Parliamentary Conference. It was for me of absorbing interest to be present at Kinshasa. If I may relate this to the visit to Ethiopia, it was also a great privilege to be on the delegation that visited Addis Ababa where we were exceptionally well received. However, at this stage, on the question of the Parliamentary Conference, while I do not wish to adopt an inflexible position in advance of the

**Lord Reay**

negotiations, I am extremely sceptical about the value of continuing this Conference in its present form into the next Association. Already the Conference as an institution has become more artificial than when it began. At that time all the African Member States had parliaments. Today about half of them only have parliaments. More important than this unsuitable development is the question of what a parliamentary institution is. A parliament or an institution designed to look and perform roughly like a parliament, with the analogy in this case suggested in the title, however infrequently it meets, must bear some correspondence to the common political needs that bind together its members. But if the economic privileges and the unique and positive political feelings that should characterize such an Association as ours, seriously diminish, then the danger is that the Parliamentary Conference becomes simply another mask which, at our own expense, we hold up to disguise the decay of the substance behind it.

As I have said, I believe it is important that in the next set of agreements we should in our public attitudes and descriptions, not depart too far from reality.

*(Applause)*

**President.** — I thank Lord Reay for what I believe is his maiden speech in this House, although he did ask a question this morning.

I call Mr Spénale on behalf of the Socialist Group.

**Mr Spénale.** — (F) Mr President, I should first like to say that the report by Mr Harmegnies has the support of the Socialist Group.

The Conference in Kinshasa—and here I disagree somewhat with the last speaker—I personally found very interesting, precisely because of the type of relations which exist. Of course, at a formal level, we do not always have before us African parliamentarians and there are not parliaments in all parts of Africa. But is this a reason for breaking the contacts we have made during this parliamentary conference and which have produced some mutual understanding in the form of an extremely valuable friendship between people representing societies as far removed from each other as are African society and our industrial society?

What must be said is that it is not easy for people who a generation ago were still living in the Iron Age to adopt with no further ado the institutions of the modern world: do we not moreover see—if I may recall our debate this morning on the situation in Greece—democracy

eclipsed in countries where it has existed for many centuries?

Is it necessary in such times of eclipse to break contacts and to leave to themselves countries grappling with accelerated development in which we wish to help them, since this is in the final analysis the fundamental goal of the Association?

I think not. Even if they are the most tenuous aspects of the Association, personal relationships that can be established between European parliamentarians and African parliamentarians, ambassadors or those in charge politically are extremely valuable from the point of view of mutual understanding and work that can be done jointly.

That, I would like to repeat, is what I felt very distinctly in Kinshasa and that I believe is worth something.

I do not think, however, that Lord Reay is completely opposed to continuing the Association, but I understand the reservations he may have in mind with regard to the idea that appearances might be deceptive. But knowing the underlying realities, we believe that what remains is worth a great deal and has a unifying effect. This is why we would like to maintain the contacts in the hope that parliamentary democracy will be borne or reborn in those countries where it does not at present exist. It is possible that our presence and our relations will help in this respect. Our relations have in this connection a value over and above the advantages that economic or technical cooperation offers.

With regard to the Kinshasa Conference in general, I will restrict myself to just a few comments.

Firstly, the Conference asserted its desire for overtures to all countries of the world, and the third world, and the third world in particular; it also signified the hope that Community achievements would not be undermined.

Perhaps the new Members of our Parliament take less account of how things have developed than the old ones, a subject to which I can bear witness.

While Principal Private Secretary at the Ministry of French Overseas Departments in 1956, I well remember going to Brussels with Gaston Defferre to meet Mr Spaak and telling him that our country had special relations, including a free-trade area, with the African countries, that even though there might be some reservations on the subject, this free-trade area had been established essentially in their favour, the prices

**Spénale**

of tropical products being far higher than world prices, that if the development of the Community were to deprive these countries of the special and beneficial relations with the world and European markets, the result for them would be a recession in the economic field, that consequently the contacts that we had maintained since colonization meant it was our duty to break ties of this kind and that as a result we could not join the Community unless these countries joined with us. Moreover, France was not the only country to hold this point of view; it was shared by Belgium and Italy.

It was also understood that while we had initially formed an Association between these countries and the Community by speaking on their behalf, they would themselves decide when becoming independent, a development that then lay in the near future, whether they wanted to continue to maintain special relations with the Community and if they did, that they would negotiate on them themselves. This was a contract offering a political choice, which these countries accepted, which they have never disowned and to which we attach particular importance. There is of course no question of thinking that the Community's development policy could be brought round to this way of thinking. This is why it was important for us to state in Kinshasa along with our Association partners that a general development policy was needed and that progress would have to be made towards generalized preferences, which would obviously curtail the privileges that our present Association partners enjoy; but they accept this. I do not, however, see any contradiction in this. At the Kinshasa Conference it was said, and this is important, that there should be both progress towards a policy directed at all developing countries and protection of Community achievements to the greatest possible extent.

A second point, which was mentioned by the rapporteur but to which I should like to add a few words, is the budgetization of the European Development Fund and the idea of allocating to it a share of the VAT revenue.

I should obviously be glad to hear the Commission's view on this subject and would ask Mr Cheysson: Has the Commission given any thought to this suggestion? Is it in favour of the budgetization of the European Development Fund? Does it see any advantages in this? The first thing would be to ensure that national views were not considered during discussions on the level of the European Development Fund, which at present results in quibblings every 5 years over 50 million and discussions on who should pay a little more and who a little less.

If sums, which would develop at the same rate as the gross national product of the Communities, could be set aside from the Community's own resources, and in particular from VAT revenue, something of value and with stability would be achieved.

Personally and without committing the Committee on Budgets and even less Parliament, I am in favour of this idea although setting aside a percentage of Community revenue for a special category of expenditure, whatever the importance attached to that category of expenditure, would be contrary to the overriding principle of general budget application, that is to say that all resources should be used to meet all expenditure and that certain resources may not be specially allocated to meet certain expenditure.

That is what is being proposed here, but, I would repeat, I am in favour on one condition, which I have already stated in Kinshasa and which I will now restate.

In Europe itself, standards of living vary considerably from region to region: in the Hamburg area, for example, it is 1, in Mezzogiorno 5. Community taxes are paid by labourers, by agricultural workers, by people whose standard of living in certain areas is very low.

For several years, we have been trying to create a regional development fund for Europe, but two years ago the Council deleted the line which we had inserted as a reminder in the European budget and this year it deleted 50 million that we had proposed for this same purpose. In other words, in spite of the proposals we have been making for a very long time, all that has been done in the field of regional policy is to make speeches and collect an immense number of studies; funds are still not available. I must therefore say frankly that, strange though it may sound, setting aside and developing resources within the Community budget for the associated countries will not be possible unless we simultaneously accept that the same should be done for regional policy within Europe. Otherwise, the labourers, agricultural workers, the under-privileged of Europe, will not understand how we can discuss funds to reduce disparities in standards of living outside the Community without doing the same where the Community itself is concerned, since they already have the feeling that they are living on the other side of the moon.

I therefore agree to part of the revenue from VAT being set aside for the European Development Fund on condition that another part of this revenue is at the same time allocated to a European Regional Development Fund.

**Spénale**

These in my opinion are the basic ideas that came out of the Conference in Kinshasa: much wider application, the retention of Community achievements, a guarantee for the Community's regional policy.

All this, it nevertheless seems to me, means that the Conference in Kinshasa produced something of value. It was not non-committal, it was not colourless, it was alive. Moreover, it once again confirmed and asserted the friendship and understanding that exists between the associated countries and the countries of the Community. That is something to be preserved.

(Applause)

**President.** — I call Sir Douglas Dodds-Parker.

**Sir Douglas Dodds-Parker.** — Mr President, as my noble friend has spoken on behalf of the group I shall make only two quick points. I, too, was fortunate enough to spend a few days in Kinshasa, which I found very interesting. Discussions took place not only in committee but outside, with a number of old friends and, I am glad to say, a number of new ones.

I support the resolution put to this House, but I wish to put two points to the Commissioner, who has been good enough to come today. Paragraph 3 speaks about new methods of adapting the commercial sector. Three months ago the then Commissioner, Mr Deniau, made a most interesting and key speech about a guaranteed income for about eight commodities, one of which was sugar.

At the end of the last part-session I made some remarks about looking forward to seeing a European sugar agreement within an international sugar agreement and Mr Lardinois, in a firm but friendly way, pointed out that it would be for the Commission and not Parliament to make policy on this, and he undertook that some statement would be issued, I believe, before the end of July, which we might consider. I hope that when the Commission considers that point; it will look at the principles which have been so successful in the Commonwealth Sugar Agreement for the last quarter of a century. The principles are, briefly, that there should be a fixed market for a fixed quantity at a fixed price. This facilitates and encourages forward planning and investment by providing a firm foundation on which to base production for the world market.

I stress—I do not think that there is need to do so in the case of the present Commission—the success of the Commonwealth Sugar Agreement and hope that the committee will be able to support this within an international sugar

agreement. The aim of Parliament and the Commission in this context is trade and not aid, and if this is so I believe that the Associates and a number of the Associables can produce certain basic commodities at reasonable prices and should be encouraged to do so.

They themselves, I would say from my knowledge of them, would much rather trade with us than just have aid, which I think they sometimes find a bit depressing. If they can build up their trade, they have hopes for the future. Based on Mr Deniau's principles of guaranteed income, this would be a big step forward.

But, in general, I hope that the Community can, as a start, give limited help on these lines to the Associates and Associables in due course, even if this help cannot be extended worldwide at present. If we can make a start in this area of Africa and beyond, the Caribbean and Europe, this might set a standard which could be extended. But as a start, we cannot take on the whole world at once.

On the fourth point, I support in general terms the interesting intervention by Mr Spénale. He knows so much about this problem and has made a major contribution himself. Whatever decision is taken—it will be taken, I think, partly at least, by the committee of which he has the privilege to be chairman—I would support the idea of the European Development Fund having its own funds, whether they come from VAT or some other source. The Fund should have its own sources of revenue, always provided that the elected representatives in the European Parliament have some financial control over how the money is allocated. With that reservation, I support what Mr Spénale has said and the resolution before the Assembly.

**President.** — I call Mr McDonald.

**Mr McDonald.** — I should like also to support this motion. In doing so, I find some difficulty because it is rather difficult to follow the very able speeches on this topic by the rapporteur and especially by Lord Reay. I had the privilege and honour of being a member of the Conference in Kinshasa. It was my first visit to the African continent. I was struck more than impressed by what I saw there, especially by the wide gulf between the 'haves' and the 'have-nots', the rich and the poor.

I was somewhat sceptical at first of the value of this rather expensive Conference. But after studying various reports and thinking about the whole operation, I believe it essential that we should have this kind of dialogue and insight into the underdeveloped regions. If Parliamen-

**McDonald**

tarians do not have an opportunity of seeing for themselves at first hand the conditions in which the developing nations are living, we will find it difficult to support and vote expenditure of sufficient capital to help them. I think it is a pity that the countries there appear to have a peculiar order of priorities when viewed perhaps from the Western European point of view. I support those who are in favour of spending large sums of money towards the development of these countries, but I feel that we should endeavour to find a way not only of equalizing trade, improving trade relations and the balance of trade of these countries but also to foster development through cooperation, especially agricultural cooperation, which has been very successful in Europe and in Ireland.

In Africa, where there seems to be an abundance of manpower, I am thinking especially perhaps of rural-based populations whom we should try to assist in helping themselves through the old reliable cooperative method. This may be a divergence from the working document but nevertheless this is an opportunity of saying the things that I feel we should say.

We have in all the European countries quite a number of young people, such as graduates, technologists and undergraduates, who would be only too happy to give perhaps a year or some period of their young lives towards these areas which are not so well developed. We should endeavour to establish once again in the association a new type of Peace Corps, although peace corps, no matter whence they came, have been looked upon in the past few years with some suspicion. Nevertheless, I feel that we should encourage and the Commission should perhaps finance people through a peace corps idea to go in and set up small cooperative companies or systems so that our aid and the money we hope to spend towards assisting the African States is of benefit to the ordinary people of those countries as quickly as possible.

There is also great need to support and assist these countries to build up their hospital and medical services. This again is a fine way of getting aid to the ordinary people with the least possible erosion of the finances.

Among the things I disliked about the visit was the continuous propaganda. Perhaps someone should drop down a copy of a European history to these people. They might read it to advantage in seeing the mistakes which have been made all over the free world in the past so that they may not act them out again in their own countries.

I compliment the rapporteur on the document. I hope that the new committee on Development

and Cooperation will continue its extremely important work and that we can as a free world develop in harmony and peace and that we, the better-off people on the planet, will be able to hold our heads high and do our share to demonstrate that men are equal in trade as in everything else.

(Applause)

**President.** — I call Mr Normanton.

**Mr Normanton.** — After the many views which have been expressed in the debate, I still have no qualms in attempting to add to the list of the many points which have been made and to do so as one of that small group of Parliamentarians from this Assembly who were privileged to be present at the Kinshasa Conference. The points I want to make emerged both from speeches on the floor of the Conference and out of the many private discussions which took place. I say with candour that I regret that I cannot fully share the scepticism of Lord Reay who spoke so eloquently, so clearly and so crisply on behalf of the Conservative Group. I and many of my colleagues, certainly Mr McDonald, feel that the opportunities created are not over-valued, so long as they are seen realistically and not through starry-eyed intellectual coloured glasses, can play a valuable role whereby Members of this Parliament can understand better and form a close contact with the problem of the developing states.

Sir Douglas Dodds-Parker said that the developing countries can be helped by trade rather than aid, and this was probably the keynote of the conference. Trade—yes. I am, however, doubtful about aid. Aid is rather like a drug, whether marijuana or any other stimulating drug. It stimulates but leaves the patient debilitated thereafter. Trade and only trade activates the individual and society and generates something which is worthwhile, which is self-perpetuating and which is permanent. So the keynote for our policy on overseas aid—and here I put 'aid' in quotation marks—must be trade.

I think the House should note that the view I expressed to the Conference was greeted with applause by the African Members present. I stressed that trade must be to mutual advantage. Trade which is biased, which is artificially based on synthetically formulated prices, is bad trade and bad business. This is the basis on which we should promote trading policies with the developing countries. We should promote trade in those products in which the developing country concerned has expertise or has the conditions under which it is particularly capable

**Normanton**

of producing certain goods profitably and efficiently. It is in these very same goods, in these very same materials, whether agricultural products or the products of mines or mountains, that trade should first and foremost be promoted. All barriers which impede the development and expansion of profitable trading in products in these categories should be set aside.

We also have to recognize that developing countries will never, and quite rightly, be satisfied to remain the sources of production of raw materials exclusively. Inevitably, as part and parcel of their general development policies, their interests must concentrate increasingly on manufactured and semi-manufactured goods. It is in this sector that I make an earnest plea to Parliament, that, in the trade in these goods, whether they be textiles or ferrous products or anything else, it should be profitable to produce them and sell them in world markets.

I could quote quite a number of states as examples, but I will refer in particular to India, although it is not among the states we have been discussing. If India is to conduct her trade in world markets on the basis of an artificially-regulated price at home and a synthetically-subsidized price abroad, that is bad trade not only for the producing country itself, since India and other countries like her in doing such a thing are in effect exporting their life blood—their capital, the rarest commodity in the developing countries—but it is also detrimental to the receiving country, particularly in the European industrial context. I therefore make the secondary plea that such trade should be promoted not only by the abolition of tariff barriers which predominate in trade in manufactured products but by the establishment of regulatory devices—perhaps distastefully referred to frequently as tariffs—which guarantee to certain developing countries markets in developed parts of the world. A quota is not bad in itself if the purpose behind the arrangement for a quota ensures a market for the expansion of industrialization or partial industrialization of a developing country.

Lastly, those who really believe in trade to help developing countries will, I believe, pin their faith, as I do, on the outcome of the negotiations which have been referred to and which are to take place at an early date, and which are to include the former Commonwealth countries. I list in particular the Caribbean communities, the islands in the Pacific, the island of Mauritius and the northern part of Australia, which in the modern sense of the word is still a highly undeveloped area.

These countries include sugar producers, producers of raw sugar cane. I believe that it makes

sound economic sense—it certainly makes sound political sense—that those countries which have a product, and, perhaps, in the case of most of the three that I have mentioned, only one product, to sell, should be given every facility that the institutions of the Community can make available to them to take part in international trade activity.

Like the butter mountain, I regard it as a political nonsense and as an economic and industrial nonsense for Europe to persist in pursuing policies for production of certain industrial commodities in which we do not have a natural qualification to specialize, and by doing so to deny to developing parts of the world opportunities to trade.

It is by means of trade, not aid—trade to mutual benefit—that we will be making the biggest single contribution to solving the political problem of the world, the gap between the developing and the developed nations.

*(Applause)*

**President.** — I call Mr Dewulf on behalf of the Christian-Democratic Group.

**Mr. Dewulf.** — Mr President, you will understand that in this debate we want to let the new Members of the European Parliament speak first, as it was of particular interest to us to learn how they would react after the Kinshasa Conference and after the Addis-Ababa visit. We counted first and foremost on a very honest reaction to what they had experienced, so that we could then see how they would compare this with the fund of experience that they have acquired with their contacts with the developing countries.

It would be an uphill task to conduct a debate at this moment on the various opinions expressed. The chief thing is that, if we are to vote within a few minutes on the draft resolution, we should all know what we precisely intend by its contents. Kinshasa did not of course really fully live up to expectations. One might have expected that in view of the rapid evolution in the African Continent and also in view of the very rapid evolution in Western thinking, there would have been full discussion on the whole range of association policy at Kinshasa. But this did not happen. Events at Kinshasa took more the form of a traditional conference of the existing Association of classic type.

From this point of view the conference was useful and we again placed our faith in the Association in the form in which we have known it up till now. We have not yet, however, fully conducted the debate as to the future. But the

**Dewulf**

files grow quickly. Soon there is to be a meeting of the Paritary Committee at Bruges and after that the Committee will meet in London. We shall still have more than one opportunity of making certain that all Member States understand much the same thing by 'association policy' whether we are concerned with the six original or with the three new Member States.

I thank Mr Spénale for what he explained in reply to Lord Reay's questions concerning our Parliamentary Conference as a parliamentary institution. In our present system of association the paritary institutions are still an important stop-gap. In this system the dialogue between the Council of Association and the parliamentary institution, even if the latter is probably imperfect, is nevertheless one of the chief aspects.

If it is true that the Council of Association will increasingly implement the powers given it by the Treaty of Association, the Parliamentary Conference and the Paritary Committee will evidently also be able to act as a worthy partner to discussion with the new Council of Association. Let us be very careful with our criticism of parliamentary systems. I believe that our parliamentary systems at this moment are no example either of efficiency or creativity. The future will show what may be found to be the best kind of parliamentary system in the African Continent and other continents.

The Christian-Democratic Group is in all respects in accord with the thinking in Mr Harmegnies' report and therefore with the resolution too, even though the latter is somewhat too optimistic. It is important to us that before the political debates on the future association policy of the African and European Continents are continued it be first clearly confirmed that the Community does not only have the right but probably also the duty to conduct an association policy. This association policy, this responsibility of Europe, is not contrary to, but should be a complement to the global responsibility which, we think, the Community also has.

If we as Christian-Democrats point to the right or, as the case may be, the duty of the Community to conduct an association policy—in rather vague terms this is referred to at the present time as: 'l'acquis communautaire et les principes fondamentaux de l'association'—we do so in conformity with the letter and the spirit of the memorandum that the Commission published a few weeks ago. We therefore have before us an association supported by the legal-political framework of a free trade area.

We regard this as an essential matter to which we then wish to apply three mechanisms, namely

under the heading of trade, the heading of technical and financial assistance and the heading of paritary institutions.

As regards the new approach to these three headings, the Commission knows that most groups in this Parliament see matters entirely from the Commission point of view. This applies to the Christian-Democratic Group. But we are not asked today to comment on the memorandum. We do have the impression that this 'acquis communautaire et les principes fondamentaux' may be found expressed in the Commission's memorandum. We hope that the Council will on the basis of this memorandum and in the spirit of this memorandum be inclined to regard 'l'acquis communautaire et les principes fondamentaux de l'association' in the same way.

I want to end my contribution on a somewhat pessimistic note. We do in fact have the impression that association policy has for the present been put on to the defensive in Africa. A proof of this is that at the last meeting of the Organisation for African Unity only the 19 associated states of the present Yaoundé agreement forcefully defended the association. During the dialogue requested by the African international institutions association policy, however, appeared very much to be forced to the defensive. We sometimes have the impression that in the Council, too, and in Europe in general association policy, to which we attach much value, is being put on to the defensive and that it would be quite easy to depart from a coherent association policy, for example, under the heading of trade, technical and financial assistance or paritary institutions. Some people even bring the legal-political framework of the free trade zone into discredit. If the composition of the whole is assailed, this seems to me to be in opposition to association policy, which we feel can be continued in a new and wider sense.

Mr President, in this spirit the Christian-Democratic Group is pleased to associate itself with the report and resolution by Mr Harmegnies.

(Applause)

**President.** — I call Mr Cheysson.

**Mr Cheysson, Member of the Commission of the European Communities.** — (F) Mr President, the Parliamentary Conference of the Association held its 9th meeting in Kinshasa in March of this year and I should first like to recall, as I did at the last part-session of Parliament when commenting on the Parliamentary meeting between the East African countries and the countries of the Community in Nairobi, how important it



**Cheysson**

seems to be for this dialogue to take place, to continue and to develop.

Mr Spénale, with his great experience, has enumerated the difficulties that may be felt by societies so distant from one another as are at times those of Europe and Africa to hold a dialogue and understand each other. I am convinced that this is one of the basic problems of rapprochement between these societies and that any opportunity to speak, to express one's opinion, to discuss is welcome.

Permit me, Mr President, with all the respect I owe the honourable Members of this House who attended the meeting in Kinshasa, to also note with particular interest the number of statements made today by Parliamentarians of countries which for the first time took part in one of these parliamentary conferences.

For it is the first time that the three European countries who have just joined the Community participated in this work. I find it very encouraging, but also very symptomatic, that so many speeches should have come from them. I believe that this dialogue is one of the constructive elements of the Association between Europe and Africa, one of the elements of which we should be proud and of which—and here I share Mr Dewulf's view—Europe can boast.

Mr President, on the basis of the reports submitted in Kinshasa by Mr Perret and Mr Aigner, the rapporteur, Mr Harmegnies, has commented at length on the reactions to the Commission's memorandum on future developments of the Association that we are proposing for tomorrow.

Permit me to say to this Assembly on behalf of the Commission that we find this encouragement extremely valuable. We need your advice and your criticisms and we certainly need your support. I think that there should be no illusions on this point. Paragraph 3 of the Resolution primarily refers to the commercial sector. I think that this is right, for one of the characteristics of the Association between Europe and Africa is that Europe grants agricultural products from tropical countries almost completely free access to its markets. That seems to me to be a fundamental point in which, thank Heaven, the Europeans have been able to go further than other industrialized countries.

This free access is tending to become general and Lord Reay feels that this is evidence of the failure of our way of doing things. My view, Mr President, is diametrically opposed to that of the honourable member: as we see free trade developing between Europe and the rest of the industrialized world on the one hand and the

rest of the Third World on the other, we have proof that we have adopted the right course. We are further advanced than others in this development. It is becoming more general now. We can congratulate ourselves because it is through these commercial facilities that we will provide the developing countries with the most valuable assistance that they can be given. In this, I support the remarks made by Sir Douglas Dodds-Parker and Mr Normanton.

My predecessor proposed an addition to this easing of access to European markets on which several speakers have commented and which seems to me very important; Mr Armengaud has also stressed its importance in the past. The idea is to stabilize returns on a number of products. Again, the Europeans have made more progress in this respect than the other industrialized members of the United Nations, for it was a very long time ago, Mr President, that the countries of the Third World asked within UNCTAD and the UN institutions for the prices of raw materials to be stabilized or, even better, for their returns on these materials to be stabilized.

This was the first concrete and constructive proposal to be made and I very much hope that it will be adopted by the other industrialized countries in the UN. I feel that then we will have made an extremely valuable contribution and the extension of the system to the whole world will be proof of our success. Today we are the only ones to make this proposal. And it is the Commission alone that is making this proposal. We do not as yet have any agreement among the governments of the Member States on this proposal. It already goes along way. I should not like anyone to think, however, that it covers all the problems.

What is involved at the moment? An assurance, as my predecessor has said and as one of the speakers has recalled, an assurance that there will not be in a given year a cruel drop, which would be a grave injustice to the country suffering it, in the returns on one of its products, an assurance, therefore, that it can plan its development, knowing in advance the minimum returns it can count on from what it produces and exports.

That is approximately our system and the success achieved in this field, in particular within the framework of the Commonwealth Sugar Agreement, should obviously be an inspiration to us.

The other aspect of the memorandum on the proposal to be made, I hope, by the European countries to the African countries concerns co-operation.

**Cheysson**

It is clear that, at this level, the European Development Fund should be increased very generously if, as we all hope, as many African countries as possible, and in fact all the African, Caribbean and Pacific countries listed in the agreements are willing to join the Association.

The European Development Fund should, then, be considerably increased. Raising its resources should make this possible, just as it should allow an increase in the other appropriations assigned, as part of Community activities, to other elements of common policies in Europe itself. And here I share Mr Spénale's opinion.

I should, however, like to prevent one misunderstanding. The amount of aid that it will be possible to grant from the Future European Development Fund will not be fixed by direct reference to the VAT collected in Europe or to the gross national products of the European countries; it will be fixed for the 5 years that form the life of the Association, but it will in fact be possible to make it far higher than has been the case in the past due to the present and foreseeable growth in the Communities' resources.

The situation will become particularly clear if, as the Commission hopes and as it has asked and proposed to the Council and therefore the governments, the whole of the European Development Fund is again made part of the normal budgets of the Communities tomorrow.

This form of budgeting seems to us quite normal by virtue of the uniqueness of the budget. It seems to us to be an appropriate form of budgeting in so far as Parliament will have the same rights, the same control facilities and the same responsibilities where the European Development Fund is concerned as it has with regard to the rest of the budget.

Negotiations will therefore begin shortly.

One of the speakers supported the decisions very recently made by the Council of Ministers with regard to the holding of an opening conference on 26 July with, we hope, as many of the African, Caribbean and Pacific countries as possible.

This conference should allow a very open discussion between the participants. I believe that it would be dangerous for us to ask our guests to adopt a definite position on the basic problems at this stage. We should, on the contrary, make sure that not only at this Conference but also during the first few weeks of the actual negotiations the discussion among the participants themselves, even when the Europeans are not present, and between them and us should be

kept as free as possible so as to eliminate the excessive number of misunderstandings that exist at present and also so that everyone understands that the present proposals include new elements, exemplary elements which it would be a great pity to cast aside without having first given them a great deal of thought.

We therefore feel that the whole of the first round of negotiations should include very frank discussions, which should not, in my opinion, even take place around a table.

As you know, Mr President, it has been decided by the Council of Ministers that the Commission will be in charge of the negotiations. It is against this background that I have just told you that we would like to begin the first round of actual negotiations after the opening conference held by the Council of Ministers.

In the meantime, the governments should consider our proposals and as I have said, several points in these proposals are new and may therefore give rise to criticism by one or other of the Members of the Council of Ministers or one or other of the governments.

What I have heard in this Assembly today leads me to hope that Parliament will support a proposition that has been made as generous and open as possible with regard to the African, Caribbean and Pacific countries, so that we can offer them—to repeat the term—an exemplary type of association which, thanks to the aid but more especially our assurance, our guarantee from year to year that they will have their own resources, to develop their future for themselves.

I should like to thank Parliament for the help we count on it giving and the rapporteur for the resolution which he has tabled before this Assembly.

(Applause)

**President.** — Does anyone else wish to speak?

I put the motion to the vote.

The resolution is adopted.<sup>1</sup>

# 11. Commission statement on drought and famine in the Sahelian region

**President.** — The next item is a statement by Mr Cheysson, on behalf of the Commission of the European Communities, on the drought and famine in the Sahelian region.

<sup>1</sup> OJ C 49, 28. 6. 73.

**President**

I remind Members that, in line with our new procedure, agreed this morning, the chairman of the appropriate parliamentary committee may, if he so wishes, speak in reply to Mr Cheysson's statement for five minutes, and that other members are entitled to put brief questions for a period not exceeding 15 minutes, it being understood that this does not give rise to a detailed debate.

I call Mr Cheysson.

**Mr Cheysson, Member of the Commission of the European Communities.** — (F) Mr President, when you gave me permission to speak a few moments ago, I spoke at length on the need to make the best possible use of the resources of the African countries; I would speak now on a region of Africa in which these particular resources are unusually scarce, a region of some 5 million square kilometres, one million of them desert, in which approximately 8 million inhabitants living in an area of about 3 1/2 million square kilometres depend on the water from capricious rainfalls and are consequently exposed to the risk of hardship and even starvation in the event of this water not being forthcoming, as is the case today.

The vast Sahelian region which, as you know, includes the territory of six countries, has suffered since 1969 from a drought which has become particularly severe over the last two years. Thus, before looking into the cause of the problem, we should consider what has already been done to help the inhabitants and what can still be done. Then, with your permission, I shall return to the roots of the problem.

Between 1969 and 1971, when the drought was still not acute, but already constituted a threat to the Sahelian region, the Community sent the first supplies of cereals: 45,000 metric tons in the first year, 8,000 tons to Mali alone in the second year. At the end of 1971, eighteen months ago, the situation deteriorated seriously and much larger aid programmes were launched for these countries.

They are made up of various factors. Community consignments of cereals amounted to 45,000 and 49,000 tons for 1972 and 1973 respectively, which makes a total Community contribution of nearly 100,000 tons of cereals for this area of these six countries, nearly 100,000 tons in addition, I would remind you, to the other 100,000 tons—105,000 tons, to be precise—sent during those two years by Member States' governments on a bilateral basis. Thus, for the 1972 and 1973 campaigns, the European governments decided to donate to the six Sahelian countries a total of 200,000 tons of cereals, of which 45,000 were

donated by the Community alone which also bore part of the transport costs by assigning 15 million u.a. to these cereal shipments.

Community procedures can be flexible, and we are to be congratulated on this point, yet faced with such a grave situation it was decided to exploit to the full Article 20 of the second Yaoundé Convention by virtue of which it is possible to grant exceptional aid in the event of calamities, which was undeniably the case in the Sahelian countries during this drought. This exceptional aid took various concrete and practical forms, providing for transport of the bilateral food aid generously given by this or that government but held up in port because the transport costs had not been covered, supplies of vaccines for the population whose health was being affected, replacement of seed grain which the population had been obliged to eat in order to stay alive, but which had left them unprovided for the next harvest, foodstuffs and vaccines for the cattle to ensure the preservation of livestock for the following year; these measures extended in certain cases to the payment of taxes on behalf of the farmers in order to ensure that they were not exposed to legal action or plunged into an even more wretched situation because they could not pay their dues.

This exceptional aid for calamities reached considerable proportions, the Community having contributed 11.5 million u.a. for the 1971-1972 campaign and 19 million u.a. for the 1973 campaign, the latter appropriation having been recently approved by the Council of Ministers. Of course these 30 million u.a. granted under Article 20 are in addition to the 15 million u.a. of cereals sent earlier.

And then, Mr President, the situation deteriorated even further, particularly for the women and children, and an altogether exceptional aid was granted by a decision of the Council of Ministers a month ago, on 14 May to be exact, making available 13,000 tons of powdered milk to be sent immediately and outside all ordinary channels to the countries of Africa.

Following this decision, 400 tons were sent off directly, via an air bridge set up between Europe and the Sahelian region, the rest to be dispatched by sea.

I shall return in a moment to the long-term programmes, but I should first like to mention that under the heading of emergency aid the Community was able to allocate 52 million u.a., or approximately 15 thousand million Francs CFA to these six Sahelian countries, in addition to the aid provided by the governments of Member States on a bilateral basis.

**Cheysson**

What is the emergency aid situation today?

Unfortunately, it cannot be said that all the difficulties have been overcome. The supplies available are considerable. They do not entirely fill the gap, but they are sufficient, provided that they can reach the people, to ensure that the situation does not become catastrophic, for at the same time a similar effort has of course been made elsewhere in the world, both by the United Nations organizations and by other countries such as the United States and the Soviet Union, acting on a bilateral basis.

At the moment, we have available some 400,000 tons of cereals for the other Sahelian countries, which, if they could be made to reach those in need of them, would constitute full food provisions for four to five months for 6 million people, which is a very generous estimate of the number of people affected by the drought. In reality, unfortunately, things are less simple, for all this, I repeat, is taking place over an area of 3.5 million square kilometres, and the problem of getting these goods to all those in need is a truly formidable one.

The Commission has appealed to the governments of Member States. I would mention but four of them who were prepared to mobilize immediately considerable air transport resources: 6 heavy aeroplanes from Belgium, 6 from France, 4 from Germany and 1 Boeing 707 which Ireland was willing to place at the disposal of the unfortunate people of Africa. Thus considerable air transport resources were mobilized to create this air bridge. A great deal has been done also on the scene of the calamity. However, we are still not able to reach the most isolated for these countries are enormous and the means of communication are very limited.

And let us not forget that in our work we must respect to the full the sovereignty of each of these African countries, in other words it is the responsibility of each African government to decide on measures of transport, and for some of them the long distances involved constitute a formidable problem.

Moreover, as the situation develops, the number of refugees increases. Consequently, we recently decided to release certain quantities of powdered milk to help Upper Volta which is currently being invaded by refugees from the north who are being forced to move further south by the drought. That, Mr President, is the situation, and it is far from satisfactory. It has given rise to some very generous action; the figures on paper are impressive, yet these statistics hide a number of difficulties. One is tempted to ask: was none of this foreseen?

With your permission I would quote you some pertinent figures. Our exact statistics on these countries go back to 1931. Travellers' accounts have also provided a fairly accurate indication of the periods of drought experienced by the countries of this vast area since 1829. Thus we are able to establish that the current drought is the ninth in 144 years. The previous periods of drought lasted from 2 to 5 years. But as yet, unfortunately, meteorologists and climatologists have been unable to discover any regular pattern of occurrence whatsoever. Thus today, with all the science at our disposal, we are unable to predict the advent of such periods of drought.

So what can we do? In the long term, food resources should be developed in such a way as to ensure that there are reserves in the different parts of these countries, even the poorest, thus enabling them also to combat the process of 'desertification', the extension of the desert zones into the northern areas of the Sahelian region. The European Development Fund has already contributed large sums to this type of campaign.

To give you some indication I shall quote you a few more figures; since the Fund was set up, it has assigned some 75 million u.a., more than 21 thousand million Francs CFA, to the Sahelian region alone for the fight against desertification: to be more precise, I would mention irrigation projects costing 35 million u.a., water supply projects costing 22 million u.a. and creating 2,230 wells in the villages and around the grazing land, and finally livestock preservation programmes costing 20 million u.a.

These figures might seem tedious, and yet I feel it is essential to bear them in mind in order to realize the dimensions of the problems which these countries face and which we are trying to help them to solve.

The follow-up will consist of restoring the cattle herds which are the principal resource in that part of the world but also in giving every aid we can to these countries to build up their reserves and their emergency stocks in anticipation of the day which we can foresee, though we cannot foresee when it will come, when they will be hit by a new drought, perhaps in some years or even in some decades.

The essential thing is coordination between these countries. In this connection, I am happy to be able to report to Parliament that on 26 March last the Ministers of the Sahelian region, of the six countries affected by the drought, met at Ougadougou and created amongst themselves a permanent emergency committee, a permanent committee to coordinate their resources in the struggle against such droughts. I believe that

**Cheysson**

it is by such measures as these that these countries can become more aware of the dangers which lie in wait for them and can, when disaster strikes, take coordinated emergency measures.

All this does not lessen in the slightest the dimensions of the problem. It does not diminish in the slightest the sufferings being endured by the people of certain areas. Once again, let us not forget the vastness of the area affected and the disastrous consequences of a prolonged drought in regions where annual rainfall is between 50 and 500 millimetres.

This then, Mr President, is the report I want to make to the Assembly. In financial terms, the Community is making a valiant effort, amounting to 75 million u.a. for projects and 52 for emergency aid. Nevertheless, we must admit that there was another problem which we did not know how to tackle or were not able to tackle effectively, namely, that of ensuring that public opinion should remain alive to the danger and that in a more constant fashion than has been the case in recent weeks.

*(Applause)*

**IN THE CHAIR: SIR ANTHONY ESMONDE***Vice-President*

**President.** — Thank you, Mr Cheysson, for your very lucid statement on the situation.

I call Mr Spénale on behalf of the Committee on Development and Cooperation. I have to remind him that he is allowed five minutes only.

**Mr Spénale.** — *(F)* Mr President, in the first place I feel I should thank Mr Cheysson for having given us so much information today on this problem which has been a source of anxiety to Parliament for several weeks already. The information he has given us throws a great deal of light on the situation, but it also leaves us in a rather uneasy state of mind.

The Commission is of the opinion that the situation it at last developing favourably with regard to the grain supplies which have been delivered close to the borders of the Sahelian countries, note that I do not say delivered to the countries themselves. In Rome, however, the committee on developing countries had asked especially to be informed of the amounts coming under each of these two headings. We were given an overall figure and we were satisfied with that. The committee also asked in what ports the stocks were being kept and why certain ports were congested while other ports were not being used

at all. Why, in a word, was everything not better coordinated?

There is a great deal of inadequacy, particularly with regard to the means of dispatch and transport. All this means that we are confronted with an enormous task, both as regards immediate action, which it would be very premature to regard as already carried out completely, short-term action and long-term action.

As far as immediate action is concerned, we have grounds for believing, both from the accounts of friends who have returned from these regions and from newspaper reports, that the situation is getting more desperate. This is understandable, since the last day of any famine is always the worst, but it is also due to the fact that the rains are making communications and transport more difficult. What are we to think of the number of aeroplanes put at the disposal of these countries? I added up the figures given by Mr Cheysson and they came to a total of 17 planes, but it must be added that some of them had been there for fifteen days and had been withdrawn when the problem was far from being solved. I have seen reports from a sub-prefect of police in Agadès which mentioned two 'Transalp' planes, which over a period of fifteen days had transported 268 tons of rice and which were withdrawn at a stage when some people were only given five days to live and when they were reduced to feeding cotton grains as survival rations to goats, sheep and cows while allowing the camels, the traditional mode of transport in these countries, to die.

We insist once again therefore that the Commission should use all its influence with governments of Member States and we remind it that one of our members has asked that it should make contact, if necessary, with the WEU and with NATO so that all the resources of civilian rescue operations can be joined to military resources to ensure transport in these regions.

We are struck by one thing: we are quite certain that if there were to be a war in the Sahelian region, the resources put to work within one month would be ten times greater than those that have been employed in the present case. That is to say, and it is a value judgement on our civilization, that industrialized countries are capable of concentrating their most powerful forces with extraordinary speed and without any thought of cost when there is question of destruction. But when it is a question of saving human lives, then they begin by taking pen in hand to calculate what it might cost. This is the kind of thing which should not happen and which makes us both sad and uneasy.

**Spénale**

For the immediate future, we demand that everything possible be done and that some thought should be given to the point I have just made. We cannot always stand back in matters of death as we can in matters of life. As a follow-up to that, it will be vital for us to consider how the expansion of the desert in the Sahelian regions can be arrested. The Sahara did not come about in a day. The paintings found at Tassili des Adjers show that it is not so very long since it held large populations and a civilization; these have now vanished and the Sahara continues to push inexorably towards the south.

We must find out if we can repopulate these regions and, if it is not possible to take them over again, how we can organize a prosperous life further to the south. Studies will have to be carried out. But the population can return to these areas only if they can be given security, that is to say, if reserve stocks can be built up to tide them over emergencies, if they can be provided with seeds, if there is an effective water policy and if they can believe that there is good hope of survival; otherwise, it is impossible.

These are long and difficult tasks and I would suggest to the Commission that it should see if it could not, with the support of the permanent emergency committee set up by the Ministers of the Sahelian countries, have a conference for the Sahelian region, which would bring together representatives of all these nations, the Ministers of the Member States, the responsible members of the Commission and representatives of those countries which have provided aid and cooperation in Africa and thereby chart and clarify the action to be taken, which should extend over a period of at least eighteen months.

Finally, in the long term, we must—we said this four or five years ago but things remained as they were—draw up a plan on a world scale to combat hunger, which will include building up reserve stocks in countries periodically subject to famines, an education policy, an agricultural policy, a water policy, a wide-ranging programme of smaller projects, and not just cathedrals in the desert.

All this is a long-range enterprise which will do honour to the Community. We hope that the Commission, with which we will be having an exchange of ideas on these matters in July, will, I repeat, for the honour of all of us, take the initiative in this matter.

(Applause)

**President.** — Thank you, Mr Spénale. I am afraid that you were three or four minutes over your time. This debate is limited. I now have

three questions coming up and I propose to ask the Commissioner to reply to each question as it comes, which will be more convenient. We have only 15 minutes in which to cover the questions. First of all, I call Mr Dewulf.

**Mr Dewulf.** — (F) Mr President, I can be very brief.

First of all I thank Mr Cheysson for reserving his statement, which is as usual marked by a pleasing concision, for the European Parliament.

We are following this matter very closely and will no doubt hold a discussion in July with Mr Spénale as our rapporteur.

Since we were reminded in Rome that the various measures to deal with this urgent situation are coordinated somewhere in the upper ranks of the FAO, I shall simply ask how the links are established between the Commission departments or possibly the departments of the Member States and the FAO to ensure this coordination of both the ordnance of aid and the medium-term aims of the measures that must be taken in view of this disaster.

My second remark, concerned with long-term questions, agrees up to a point with what Mr Spénale said just now about a campaign against famine. I presume that he agrees on the need for it to include a mechanism or aid-giving body which would be immediately available when disasters of this kind, occur.

The world being what it is, what is happening in the Sahel today can unfortunately occur in another continent tomorrow. We other parliamentarians feel that there are always two extremes: an appeal is made to public opinion, then the public services arrive, somewhat late, to despatch the contributions or donations originating out of the generosity of the private sector. The present unhappy experience may at least have the happy effect of persuading the Commission to institute a mechanism, or a department, backed by ordnance arrangements, that can be mobilized at any time to deal with other potential situations comparable to the one we now deplore.

**President.** — Would the Commissioner like to reply to these two questions now, or would he prefer to wait until the end?

**Mr Cheysson.** — (F) I would prefer to reply at the end, Mr President.

**President.** — I call Sir Douglas Dodds-Parker.

**Sir Douglas Dodds-Parker.** — I thank the Commissioner for his information bringing us up

**Dodds-Parker**

to date, and ask whether it would not help us in this and future emergencies if the Commission were to consider joint consultation with Western European Union, to which seven of the nine Member States of the EEC belong, to pre-plan joint availability of food, medical supplies and communications facilities in case of future disasters, not only famines like the present one, but floods and earthquakes, on the lines that the United Nations disaster organization has at least begun to operate.

**President.** — I call Mr Offroy.

**Mr Offroy.** — (*F*) Mr President, I too would like to thank Mr Cheysson for his statement and the details he gave.

I had intended to put three questions to him. The first is in fact the one Mr Spénale just asked, concerning the opposition between 'works of life' and 'works of death'. During the Biafran war, I know how many arms reached Kano, in northern Nigeria, near the present desert area, by a kind of air bridge. I saw nothing comparable during my recent visit to Niamey and Ouagadougou. I therefore insist that Mr Spénale's proposals should be considered.

Secondly, I should like to know what ordnance measures have been taken for the interior of the various Sahel countries. We have heard talk of the considerable tonnages available, of their eventual delivery to certain ports or large cities in the region, but we are well aware, as Mr Cheysson said—and he knows it better than others since he was for many years secretary-general of the committee on technical cooperation in Africa—that the main problem in these countries is ordnance to the interior, because of the lack of both material and personnel. I would like to know what measures have been taken to ensure that the grain that has been despatched will not simply be stored in the ports to be eaten by rats or sold on the black market but really distributed to those who are dying of hunger in the drought.

Finally, we were told, a little while ago, about the cooperation between the Sahel countries. This is very important. I would like to know, and this is my third question, what attempts have been made to establish cooperation with the neighbouring countries in the south which are only very marginally affected by the current drought and could help their brother countries in the north. I am thinking of the coastal countries which are in a better position: they could certainly help in the fight against want and in the ordnance of grain, powdered milk and all the necessities.

Those are the three questions I wished to put.

**President.** — Would Mr Cheysson like to reply now to the questions?

**Mr Cheysson.** — (*F*) Mr President, I should like to reply separately to the questions relating to long-term and short-term measures.

On the short-term measures, I should first explain, for Mr Spénale's benefit, that fortunately the quantities I spoke of are for the most part already in the interior of the Sahel, and not just near it. Mr Spénale himself noted the quantities there were at Agadès.

There are two aspects to the problems of transporting these quantities: unloading ports, for goods coming by sea, and transport in the interior of the country.

Of the ports, the two largest, Dakar and Abidjan, have been fully utilized and still have further potential. Nevertheless, it will certainly be necessary, as Mr Spénale pointed out, for smaller ports to be used—when I say 'small' I mean as regards their harbour installations—and arrangements have already been made to use ports like Cotonou, Lomé and Téma.

Transport in the interior of the country is certainly the main problem, as Mr Offroy so rightly said. Aircraft are not suitable for this purpose. The large aircraft, which we mentioned before, were of great help in establishing an air link with Europe for products which were needed urgently, such as powdered milk, but clearly their capacity is too limited to permit the transport of the vast quantities I spoke of earlier. Also they have difficulty in landing near the disaster areas, and some airports do not have the infrastructure and the facilities they require, for example for refuelling.

Thus we will not progress very far by using large jet aircraft. Instead we must mobilize the normal existing methods of transporting local produce. This will require very great efforts. I welcome the fact that the Community has been able to contribute by authorizing the use of funds earmarked for emergencies to finance inland transport. On the other hand, I must stress—without wishing to sound bitter, but because this needs to be said—that bilateral aid from governments has generally stopped as soon as the goods arrived in Africa.

This mobilization and coordination of methods of transport will undoubtedly be the biggest problem. However I think it would be dishonest if I did not say that we cannot stand in the place of those in the countries concerned who are responsible for dealing with the situation. They must make the decisions. What we can do is to help them analyse the problems, provide

**Cheysson**

them with financial resources and sometimes material resources.

The international distress committee is a useful body. I should have mentioned before that each of the countries in the Sahel already has a national committee with full powers to mobilize the necessary resources.

I should also have said—my apologies to Mr Offroy, who very rightly raised the question—that the adjoining countries have been making a valuable contribution, and continue to do so. The Ivory Coast, Senegal and Dahomey have donated goods and money. They have also decided on a priority system for transport to the interior, although it must be admitted that this sometimes acts to the detriment of normal goods transport; but they should nevertheless be congratulated. I myself met the President of Senegal a few days ago, and he assured me that all the lorries that were still available, for example army lorries, would be brought into service.

All these are moves in the right direction, and also explain why goods can be transported to Mauritania relatively easily.

At a higher level, various bodies have been trying to coordinate transport, in particular the FAO, with its world-wide experience.

Obviously we have links with the FAO and other organizations which are willing to contribute, for example the WEU. But coordination at this level does not seem likely to give very effective results in the weeks to come. What is needed now is for each country to mobilize what resources it has and give practical assistance, and to do it as new consignments of goods arrive, without waiting for the rains which, as Mr Spénale said, are imminent, and we hope that this time they will be abundant. So what is needed is action which is concrete and limited in scope, but widespread.

From a more long-term point of view, the speeches by Mr Spénale and Mr Dewulf lead me to make two comments.

No doubt climatologists and hydro-geologists studying the development of undergroundwater-levels will have further thoughts. In any case it will be useful for future EDF programmes to allocate a certain priority to thought and action in this sphere, if the African countries agree—since, after all, they are the ones who must decide. This idea would also fit in particularly well with the Commission's new approach to development aid, that is, the regional approach.

As for food aid, certainly Europe has an important role to play in this field. This has become increasingly apparent during the last few years.

Remember the drama of Bangladesh, not so long ago, and the large quantities of goods Europe, among others, was fortunately able to send to the area: 170 000 metric tons from the Community alone, at Community level, through the WFP.

This is an important subject for consideration. I would not be betraying the confidence of my colleague who deals with agricultural affairs if I say that in the Commission we intend to think very seriously in the near future about the part food aid should play in European agriculture. This is a long-term subject which I consider of prime importance.

(Applause.)

**President.** — Thank you, Mr Cheysson.

This item is closed.

## 12. Report of the ECSC auditor for the financial year 1970

**President.** — The next item is a debate on the report drawn up by Mr Offroy on behalf of the Committee on Budgets on the report of the ECSC auditor for the financial year 1970.

I call Mr Offroy, who has asked to present his report.

**Mr Offroy, rapporteur.** — (F) Mr President, I think that, since this report does not raise any major problem, it can be adopted without difficulty. Generally speaking, the Committee on Budgets approves of the new procedures, introduced with a view to auditing the ECSC's financial administration and budgetary operations more effectively.

I would merely like to point out to the Assembly that the report we are discussing relates to 1970, and we are now in June 1973. The time that has elapsed is far too long.

Surely with a faster, simplified procedure, and a greater effort towards rationalization, it should be possible to speed up the process.

In my opinion, a timetable should be drawn up for the presentation of these reports.

Reports should be presented in the first quarter of the year following the year to which they relate.

In the second quarter, the Committee on Budgets and the Parliament would give their opinions on the report, so that Parliament's conclusions could be passed on to the Commissioner at the time he submits his proposals on the levy rate. As you know, this rate is fixed in October or



**Offroy**

November. It would be extremely useful if all these operations could be synchronized so that the rate could be determined in the light of the Audit Board's report.

Subject to these procedures being speeded up, we would ask the Assembly to adopt the resolution by the Committee on Budgets. The Committee notes the new procedures, welcomes the consultations that have taken place and the improvements that have been adopted and hopes that they will become even more marked in the future.

The last point I wanted to stress is the possibility of on the spot auditing. I mentioned this last winter, when I presented the European Communities' budget. I consider it essential for the Commissioners and the auditing officers to be able to carry out audits on the spot and not merely on the basis of records. I would like to see the same in the ECSC, and I mention this in my report.

Subject to these observations, I would ask Parliament to adopt the motion for a resolution submitted by the Committee on Budgets.

**President.** — I call Mr Spénale on behalf of the Socialist Group.

**Mr Spénale.** — (F) Mr President, the Socialist Group agrees with Mr Offroy's conclusions, and thanks him for his excellent work.

We would like the procedures involved in the utilization of the ECSC levy—in other words the first of the Communities' own resources—to be examined in detail by the Commission, when it presents its proposals on general budgetary procedures. We are going to find that these procedures differ enormously depending on whether they relate to the ECSC's own resources or the resources of other bodies. These resources and procedures were laid down twenty years ago. We must not let it appear that the manner in which we utilize the Community's own resources these days is less effective than the one devised twenty years ago.

Having drawn the Commission's attention to this point, I repeat that the Socialist Group thanks Mr Offroy for his work and will vote in favour of the motion for a resolution.

(Applause)

**President.** — I call Mr Cheysson.

**Mr Cheysson, Member of the Commission of the European Communities.** — (F) Mr President, on behalf of the Commission, the first point that I should like to take up in Mr Offroy's report is the evident satisfaction of the Committee on

Budgets with many aspects of the audit, such as the continuous contact between the auditor and the services, the possibilities of integral auditing and of spot checks on the part of the auditor, the values of internal auditing, restored to its former level, and finally, the efficiency of the machinery.

If I remark on these factors, it is not to express the slightest surprise at them but to thank the rapporteur and to say to him that they seem perfectly natural to me and that they should be present in all areas where auditing is carried out.

In this context, I feel I should make it clear once again to the rapporteur and the Committee on Budgets that the use of auditing checks on the spot seems to me to be a perfectly normal procedure and that the Commission will do everything in its power to facilitate these checks.

The report suggests a more marked distinction in the financial documents, and particularly in the balance-sheet, between loans and advances on the one hand and levies on the other, with a view to a clearer perception of the results. The Commission, with the help of the auditor if possible, will study a more appropriate form for the presentation of these documents.

With regard to the use of own resources, I think that this subject will be on Parliament's agenda when we come to discuss the Assembly's budgetary powers. I would ask your permission therefore to reply to that point later in the course of that debate.

At that debate the question will certainly be discussed also of the time-limits within which certain documents ought to be submitted to the Assembly. For my part, coming as I do from the world of industry, as some members of the Assembly will know, I am convinced of the necessity for accounts to be submitted promptly, thus permitting a thorough examination of the management of the undertaking in question. The fact that we are an enormous public and Community enterprise should not keep these rules of good business sense from applying also in our case. I think therefore that the regulation laid down in the Treaty, which demands that accounts should be furnished by 30 June, should be strictly respected. I do not think that any earlier date would be possible, as a certain number of documents have to be collected before the accounts can be closed, so that this cannot be done before the end of February. But I think that the date of 30 June should be strictly respected and that the auditor should be then respectfully invited to submit his report promptly, so that the delay, an entirely unusual one, in the exceptional case we are dealing with here can never arise again.

**Cheysson**

These then are some points in the reply from the Commission, which would be very happy to see the Assembly approve the proposal of its rapporteur.

(Applause)

**President.** — Does anyone else wish to speak?

I put the motion to the vote.

The resolution is adopted.<sup>1</sup>

**13. Transfer of funds to cover the balance sheet of research and investment expenditure for 1973**

**President.** — The next item is a debate on the report drawn up by Mr Offroy on behalf of the Committee on Budgets on the proposal from the Commission of the European Communities to the Council for a transfer of funds to cover the balance sheet of research and investment expenditure for 1973.

I call Mr Offroy, who has asked to present his report.

**Mr Offroy, rapporteur.** — (F) Mr President, in this matter also we are asking Parliament to adopt the motion for a resolution drawn up by the Committee on Budgets seeking approval for the transfer of funds to cover the balance sheet of research and investment expenditure.

I should simply like to add two brief remarks.

For one thing, we regret that we have as yet no knowledge of the draft supplementary budget necessitated by the consequences of Norway's non-accesion to the European Communities, though it has been promised to us time and time again. It seems that the document is already in circulation but, as far as I know, it has not yet reached the Committee on Budgets, and I must say that I deplore this.

The second thing is that, with regard to these transfers, I thank the Commission for putting into effect the consultation procedure laid down quite recently, which allows Parliament to give its opinion.

However, and I am only advancing a personal viewpoint here, as this question has not been discussed in committee, I ask myself if this procedure could not be relaxed a little, as it seems to me to be a little unwieldy to have to repeat the entire procedure every time a transfer has to be made, drawing up a motion for a resolution, having it adopted by the com-

mittee and then by Parliament. Perhaps a more simplified formula could be found by which the Committee on Budgets would be notified of the transfers and the chairman of the committee could forward directly the committee's opinion.

It is only a simple suggestion, I do not know if Mr Spénale would approve, I haven't had a chance to speak to him about it. But I am making it because I think that other transfers will have to be made. Perhaps this is a rather ponderous machinery to have to use for each and every transfer.

Having said that, I should like to make it clear that we appreciate very much the fact that the consultation procedure has been used for all the supplementary budgets of which we have been notified: Norway's non-accesion and other estimates for 1973.

I do not wish therefore that my proposal, which is strictly a personal one, should be considered as wishing to give up, even implicitly, a procedure which we value so highly. But while we are entirely in favour of it for important questions, perhaps it is just a bit unwieldy for minor matters.

**President.** — I call Mr Spénale, chairman of the Committee on Budgets.

**Mr Spénale.** — (F) Mr President, I should like to reply to the question which has been put to me indirectly by Mr Offroy. I am also speaking personally. I am in favour of his suggestion. It would have to be discussed in the Committee on Budgets, but it seems obvious to me that for simple transfers, dictated by common sense, the committee could, with the Assembly's approval, deliver an opinion. This would keep Parliament's agenda from being overloaded with questions which raise no real problems.

Where, on the other hand, we would have reservations about transfers, Parliament would have to deal with them. On this condition, we could find a satisfactory formula, provided it is always understood that the normal procedure would have to be applied for all supplementary budgets.

**President.** — I call Mr Cheysson.

**Mr Cheysson, Member of the Commission of the European Communities.** — (F) Mr President, what is asked of the Assembly is very simple, being a confirmation, at this exalted level, of the opinion delivered by the Committee on Budgets on 11 April last on the question of a transfer which was unavoidable, since the delay encoun-

<sup>1</sup> OJ C 49, 28. 6. 73.

**Cheysson**

tered in reaching decisions on the research programme did not allow a final budget to be brought in good time.

As the rapporteur and the chairman of the Committee on Budgets have both said, this procedure is unwieldy in practice when all that is in question is a simple transfer of funds. There can be no doubt that it is necessary in the case of supplementary budgets. In the case of a simple transfer of funds, if the committee can devise an easier procedure, maintaining its own right to be consulted but without bringing the matter to this exalted level, I think, Mr President, that much time would have been saved and that the Commission would be very grateful.

**President.** — Does anyone else wish to speak?

I put the motion to the vote.

The resolution is adopted.<sup>1</sup>

#### 14. Agenda for next sitting

**President.** — The next sitting will be held tomorrow, Thursday, 7 June 1973, with the following agenda:

10 a.m.—3.30 p.m.

- Vote on the motion for a resolution contained in Mr Gerlach's report on the estimates of revenue and expenditure of Parliament for 1974
- Report by Mr Jozeau-Marigné on an amendment to Rule 37(1) of the Rules of Procedure
- Report by Mr Jozeau-Marigné on the amendment of Rule 48 of the Rules of Procedure

- Oral Question No 26/73, without debate, on cruelty to animals
- Report by Miss Lulling on the approximation of fertilizer legislation
- Report by Mr Vetrone on cattle and beef imports from Yugoslavia
- Report by Mr De Koning on various Portuguese wines
- Report by Mr Frehsee on agricultural structure reform
- Oral Question No 53/73, with debate, on agricultural surpluses in the Community
- Report by Mr Fellermaier on the EEC-Tunisia and EEC-Morocco Association Agreements
- Vote, without debate, on the motion for a resolution contained in the report by Mr Seefeld on recording equipment in road transport
- Vote, without debate, on the motion for a resolution contained in the report by Mr Glesener on research in the field of new technologies
- Report by Mr Lefèbvre on colza and rape seed
- Report by Mr Martens on the temporary suspension of customs duties on a number of agricultural products
- Report by Mr Héger on beet sugar prices
- Report by Mr Héger on oilseeds.

The sitting is closed.

*(The sitting was closed at 5.35 p.m.)*

<sup>1</sup> OJ C 49, 28. 6. 73.

## SITTING OF THURSDAY, 7 JUNE 1973

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## IN THE CHAIR: MR BERKHOUWER

*President*

*(The sitting was opened at 10.05 a.m.)*

**President.** — The sitting is open.

*1. Approval of minutes*

**President.** — The minutes of yesterday's sitting have been distributed.

Are there any comments?

The minutes are approved.

*2. Tabling of a motion for a resolution*

**President.** — I have received a motion for a resolution tabled by Mr Lückner, on behalf of the Christian-Democratic Group, Mr Kirk, on behalf of the European Conservative Group, and Mr Achenbach, on behalf of the Liberal and Allies Group, on the visit by the President of the United States of America to Europe. This document has been printed and distributed as Doc. 99/73.

I call Mr Dewulf.

**Mr Dewulf.** — (NL) Mr President, on behalf of the tablers I would request Parliament to deal with this motion for a resolution by urgent procedure pursuant to Rule 14 of the Rules of Procedure.

**President.** — Rule 14 of the Rules of Procedure stipulates that a proposal that a debate be treated by urgent procedure pursuant to Rule 14 (1) may be made by at least ten Representatives. In this case, this provision of the Rules of Procedure is satisfied, since Mr Lückner, Mr Kirk and Mr Achenbach represent between them more than ten Members of our Parliament.

I call Mr Fellermaier.

**Mr Fellermaier.** — (D) Mr President, ladies and gentlemen, I wish to say something on behalf of the Socialist Group: last month we had a debate here on relations between the United States and the European Communities. During the debate speakers from the various groups spoke about the visit of the American President to Europe. Parliament authorized its Political Affairs Committee to present a report in plenary session. The Political Affairs Committee, which is obviously the committee responsible, will be asking Parliament in this report to decide on

the arrangements for the American President's visit.

Therefore my group does not feel it justifiable to deal with Document 99/73 by urgent procedure, because this question has to be considered in the whole context of the new relationship of the United States with the European Communities. Therefore my group is against this motion.

**President.** — I have already stated that the request itself is quite in order, and that has not been contested. I put to the vote the request to deal with the motion for a resolution by urgent procedure.

Are there any objections?

That is agreed.

I now propose that the vote on the motion should be held after the debate on the second report by Mr Jozeau-Marigné, so that as many Members as possible will be present for it.

*3. Change in agenda*

**President.** — I call Mr Fellermaier on behalf of the Socialist Group.

**Mr Fellermaier.** — (D) Mr President, might I make a request concerning the agenda, since you want to...

**Lord Gladwyn.** — On a point of order.

**President.** — Mr Fellermaier asked to speak before you did, also on a point of order.

**Mr Fellermaier.** — (D) ... insert this motion for a resolution after Mr Jozeau-Marigné's report. I should like to ask you, Mr President, on behalf of many of my German colleagues, to allow Mr Frehsee's report and my oral question to be heard after the vote on the motion contained in Mr Gerlach's report, because the German members of the House have to catch a special plane at midday for an emergency vote in Bonn. Otherwise there is a risk, that the rapporteur of the Committee on Agriculture, Mr Frehsee, might have left and that the item will have to be dropped completely from the agenda. I think it would be wrong for Parliament to have to postpone discussion of such a key issue as agricultural reform because the rapporteur could not be there. We only heard of the position yesterday evening so we could not ask for these two items to be debated until today.

**President.** — Mr Fellermaier is proposing on behalf of all German Members that the report by Mr Frehsee and Oral Question No 53/73 with debate be placed on the agenda after the vote on the motion tabled by Mr Gerlach.

Are there any objections?

I call Mr Jozeau-Marigné.

**Mr Jozeau-Marigné.** — (*F*) Mr President, ladies and gentlemen, in view of certain pressing obligations I shall ask Mr Fellermaier if he will agree to these points being debated after we have debated item 84. I assure you that I shall not detain the Assembly for more than seven or eight minutes.

**President.** — I call Mr Vetrone on a point of order.

**Mr Vetrone.** — (*I*) Regarding the point of order, I would have no objections if it was not for my interest in having item No 87—of which I am the rapporteur—debated this morning, because this afternoon I shall not be in Strasbourg.

**President.** — I propose, and Mr Fellermaier supports this, that after the vote on the motion contained in the report by Mr Gerlach we deal with the two reports by Mr Jozeau-Marigné and then the two reports by our German colleagues.

Does Lord Gladwyn wish to speak on this point of order?

**Lord Gladwyn.** — No, on another point.

**President.** — Does Mr Héger wish to speak on this point of order?

**Mr Héger.** — (*F*) Yes, Mr President. Originally, when we were convened before this session, no meeting was planned for this afternoon. I agreed to draw up a report at very short notice on a draft which was distributed only two days ago. I had to say at that point that I would agree to draw up the report only on condition that it was debated this morning, as I have to leave Strasbourg at midday and return home.

**President.** — We shall do everything we can to finish dealing with this report this morning. Once more, the Council and the Commission have been too late, but we must finish off these technical matters.

So that we lose as little time as possible, I suggest that we first of all put to the vote the motion contained in the report by Mr Gerlach, then the two reports by Mr Jozeau-Marigné, and then consider the report by Mr Frehsee and Oral Question No 53/73.

Are there any objections?

That is agreed.

I call Lord Gladwyn on a point of order.

**Lord Gladwyn.** — My point of order relates to Doc. 99/73, which is the motion tabled by Mr Lückner, Mr Kirk and Mr Achenbach. I understood you to say, Mr President, that we were to vote on it. Do I take it that before we vote it is in order for anyone if he so desires to put in an amendment to the document?

**President.** — That would be in order, Lord Gladwyn.

#### 4. *Estimates of reserve and expenditure of the European Parliament for 1974* (vote)

**President.** — The next item is a vote on the motion contained in the report drawn up by Mr Gerlach on behalf of the Committee on Budgets on the draft estimates of revenue and expenditure of the European Parliament for the financial year 1974 (Doc. 86/73).

Does anyone wish to speak?

I call Mr Aigner.

**Mr Aigner.** — (*D*) Mr President, honourable Members. I wish to speak on behalf of the rapporteur, who is unfortunately prevented from attending, and on behalf of the Committee on Budgets to inform Parliament of its opinion. The committee has rejected this amendment unanimously because the staff of Parliament had promised to present a detailed report early enough for us to be able to decide in good time definitely whether to vote against this expenditure or not. We therefore ask that the motion be rejected.

**President.** — I call Mr Schmidt.

**Mr Schmidt.** — (*D*) The amendment is withdrawn.

**President.** — Amendment No 1, which read as follows, has been withdrawn:

In Article 413 ('Scholarships'), item 4130 ('Scholarships granted for studies of relevance to Europe') insert in respect of appropriation figure of 16 000 u.a. reference to a footnote which should read as follows: 'Amount temporarily blocked'.

Justification:

The report drawn up by Mr Gerlach on behalf of the Committee on Budgets provides for the administration to submit a report on the utilization of these funds which are earmarked for the organization of a symposium on European affairs. In the meantime this appropriation should be blocked.

Does anyone else wish to speak?

**President**

If there are no objections, I put the draft estimate to the vote.

The draft estimate is adopted.

I put the motion as a whole to the vote.

The resolution is adopted.<sup>1</sup>

*5. Amendment to Rule 37(1) of the Rules of Procedure of the European Parliament*

**President.** — The next item is a debate on the report drawn up by Mr Jozeau-Marigné on behalf of the Legal Affairs Committee on an amendment to Rule 37(1) of the Rules of Procedure of the European Parliament concerning the number of vice-chairmen of the committees (Doc. 75/73).

I call Mr Jozeau-Marigné, who has asked to present his report.

**Mr Jozeau-Marigné, rapporteur.** — (F) Mr President, ladies and gentlemen, the Legal Affairs Committee has unanimously adopted a draft report, which I submit to you, amending Rule 37 of our Rules of Procedure.

Rule 37 concerns political groups and committees and in fact, on 12 March 1973, our Parliament adopted a resolution setting up twelve committees. Ten of them have twenty-nine members. The other two have thirty-five—namely, the Committee on External Economic Relations and the Committee on Development and Cooperation.

As a result of this change in the committees, the enlarged Bureau, at its meeting of 13 March 1973, considered it advisable for these two committees to have three vice-chairmen instead of two. These were the circumstances under which the President consulted our Legal Affairs Committee.

The committee considered the matter and decided that it would be better, in the interests of greater flexibility both for Parliament and its committees, not to allow three vice-chairmen specifically to these committees, but to give all the committees the option of having one, two or three vice-chairmen.

This proposal was adopted unanimously. In the circumstances I would ask Parliament, in plenary session, to accept this solution, which is appropriate to the situation created by the enlargement of the Communities, and also complies with the request by the enlarged Bureau, in that it gives everyone complete freedom of choice.

**President.** — Does anyone else wish to speak?

I put the motion to the vote.

The resolution is adopted.<sup>1</sup>

*6. Amendment to Rule 48 of the Rules of Procedure of the European Parliament*

**President.** — The next item is a debate on the report drawn up by Mr Jozeau-Marigné on behalf of the Legal Affairs Committee on an amendment to Rule 48 of the Rules of Procedure of the European Parliament (Doc. 76/73).

I call Mr Jozeau-Marigné, who has asked to present his report.

**Mr Jozeau-Marigné, rapporteur.** — (F) Mr President, ladies and gentlemen, I wish to submit to you a further motion from your Legal Affairs Committee, adopted unanimously by all the members of the committee.

Rule 48 of our Rules of Procedure is concerned with petitions, and constitutes the whole of Chapter XII of these Rules, dealing with petitions.

Some time ago, the Legal Affairs Committee was asked for an opinion by the Committee for Finance and Budgets. In this connection, we submitted to the President of the European Parliament and to the Bureau a proposal for amending Article 48 and making a report to the plenary Assembly.

It is actually only a question of two slight alterations to the wording, but we believe these alterations to be essential.

First, when a petition is submitted, paragraphs 2, 3 and 4 of Rule 48 provide for three possibilities.

Paragraph 2 provides that the petition must first be checked to ensure that it contains the name, occupation, nationality and permanent address of each petitioner. If these conditions are fulfilled, as stipulated in Paragraph 3, the President refers the petition to the appropriate committee; if not, no further action can be taken. Pursuant to Paragraph 3, the committee must then examine it for a second time and ascertain whether the petition comes within the terms of reference of the Communities, as otherwise it cannot be accepted. It is only at this stage that the committee examines the actual content of the petition, pursuant to paragraph 4. These petitions may then be passed either to the Com-

<sup>1</sup> OJ C 49, 28. 6. 73.

<sup>1</sup> OJ C 49, 28. 6. 73.



**Jozeau-Marigné**

mission or to the Council of the Communities, and the committee concerned may make a report to Parliament. But it has not been expressly provided that petitions could simply be filed, which happens in the case of paragraph 2 as well as paragraphs 3 and 4. It seemed absolutely essential that this possibility, which unfortunately occurs fairly frequently, should be mentioned specifically in our Rules of Procedure.

This, Mr President, is the object of the amendment which has been proposed by the Legal Affairs Committee. The committee also requested that it be stipulated in our Rules that the petitioner should be notified and the decision as to whether the petition was to be filed or referred should be publicized.

I should however, in answer to the request by the Commissioners at our discussion in the Legal Affairs Committee, state that it must be made clear that the petitioner or petitioners whose petition has been filed, because it did not fulfil the conditions stipulated in Rule 48(2), will still have the opportunity of presenting a new petition, when (and only when) these formalities have been complied with. Your Legal Affairs Committee has tried to make the rule as flexible as possible by not specifying a fixed period of time.

I would also like to say in this public debate, so that it can be recorded in the minutes, that the committee counts upon the secretariat to act with its usual diligence and ensure that petitioners are notified as quickly as possible.

These, Mr President are the circumstances in which this amendment has been proposed. We believe that the amendment will make the matter clearer and simpler.

Ladies and gentlemen, the Legal Affairs Committee also wishes to point out to Parliament that petitions should be taken seriously, because they are a link between the public and the European Parliament. This is very important, because it gives us the opportunity to keep in touch with those who have elected us.

**President.** — Does anyone else wish to speak?

If there are no objections, I put the motion to the vote.

The resolution is adopted.<sup>1</sup>

**7. Budgetary powers of the European Parliament**

**President.** — I call Mr Spénale.

**Mr Spénale.** — (F) Mr President, may I raise a point of order. The part-session is nearly at an end and we have not yet received a communication from the Commission on the question of budgetary powers. I should like, with your permission, to put a brief question to the representative of the Commission: will the Commission be able to put its proposals on budgetary powers at the meeting of the Committee on Budgets next Tuesday in Brussels?

**President.** — I call Mr Scarascia Mugnozza.

**Mr Scarascia Mugnozza.** — (I) Yes, Mr President.

**President.** — Thank you, Mr Scarascia Mugnozza.

**8. Order of business: Relations between the Community and the United States of America**

**President.** — The European Parliament decided this morning to place on the agenda after the two reports by Mr Jozeau-Marigné the report by Mr Frehsee on the reform of agricultural structures followed by Oral Question No 53/73 with debate on agricultural surpluses and the motion tabled by group chairmen Mr Lückér, Mr Kirk and Mr Achenbach, to be dealt with by urgent procedure.

However, Mr Vals has asked to speak on the order of business.

I call Mr Vals.

**Mr Vals.** — (F) Mr President, I do not intend to question the vote cast a few minutes ago on the emergency debate concerning the motion for a resolution tabled by Mr Lückér, Mr Kirk and Mr Achenbach. I merely wish to express my surprise at the manner in which this vote was taken. It was completely out of keeping with the tradition which has always been followed in this Parliament. Emergency debates are normally only held if the political groups agree. The socialist group did not sign the motion for a resolution, not because it was opposed to the motion, but because it considered the question raised in this motion important and worthy of preliminary discussion.

The socialist group considered that this question had been dealt with in a motion for a resolution signed by all the groups at the last part-session of the European Parliament, which was referred to the Political Affairs Committee. This motion stated that the European Parliament would ask the appropriate committees to present reports in the near future on all the questions raised by the new trend in relations between the Community and the United States.

<sup>1</sup> OJ C 49, 28. 6. 73.

**Vals**

As I said, all the groups signed this motion. The Political Affairs Committee was asked for an opinion, and appointed a rapporteur who will report on the subject at the July part-session.

I do not want to go into the question of whether there is any ulterior motive, but I do find it somewhat surprising that this question is being debated this morning, after we have voted at the beginning of the sitting. Because of the way in which we work, I was detained at my group's meeting and I admit that the fault is partly mine, but I repeat, the way we have to work is also a serious disadvantage.

Are we going to debate such an important motion at the last sitting of the part-session, with such a full agenda? My group is not prepared to begin this debate. In the circumstances, I am sorry to have to say that if this question was debated at this point and under these conditions, we would not take part. Not, I repeat, because we are opposed to the content of this motion, but because of the conditions under which it would be debated. We shall wait until July before taking a definite position on this question or any of the other questions raised.

**President.** — I call Mr Radoux to speak on this point of order.

**Mr Radoux.** — (F) Mr President, I came into the Chamber when you were opening the sitting. I do not have the French text of this motion in front of me. I obtained a copy and read it, and it was not until twelve minutes past ten that I was aware of its exact content.

If we are going to debate this motion this morning, I should say that I have seven amendments to propose: three to the form and four to the substance.

Lord Gladwyn asked you whether amendments could be proposed. As I said, I have seven, and so it seems to me impossible to finish debating such an important motion by 12.30, especially if one takes into account the way in which it has been drafted and translated.

For this reason, and independently of the statement the chairman of my group has just made, I personally feel myself unable, on political and technical grounds, to take part in the vote.

**President.** — I call Mr Fellermaier to speak on this point of order.

**Mr Fellermaier.** — (D) Mr President, shortly after 10.00 a.m., in fact when some group meetings were still going on, I tried on behalf

of my group to persuade the majority of the Members that it would be better not to have this question put on the agenda by urgent procedure. It is now on the agenda. But, since we hear from Lord Gladwyn that we can expect a string of amendments from three groups in the House, I feel bound to ask whether Parliament is really aware of its responsibility towards the European public, if it can deal so summarily with such a crucial question as the arrangements for the visit of the United States President, without giving the groups any chance to consider the political implications and formulate their standpoint. This is not a question of making practical arrangements for the American President's visit. It is a question of fundamental political attitudes. The groups which have created this situation by using urgent procedure must be held responsible for the consequences.

The Socialist Group has its own sense of responsibility and wants no part of this kind of parliamentary game.

**President.** — I call Mr Kirk on behalf of the European Conservative Group.

**Mr Kirk.** — Further to the point of order that has been raised, I must admit that I am not the principal author of this resolution. Herr Lückner is not here; he has had to leave for Bonn—but perhaps I should try to suggest a way out of our difficulty. Although I should not have thought that there could be anything in our resolution to which most Members of this Parliament could take exception, obviously we have a problem. If Mr Radoux puts down several amendments, we will not be able to deal with the matter today.

So, if our colleagues in the Socialist Group would agree, might I suggest that we formally send the resolution to the Political Affairs Committee and ask it to report back at the next meeting in July? If we do that, will that get over the problem?

(Applause)

**President.** — I call Mr Dewulf, on behalf of the Christian-Democratic Group.

**Mr Dewulf.** — (NL) Mr President, on behalf of the Christian-Democratic Group I am pleased to support the proposal put forward by Mr Kirk; at the same time I would like to explain briefly to the Socialist Group the present state of affairs with respect to this motion for a resolution.

It has never been the intention of the tablers of this motion to disregard in any way the report which the Political Affairs Committee must draw

**Dewulf**

up on the whole question of relations between Europe and the United States of America, and which will presumably be on the agenda in September.

Our intention is simply that Parliament should record an immediate response to what the Council had to say yesterday in Luxembourg about the way in which the Community is preparing itself for the forthcoming visit of President Nixon and bring this response to the notice of public opinion. That is our only concern. There is no question of any kind of manoeuvre against one group or another. We are simply conscious of our parliamentary responsibility and, as Mr Kirk has said, we wish to conduct a face-to-face debate in July with the Council and the Commission on the actual preparation by the Community and the Member States for their dialogue with the United States in view of President Nixon's visit. That is the intention. If there has been a misunderstanding it must now be a thing of the past. All the groups have been informed of the initiative and its import for three days now.

Having said this I would like to associate myself with what Mr Kirk has said.

**President.** — I call Lord Gladwyn.

**Lord Gladwyn.** — I entirely support Mr Kirk's proposal that this resolution should be referred to the Political Affairs Committee. That seems very good sense, in the absence of any of our French friends. It is obvious that we should try to get them in on this. There are no French subscribers to the resolution, and they are not present, so the matter should be put off. I hope that it will be.

**President.** — I call Mr Jarrot on behalf of the EDU Group.

**Mr Jarrot.** — (F) I second Mr Kirk's proposal, because—while we agree with the objections raised by our Socialist colleagues—we consider that a motion of such importance should be referred to a committee.

**President.** — I call Mr Behrendt.

**Mr Behrendt.** — (D) Mr Kirk's proposal has solved the problem. On the other hand, if we had kept to normal parliamentary procedure, such a proposal would not have been necessary. Just to put the record straight, may I say to Mr Dewulf: you said you drafted this resolution on the basis of yesterday's Council meeting. In fact the Christian-Democratic Group drew up this motion for a resolution in its meeting the

previous week, not after yesterday's Council meeting.

**President.** — I call Mr Giraudo, chairman of the Political Affairs Committee.

**Mr Giraudo.** — (I) Mr President, as chairman of the Political Affairs Committee I wish to intervene to make it clear, on the procedure level, that there is not only a difference in purpose between this motion and that approved during the last part-session, but also a difference in time; in fact, we foresee that it will not be possible to discuss Mr Fellermaier's report in Parliament until the month of September, in view of the fact that this topic will be brought up with the Commission's representative, Mr Cheysson, only during the month of July.

However, as regards this motion, which refers not so much to the negotiations with the United States as to the Community body which is to conduct the negotiations (therefore we are dealing with an internal Community problem which must be resolved before Autumn), this resolution, as I was saying, can be discussed during the July part-session without prejudice to discussion of the Fellermaier report.

**President.** — I would refer Mr Vals to the statement made by Mr Radoux. This matter was put to the vote at twelve minutes past ten. He therefore cannot contend that it was in any way prearranged. As President, I have merely followed the Rules of Procedure. I can tell you myself that we held back the opening of the sitting until as many as possible of Mr Vals's political colleagues were present.

I call Mr Vals on behalf of the Socialist Group.

**Mr Vals.** — (F) Mr President, I am grateful to you for the additional information you have given me on the time and I am quite prepared to respect your attitude to the socialist group, but I think that this is not really the problem.

I am grateful also to Mr Kirk for his proposal, which we are quite willing to support.

Finally, I should like to make it clear to Mr Giraudo that it is not the content of the motion to which we are opposed, and it had to be stressed that this is not the problem that will be debated at the September part-session. That is why, after the debates we have been having since Monday, I thought, in my innocence, that the motion would be tabled with an urgent request for it to be referred to the Political Affairs Committee.

It was not this point that was in question this morning, but the initiation of a debate, and this

**Vals**

was what I was objecting to. We have now reverted to the normal procedure; the motion will be referred to the Political Affairs Committee, a report will be made on the question in July and we will be able to debate the matter properly. I therefore have no further objections.

**President.** — I call Mr Radoux.

**Mr Radoux.** — (F) Mr President, you were kind enough to recall that I said I was not aware of the content of the motion until twelve minutes past ten.

I made this comment because I wanted to stress that it is absolutely impossible to come to a decision on such an important text in the short period between 10.12 a.m. and noon. Following my remarks on the amendments, my French-speaking colleagues who have read this text agreed that at least three of its paragraphs are totally unreadable.

**President.** — I call Mr Dewulf.

**Mr Dewulf.** — (NL) Mr President, the Christian-Democratic Group has stated consistently and clearly that this motion for a resolution should simply be presented today in accordance with the usual procedure and subsequently referred to the Political Affairs Committee.

**President.** — I put to the vote the proposal to refer the motion for a resolution tabled by Mr Lückers, Mr Kirk and Mr Achenbach to the Political Affairs Committee.

Are there any objections?

That is agreed.

*9. Directive on implementation of Council directives on agricultural structure reform*

**President.** — The next item is a debate on the report drawn up by Mr Frehsee on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a directive on extending the time limit for implementing the Council's directives of 17 April 1972 on the reform of agricultural structures (Doc. 84/73).

I call Mr Frehsee, who has asked to present his report.

**Mr Frehsee, rapporteur.** — (D) Mr President, ladies and gentlemen. It has taken years of intensive effort on the part of the Community institutions and this House to establish the com-

mon agricultural policy by a common policy for improving agricultural structure.

Two years ago in April 1971 a resolution was adopted here introducing a common policy on agricultural structure—a move of considerable significance—and a year later, in April 1972, three directives on improving the structure of agriculture in the framework of the Community were issued. These were Directive No 159 on the modernization of farms, known as the directive on modernization; Directive No 160 'concerning measures encouraging the cessation of farming and reallocation of utilized agricultural areas for purposes of structural improvement'—this was the directive, you will remember, which introduced grants to farmers retiring from farming or releasing their land, which incorporated social benefits and sociopolitical measures in the agricultural reforms—and, thirdly, Directive No 161 on 'the provision of socio-economic guidance for and the acquisition of occupational skills by persons engaged in agriculture'. These directives on the reform of agriculture structure, which came into force on 17 April 1972, stipulate that the Member States will within a specified period of time, namely one year, take the measures necessary to comply with the provisions of these three Community directives. The procedure depends on the nature of the directive which is—I quote the definition in Article 189 of the EEC Treaty—'binding, as to the result to be achieved, upon each Member State to which it is addressed, but shall leave to the national authorities the choice of form and methods'.

The Council had decided on the relatively short period of a year for these Community provisions to be translated into national laws, because it was universally recognized that measures to improve agricultural structure were urgently needed. The required procedure, Mr President, is for each Member State to have drawn up within a year, that is by 20 April 1973, the laws, regulations and administrative provisions it proposes to adopt to implement the directives in accordance with the forms laid down by its own national legal system and to forward them to the Commission. The Commission must then examine these provisions to determine whether they comply with the aims of the three directives on agricultural structure, after which the Member State, bearing in mind any comments made by the Commission on the basis of proposals from the standing Committee on Agricultural Structure—which has also been set up—must bring these provisions of national law into force according to its own constitutional legislative procedures. This entire procedure should have been completed, as has already been said, by 20 April 1973.

**Frehsee**

Mr President, it has not been completed. Not one of the Member States has been able to comply with the requirement of the directives by 20 April this year. This is in part due to the highly complex nature of the matter and the complicated procedure required—and we must admit, rightly so—by the directives, as also to the expertise which had to be called in to ensure very accurate legislation for implementing these directives. Whatever the reasons, the fact is that not one of the Member States of the Community has been able to carry through the necessary measures in the time-limit laid down, that is by 20 April. Here I should like to say a word in praise of Italy which is the only Member State to have managed to introduce a bill complying with all three directives. Other countries have put forward partial proposals for consideration, but which have not yet been made law.

Mr President, your Committee on Agriculture has discussed the proposal from the Commission for extending this time limit until 31 December 1973—this is the object of the directive which is to be voted on now—. It has studied this proposal carefully and I must say at this point that the Committee on Agriculture has very much regretted the Commission's delay in forwarding the proposal for this extension. The time limit expired on 20 April. The Commission put forward the proposal for extending it only on the 8 April. The Council wrote to you Mr President, with the Commission's proposal, on 16 May, asking you for an opinion. You, Mr President, forwarded this proposal on the same day, 16 May, to the Committee on Agriculture. The Committee on Agriculture examined it no later than 22 May in its next meeting in Rome; and today, 7 June, that is just a few days later, Parliament is being asked to vote on it.

The Committee on Agriculture regrets that it was not asked to deliver an opinion earlier and it deplores most strongly the fact that the Commission was so late in proposing the extension to the time limit, not for formality's sake, but because it has created a legal vacuum: after 20 April one cannot be sure that the three directives, especially in regard to their effect on the EAGGF, have full legal validity. It is for this reason that the Committee on Agriculture has asked me to express its regret in the strongest possible terms.

Now, Mr President, the Committee on Agriculture has, of course, considered all the other questions connected with this proposal and has submitted to you the results of its deliberations in this motion for a resolution. In particular, it has considered whether the proposed extension to 31 December will be long enough. However, it does not want to submit another proposal, but

has decided to keep to 31 December as proposed by the Commission. It was not in a position to judge whether the Member States would at least be able to comply with the requirement of the three directives by the new dead-line. Neither could it know precisely what stage the Member States have reached so far. It has not examined this closely because each of the three directives stipulates that the Commission is to submit a report before 1 August this year on the implementation of these directives, the stage reached in the work of the Member States and the stage reached in regard to the passing of the necessary laws, regulations and administrative provisions. The Committee on Agriculture, Mr President, is counting on the Commission adhering strictly to this deadline of 1 August in producing its report, which the Committee on Agriculture would very much like to have had for its meeting. In view of the fact that this report can be expected in the near future, the Committee on Agriculture has decided not to hold a full debate now; also because of the pressure of time and because it is anxious to help fill the legal vacuum which I have mentioned as soon as possible.

Mr President, the Committee on Agriculture has also refrained from requesting a general discussion of the measures for improving agricultural structure, because the Commission's report which it should receive by 1 August will provide the basis for further discussion of this whole matter and related Community measures. The Committee on Agriculture would like to ask Parliament to agree to this. We should not hold a debate on agricultural structure when this report is going to provide an appropriate occasion for that later. This does not mean, however, Mr President, that we should question the basic principles of agricultural structure in the Community as they were originally set out.

The Committee on Agriculture is anxious to stress that there is no need for the basic principles of the common structural policy to be discussed further; this does not, however, rule out the possibility that adaptations may be called for on the basis of the Commission's report in accordance with the agreed principles. Finally, Mr President, I am asked to point out, as is mentioned in paragraph 3 of the Resolution, that the Committee on Agriculture takes it for granted that in so far as a Member State has already adopted measures implementing the provisions of the directives, these should come into effect immediately. I am thinking here of the legal vacuum which I have already mentioned. Member States which may already have adopted certain measures must not suffer from any delay.

Mr President, this is the end of my report. On behalf of the Committee on Agriculture I ask

**Frehsee**

the House to adopt this motion for a resolution and so approve the directive.

**President.** — I have two more speakers listed on this report, but first I should like to raise two points.

Might I ask all Members to keep their questions as short as possible, so that we can complete the agenda before 1 p.m. for the benefit of those Members who have requested that we do so.

The second point concerns deadlines. Because the deadlines are so close at hand, a number of reports on agriculture have been placed on today's agenda. Mr Frehsee has stated that the Commission and Council submitted certain documents to us too late. I shall therefore repeat what I said yesterday to the Presidents of the Council and Commission on behalf of Parliament, that when Parliament, the Council and Commission work together, it is not only Parliament which must take deadlines into account; these must also be observed by the Commission and Council. The Commission and Council are always better informed about deadlines than we are; they know the dates by which new proposals must be made.

I therefore urge those Members of the Commission who are present to do what they can to ensure that, whenever necessary, the relevant documents are issued a month in advance. I would be grateful if Mr Lardinois could reply to this request.

I thought it important, also bearing in mind what Mr Frehsee said, to repeat this statement in Parliament.

I call Lord St. Oswald.

**Lord St. Oswald.** — I had expected, most reluctantly, to find myself having to make a somewhat substantial and elaborate speech on this item explaining the impossibility for the British Parliament to provide legislation to meet even the new date of 31 October. This would have had nothing to do with any difficulties over the terms and conditions contained in the original Directive No 84/72, but it would have required from me some explanation of the British legislative procedure—bills passing through all their stages in both Houses of Parliament.

To my relief, I have no doubt to the relief of the House and in particular to your relief, Mr President, this will not be necessary, owing largely to the fact that the existing relevant British legislation is sufficiently closely consonant with Directive No 84/72 that these adaptations can be made fairly simply and more

economically in terms of time than had appeared in the first place and within the time-limit contained in the present directive.

As is fairly well known, the United Kingdom is relatively well placed in the matter of farm structure—though by no means perfectly—relative to our partners in the Community. Moreover, the trend in Britain is improving, though not as fast as we would like.

Today it is sufficient for me to express the hope that this directive, when implemented throughout the Community, will further expedite this desirable trend.

**President.** — I call Mr Cipolla. I hope he will be as brief as Lord St. Oswald.

**Mr Cipolla.** — (I) Mr President, I shall be very brief: it is quite clear, in fact, that this discussion is futile because, as the rapporteur has very wisely said, a directive is being submitted to us on things which have already been done. It has been pointed out that deadlines have not been respected; that the Council has already made its own decision with regard to the extension of the deadline and finally, that countries which should have put forward proposals pursuant to these directives have not done so.

At this point I do not see what purpose is served by this document, except that it serves to show in how little esteem our institution is held. I propose therefore to my colleagues that in this very important and delicate matter, which has from 1968 up to the present time given rise to numerous discussions and publications, we should not approve this directive today but that we should await the Commission's report, after which we, as Parliament, will make our own observations.

This is the only proposal I wished to make; any further contribution to the discussion seems to me to be futile.

**President.** — I call Mr Lardinois.

**Mr Lardinois, Member of the Commission of the European Communities.** — (NL) Mr President, I should like to begin by thanking the rapporteur, and with him the Committee on Agriculture, for the fact that they have complied with the request of the Commission and the Council to report on this subject as soon as possible. They have in fact thus set an example for the Commission and the Council in this respect. I would like to subscribe to Mr Frehsee's remarks on this point. I did want to go into the matter in greater detail but he has already sung the praises of the Committee on Agriculture.

I would like to offer a further justification for the fact that the matter must be postponed.

**Lardinois**

Firstly various Member States, over a year ago, not only underestimated the legislative work which had to be done at a national level, but also—and this is much more serious—underestimated the difficulties inherent in the creation of new services and authorities made necessary by this directive, and which must be created in the various member states before the directive can in fact be put into effect.

The result of this has been that in only two countries, the Netherlands and Germany, could the directive enter into force before 20 April. In the other original Member States the relevant draft proposals were submitted before 20 April, but in view of the period required for consideration by the organs of the European Commission and of the Member States, the procedure could not be completed in time for all the countries.

Added to this there is also the fact that the new Member States, which have been subject to the agricultural policy since 1 February, also had to be included and the date set for them was also 20 April. Of course these countries were somewhat less well prepared than the original Member States which had already discussed the matters involved intensively in the past and which have thus had much more time to prepare themselves. However I hope and expect that the legal and other procedures which still have to be completed and the creation of the organs required in all nine Member States will have been achieved by the end of this year.

I do not wish to speak at length here on the state of affairs in each of the individual Member States. I believe—and I am pleased to associate myself with the remarks made by Mr Frehsee—that the report on this matter which we are due to bring out before 1 August will contain sufficient information on the particular situation in each of the Member States. The report will therefore be devoted this year principally to this matter, and not, as will be the case in the years to come, to the tangible effects of policy on the structure of agriculture, with information about the number of applicants etc. Thus the report which will appear by 1 August will be different in character from the reports which we shall be drawing up in the coming years on progress in improving the structure of agriculture. As Mr Frehsee said, this year's report will be mainly concerned with the progress of legislative activities in the various Member States. I gladly promise to submit this report to Parliament by 1 August.

Mr President, it goes without saying that those Member States which have kept to the deadlines and which also commenced activities within the period prescribed should not suffer the slightest disadvantage from the fact that other Member

States will be somewhat later for various reasons connected with recent accession or more complex parliamentary procedure. There is no question of their being at a disadvantage because of this.

I wish to thank Lord St. Oswald for his positive assessment of the structure policy. I believe that I have already provided an implicit reply to Mr Cipolla in my reply to the rapporteur. I am definitely not of the opinion that anything abnormal can be read into this procedure. On the contrary it is my opinion that especially hard work has been done during the last year in the various Member States.

The only thing which I would be prepared to call unusual in this whole matter, and for which I as Commissioner most responsible would like to offer my apologies, is that we were late in instituting this procedure with the Council and the Parliament. That is true but I hope that the extenuating circumstances which could be claimed, namely the appointment of a new Commission and new organs and the overburdening, particularly on the agricultural policy front, in the months of March and April, may lend more credence to my apologies.

**President.** — Does anyone else wish to speak?

I put the motion to the vote.

The resolution is adopted.<sup>1</sup>

*10. Oral Question No 53/73, with debate,  
on agricultural surpluses in the Community*

**President.** — The next item is Oral Question No 53/73, with debate, put by Mr Fellermaier on behalf of the Socialist Group to the Commission of the European Communities, on agricultural surpluses in the Community, which is worded as follows:

During the last few weeks and months the Commission has repeatedly been telling Parliament and the general public that it intends to submit proposals to the Council on the reform of agricultural policy.

1. Is the Commission also including in these proposals measures designed to rule out in future surpluses that have to be subsidized? In this connection we have in mind in particular the recent decisions in the agricultural sphere which will mainly affect milk and dairy products. Does the Commission share the view that the financial burden which this places on the European taxpayer can no longer be justified?

<sup>1</sup> OJ C 49, 28. 6. 73.

**President**

2. When will the Commission announce to the European public its proposals for preventing in the future over-production in the agricultural sphere?

I call Mr Fellermaier to speak to his question.

**Mr Fellermaier.** — (D) Mr President, ladies and gentlemen, my political group is deliberately raising this question of surplus production through someone who is not a member of the Committee on Agriculture in order to make it clear that we have here a grave European problem covering the entire range of policy. The European agricultural market with its unceasing surplus production is more and more becoming a grave, Mr President, in which vast amounts of the taxpayers' money are being buried.

In the May topical debate, the Commission tried to spread the mantle of Christian charity over that strange butter deal with the Soviet Union, which in fact has made no change in the dairy products market situation. It has all left a bitter taste in the mouths of the people of Europe. I think that colleagues from all countries, whether from the large cities or from the rural areas, will bear me out when I say that popular criticism and bewilderment was reflected in a widespread wave of indignation—indignation not only over the deal itself but also over the fact that, in spite of it, the butter mountain is still continuing to grow. It is true that it has shrunk for the time being but we know from the predictions of the experts that we in the European Community will probably be sitting on 500 000 tons of butter again this year.

The Commission must be reproached for continuing to pile up these mountains in front of itself, while knowing full well the impossible position on the surplus market in Europe. It must take the blame jointly with the Council of Ministers for the fact that the citizens of Europe are slowly beginning to have doubts as to whether the Community makes sense, since it is becoming clearer every day that the Community cannot cope with the agricultural surpluses and that it is still relying too heavily on price-fixing strategies to try to deal with the problem.

I ask, Mr President, how stability is to be brought about in the milk and dairy products market when we not only raise the price, as in the most recent decisions on agricultural prices, but also go on believing at the same time that each country can be allowed to put the same quantities or even greater quantities of these products on the market. The concrete question to be put here and now to the Commission is this, and there must be no attempt to evade this question, Mr Lardinois: How much butter is

actually in storage at the moment, including the 160 000 tons to be brought into the Community from New Zealand this year, according to contract?

The second concrete question, Mr Lardinois, is this: What will be the cost, per kilo of butter, to the European taxpayer of the surplus production, when it must be disposed of?

To this, Mr Lardinois, I might add a further question: How much of the total cost is in the form of storage and freight charges, which are coming to play an increasingly important part?

To put the question in another way, would it not be actually cheaper to pay the farmer who no longer keeps cows and can no longer therefore contribute to the formation of surpluses, a certain allowance for a certain longer period of time while he is changing his system of farming. There are experts in prominent places in Europe who state, cynically no doubt, but there is a certain grain of truth in it, that it would be cheaper in the long run for the European taxpayer to have the milk poured down the drain than to have to dispose of butter surpluses over and over again by sales at giveaway prices on the world market. The Commission cannot seriously mean to claim that measures taken hitherto have brought about a radical improvement in the situation; there has been a partial improvement in that some quantities were disposed of, but basically there has been no improvement. On the contrary. Those who have had to suffer most for this wretched situation in the Community are the consumers on the one hand, who have had to pay high prices, and the farmers on the other, who have been made public whipping-boys for a mistaken policy, for which the Council is mainly responsible. Furthermore, those who have really profited by the whole thing are still lurking in the shadows. They are the importers and exporters, Mr President, they are the owners of refrigerated warehouses and the hauliers. They have all made money; it is they, and not the farmer, who have exploited the whole system; they are sitting pretty. It is they who are, in a manner of speaking, taking the money out of the taxpayer's pocket.

But it is not only in dairy products that we have the problem of surpluses; we have it also in other areas, such as cereals, and it has not yet been solved. Let us not deceive ourselves. It may be true that there is a worldwide scarcity of cereals at the present time, but we know that this scarcity has been quite deliberately created by worldwide speculation and by manipulation of goods and delivery deadlines—why, every taxi-driver in the United States can tell you all about these speculations! It would be no trouble to reel off numerous such examples in a debate of this



**Fellermaier**

kind. What is necessary here and now, however, is that the Commission should show itself in its true colours before the people of Europe and say straight out whether the proposals it has announced for the reform of the agricultural market are to be just an attempt to doctor the symptoms or whether, Mr Lardinois, the major operation which we are urging is about to be performed.

We Socialists in the European Parliament urge the Commission to show that it has the courage to smash, by means of its proposals, the vicious circle of surplus production, which has become a thorn in the side of the people of Europe. Gird yourselves for the fray, gentlemen of the Commission! You will have the full support of Parliament in your endeavours to ensure that the Council of Ministers is no longer a place for haggling over agricultural prices every year after the fashion of Oriental carpet-sellers, a place where there is no evidence of the common responsibility which should animate meetings of a European Council of Ministers and where in fact the indications are that the spirit of nationalism is making itself more clearly felt in these negotiations with every passing year.

We expect the Commission, acting with boldness and a spirit of responsibility, to formulate its proposals more precisely, so that the Council of Ministers will finally be compelled to do something that is long overdue, namely, to reform the agricultural market, so that it is no longer a source of loss to the consumer without conferring any real long-term benefits on the European farmers. If, however, you, Mr Lardinois, fear that the proposals, which you have told us you are about to submit to the Council, will be possibly sabotaged once more, then you must not only let the people of Europe know about this but you must also, gentlemen of the Commission, take your courage in your hands and resign, if necessary, as a protest against the attitude of the Council of Ministers, which keeps putting off the task of tackling this problem!

**President.** — I urge all those who still wish to speak to be as brief as possible. Not only our German colleagues wish to leave at 1 p.m.

I call Mr Lardinois.

**Mr Lardinois, Member of the Commission of the European Communities.** — (NL) Mr President, the best thing we can do about dairy produce surpluses is to render full justice to European agriculture's best product—milk. If the European were to drink less soft drinks and beer—to mention only the less pernicious beverages—it would certainly benefit his health. Milk, Mr President, is the best drink there is.

Surplus is a relative concept. Surpluses are an economic problem. They are the result not only of a certain level of production, but also a certain level of consumption, while some influence is also exerted by trade policy.

I would like to emphasize the fact that a conscious trade policy formulated by us is also of consequence for the cost of the common agricultural policy. On its own, and on the basis of purely intellectual reasoning, it is naturally anything but logical that the raw materials of the dairy industry should be taxed in the agricultural system while the substitute products are in fact free of tax, in view amongst other things of the interest of trade policy and of the consumers who play a very considerable role in this matter. If then at a certain point in time—which occurs only too often—it becomes apparent that the two are not in harmony with each other on the market we must consider not only the negative aspects; we must also realize that for one reason or another, we purchase other things which are doubtless of exceptional significance during a period of inflation and which may justify a special sacrifice on our part both with regard to the developing countries and to the United States of America as a large exporter of vegetable fats and oils.

Mr President, the foregoing is intended to provide background information. I would not like to give the slightest impression that I am satisfied with the situation, especially with the butter surpluses. It is my opinion that the butter surpluses constitute a most delicate problem although I would not go so far as to say that none of the butter should be allowed to keep in cold storage.

Mr Fellermaier spoke of a reserve of 500 000 tons at the end of this year. This is a possibility but I would like to inform him that there would be a shortage if reserves were less than 250 000 tons; supply lines would run dry and butter prices would rise because of the shortage. We must therefore be careful to define what should be understood by reserves.

A reserve of 500 000 tons is a normal trading reserve which is an absolute prerequisite for normal consumption. If I speak of surpluses or possible surpluses these have, therefore nothing to do with normal trading reserves. If it were the latter I meant then I would be creating an atmosphere contrary to the community agricultural policy, which would be an irresponsible thing to do.

Obligations written in to contracts make it absolutely necessary to maintain minimum stocks of commodities including butter in various

**Lardinois**

Member States. For example a country such as Germany needs a stock of almost 50 000 tons; a lower quantity is not permissible in view of obligations towards Berlin, NATO, etc. These minimum stocks are thus also included in the figures. So when we speak of surpluses we must not include normal trading reserves. We must only be watchful of what exceeds the normal trading reserves; otherwise we are only going along with the popular press which likes nothing more than to agitate against our common agricultural policy.

This agricultural policy is in fact the only Community policy which is fully effective for the producers, consumers, food industry and for trade policy, with all the related advantages and disadvantages; this policy was created with great difficulty by our predecessors.

The European Parliament may expect more far reaching proposals from the Commission to create a better relationship between supply and demand in the very difficult sphere of dairy products and in particular butter-fat. This does not mean that there will be no further surpluses in the future once the Council has accepted them, but we hope that despite the influence of variations in weather and things of that nature we can build in to our common market a number of factors which will enable such fluctuations to be absorbed by adjustments during the year. The structural element contained in this—in my view the reduction of butter consumption is one of those structural elements—must be counter balanced by other measures.

Regarding all the other products such as grains, sugar, olive oil, etc., I can only say that at present there is a shortage rather than a surplus. I thus contemplate no surplus problems in the future for these products, particularly for grains. I do see the necessity for more extensive building up of reserves, but as part of a voluntary policy, perhaps at international level. I am also aware of the imbalance in grain production. In fact we cultivate too little fodder grain and too much wheat. This is an exceptionally complex problem which has not yet been solved within the framework of the common agricultural policy. I believe that we must come forward with fairly far-reaching proposals to provide a solution to this problem, if not next year, then in a few years' time.

I regret of course that the Council was not able to accept fully the original proposals of the Commission. However the Council did accept part of the proposals enabling the price of butter to be reduced this year for the first time. In the past the Commission attempted this continually—Mr Mansholt tried four times—without success. I for my part am glad that the Council

has progressed further this year than ever before on this point.

A number of other measures have also been taken, including the one to which Mr Fellermaier referred, viz, grants to farmers anywhere in the Community who change from milk production to meat production. It will of course take some time before this measure becomes fully effective; these grants are made not for one year but for four years, and this in my opinion provides an answer to the point made by Mr Fellermaier.

Mr President, I would like to say that we should consider the problem of surpluses soberly. We must not avoid our responsibilities, but the prime task of European agriculture is to contribute to food supplies.

In the sixties we lived in the shadow of an almost permanent threat of surpluses and the resultant costs. We believed that the problem of shortages would never be a matter of concern to the rich European. I am not a pessimist, nor do I believe that the problem is upon us, but I would like to draw the attention of the Parliament to current shortages of raw materials on the world market, or at least shortages of new supplies of raw materials. I do not mean to say that there are no more raw materials, but owing among other things to the influence of the absolutely chaotic monetary situation there is, I think, enormous speculation. Owing partly to this it would seem absolutely imperative for us not to sell any more grain or sugar to third countries. We have to import all our supplies of soya beans, and pay five times as much for them on the world market as was the case a year ago. There is no longer a prohibition on rice exports. We are experiencing great difficulties with the provision of supplies of olive oil.

In this situation I personally do not consider it a bad thing if we have more of some products than usual. However I do concede—and I say this with genuine conviction—that if the butter problem is not solved by the common agricultural policy within the next few years, I would find this not only regrettable but also humiliating for all our institutions, the Commission, Parliament and Council.

IN THE CHAIR: MR DEWULF

*Vice-President*

**President.** — I thank Mr Lardinois for his comprehensive answer.

**President**

I call Mr Frehsee on behalf of the Socialist Group.

**Mr Frehsee.** — (D) Mr President, I fully agree with Mr Lardinois when he says that one must consider surpluses soberly. The official specially responsible for agricultural policy must do that; he must consider surpluses soberly. But the butter surplus problem has now become particularly acute with the dumping of 200 000 tons in the USSR and it must be said that not only parliamentarians in general but also, the parliamentarians in particular who are specially concerned with agricultural policy in particular are affected by this awkward problem and that they must look for solutions. Much as I understand Mr Lardinois when he suggests that the problem is very acute in this particular area, while in other areas there is scarcely any cause for concern, I must nevertheless point out that in the case of common wheat, too, there is an excess of 11 million tons and the conversion is causing difficulties, and that even in the case of barley there is a surplus of 2 million tons while 1.3 million tons more sugar are consumed than are available here, and that all this is costing the Community 3 milliard units of account a year. We must bear this in mind when we make our political decisions.

Why has this problem become acute? We have at the present time a total of about 480 000 tons of butter in the cooling houses and in private stocks. And Mr Fellermaier rightly pointed out that this quantity might possibly increase to over 500 000 tons—the experts speak of 550 000 tons—by the end of this year. We shall thus have such an enormous mountain of butter, Mr President, that the cooling-houses will no longer be able to accommodate it by the end of the year. Unless drastic measures are taken, the cooling-house capacity of the European Community's Member States will be unable to deal with the enormous supply of butter this autumn.

Now, there are three reasons for this situation; first, the growing supply of milk-cows—which in the past year has increased to 451 000 in number—second, increased milk yields—which per se, as far as agricultural productivity is concerned, is desirable—of 85 litres of milk per cow per year and third, the decline in consumption rightly mentioned by Mr Lardinois, which fell by about 10% during the second half of last year. All this led to the high surplus.

In the meantime we have passed agricultural price resolutions which operate in conjunction with recent favourable growth conditions. A little while ago we had a considerable pasture shortfall and we immediately had a decline in milk deliveries to dairies; but this has since been

made up. As a result of the agricultural price resolutions that have been passed and the increase in the quantity of skimmed milk powder that can be expected to follow them, we have a considerable surplus situation in all areas.

One might now ask, Mr President, what can be done about this. Mr Lardinois has referred to actions to bring down prices. I should like to say, purely objectively, on behalf of my party that such actions still appear inadequate to us. If we look at this year's statistics for January to March, we see that we have 62 000 tons of butter. I need only compare this figure with existing supplies of 480 000 tons and with the anticipated surpluses of 550 000 tons to reach the conclusion that 62 000 tons is a very small quantity and to follow that by calling on the Commission to consider making even stronger efforts to bring down prices. The non-marketing subsidy to which Mr Lardinois has referred will, as he said himself, only produce the desired results in a few years' time; they will not, however, solve the acute and burning problem. I also fear that the consumer subsidy of 10 units of account per 100 kilograms, which was introduced in connection with the agricultural price resolutions, will not have any effect in the foreseeable future and will operate slowly. The same is true for the redeployment bonus. These are just some of the measures which have been taken to master the problem. This redeployment bonus will in any case only prove of value in a few years' time.

A new cow-slaughtering programme is now being discussed. It can be said that this programme has had some little success in my country and it is only to be regretted that it has not been implemented in other countries on the same scale as it has been in our country. I am fully aware that, in view of the beef shortage such a programme is of course problematical. But we already have an increase in beef supply, so that such a programme should perhaps be discussed again in the not too distant future with a view to dealing with this extremely difficult problem. But I might also say that we should do our utmost this time to promote uniform action in all the countries of the Community, for the trouble with the last programme was that uniform action was not answered.

Mr President, allow me,—I really shall be brief—just a few more basic observations concerning the new agricultural policy announced by the Commission and soon to be submitted to the Council of Ministers. I personally am convinced that within the framework of this new agricultural policy, we should not only be thinking about price policy measures and we cannot only promote sales but rather that we should now actually reduce production in certain areas and

**Frehsee**

possibly suspend production promoting assistance existing in various countries, and even, perhaps, Mr Lardinois, ban all such aids to production.

I therefore share the opinion of Mr Fellermaier that the Commission will have to summon up courage, in developing the new agricultural policy concept, to take radically new decisions. A limitation of the present market guarantee will possibly also have to be considered and even perhaps—I am only speaking in general terms—a control on the supply of agricultural products, which, if I am not mistaken, the United Kingdom exercises on milk, up to a certain point, and which we have on a voluntary basis for eggs and slaughter poultry. I sometimes wonder why this good example has not been followed elsewhere and has not been taken up by the Commission within the framework of the stabilization fund for eggs and slaughter poultry. These new agricultural policy measures, in addition to those now referred to once again by Mr Lardinois will be needed to overcome this troublesome surplus problem.

**President.** — I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — This has been an interesting debate. I congratulate Mr Fellermaier on bringing up this subject at this time.

I have a feeling of *déjà vu*, of having been over this ground before. We are now stating the obvious, since we already know that these surpluses exist and why they exist, but it is interesting that our Socialist colleagues are now talking about them as they are. I wish that they had expressed this anxiety in April during the agricultural debate in Luxembourg.

I would say to Mr Frehsee that there is no quick or easy solution. The basis of our problems is the price structure. Back in April, we were saying that we must not raise prices and thereby stimulate production of those products in which we are in surplus or on the edge of moving into surplus. That would stimulate the large and efficient farms with the biggest opportunity to take advantage of the price rise. But at that time, I was not persuasive enough to get my Socialist colleagues to come with me along that line of thought and action. I wish that I had been, because then we would have taken the first step to deal, *au fond*, with the question of surplus.

We should think not only of the consumer but of the farmer too. He is as human as we are. He will take advantage of a high price level.

I was interested in Mr Lardinois' reply and I thank him for what he said. What we must

consider is the way in which the Commission decides on whether there is a case for a rise.

There are many small farmers in the Community on uneconomic and unviable farms. In the past, we have been trying to find a price level which would give them a reasonable standard of living comparable, so far as the Community can achieve it, with industry. This is, of course, impossible because the farms are not viable. If we are to raise the prices of dairy products and so on to a level which will bring the farmers a reasonable income, relying solely on their farms, the viable farmer on good land in the middle of France or Germany, in my country and in the Netherlands, will have a tremendous price boost and a huge incentive to increase production.

So one has to consider whether, in the price reviews in the autumn, before the Commission comes to Parliament, there is any way in which we can assess whether price increases are justified. As to the farmers who are below the level I have mentioned they must be dealt with—we cannot ignore or abandon them, but there are other methods of trying to reduce their production. One might find some method of social subsidy to keep them on the land while they were also doing some other, part-time work. But the farm income and the price review should not be the only considerations.

I wish to refer to several of the statements made by the Commissioner. Of course we have surpluses. This was highlighted by the sale of butter to Russia. It is not necessary to go over that ground again. I was just a few moments ago reading the reply the Minister gave to me last month. I am grateful to him for saying then that he did not think that deal was a good one, nor would he attempt that kind of transaction again. I trust he will not.

The point has been made that we will be running into surpluses in cereals. The Commissioner said that this is not true. However, in the Community there is not just a surplus of cereals, but a surplus of some cereals because they are the wrong type for the market requirements. It was stated that a vast amount of soya beans is being imported. Why is this? The reason is that the compounders and farmers have demanded changes in the structure of the compounds fed to pigs, cattle and poultry because of price and high-energy protein factors, and because they are not being produced where needed at an economic price.

The price level of soft wheat should also be brought either up or down to that of animal feeds. This should be done immediately. There ought to be parity in the price levels. At present

**Scott-Hopkins**

the price levels of soft wheats, as we all know, are much higher than those of the animal feeds used in farming. One of the first actions we should take is to harmonize these price levels. If this can be done within two or three years, the denaturing subsidies could be withdrawn, greatly to the advantage of the farming community. If also encouragement can be given to the production of those cereals which are required, without any doubt compounders and farmers will switch back to those cereal products that are produced economically and efficiently within the Community. The need to import will thereby diminish. I believe this matter should be examined most carefully.

This is not a new idea. As the Commissioner said, we must keep a reasonable amount of surpluses within the Community larder. That is only prudent housekeeping and there are many reasons for it. I, just as much as every other Member of the House, fear that we will run into surpluses over and above that level which will result in consumers paying twice over: first for the intervention and secondly for selling the surpluses below world market prices and the price in the Community. This would clearly be disastrous for the consumers.

The basic way to tackle this problem is first by structural change and secondly by dealing with the price structures in the annual reviews. It would also involve taking the viable farms and finding other methods to help and subsidize, if necessary on a social basis, the non-viable farms. Thirdly, as much encouragement as possible should be given to harmonization of cereals throughout the Community so that those cereal crops grown are those required.

If those measures can be achieved we can, as Mr Lardinois has said, encourage all the other policies such as switching from milk to beef and encouraging dried milk instead of butter. If a combination of all these measures can be achieved, I believe the result will be a common agriculture policy that will be efficient, will give a reasonable income to our farmers and also will establish a reasonable price level for consumers throughout the Community.

A balance between the two is, after all, our aim. I believe this can be done, but let us not fool ourselves by thinking it can be achieved in five minutes or in one year—it cannot. It may be that the Community started on the wrong foot, but that is not for me to say. However, I hope we are now going along the right road towards establishing the correct common agricultural policy for the Europe of the future.

**President.** — Ladies and gentlemen, this is beginning to resemble a general debate on

agricultural policy, and I would ask all speakers to keep to the agenda as closely as possible.

I call Mr Triboulet.

**Mr Triboulet.** — (F) Mr President, I shall be brief, although it is always difficult to claim at the beginning of a debate that one is going to be brief, when normally one is not.

In my last speech at the European Parliament, I am sorry to find myself in total disagreement with my Socialist colleagues, with whom I agree on so many other points.

The subject we are discussing is one dear to my heart, as you know, and I am therefore glad to have this opportunity of speaking about it.

We must be quite clear about this; Europe needs an agricultural policy.

There is no developed country which does not have a system of aid to farmers, and this is the great problem of our time.

We are aware that the socialist party always has the working-class consumer in mind, but the agricultural producer presents a problem of a different order; he must be guaranteed an adequate wage and standard of living.

There are two agricultural policies: the 'deficiency payment' system is the Anglo-Saxon policy, by which aid to farmers is contributed by the taxpayer, and in return prices are free to fluctuate. But aid to farmers is provided from the State budget.

The other policy, the Community policy—which I consider infinitely more sensible—consists in making food consumers in general subsidize the standard of living of European farmers.

This policy seems more equitable to me, and certainly of more social value; since aid to the farmer comes from the sale of his products, he sells his products at what he considers a fair price.

On the other hand, subsidising farmers from the State budget has always been found, at least by French farmers, unacceptable and to some extent humiliating. They prefer to sell their produce at a reasonable price.

Thus the Community chose this system, and I believe it to be a good one.

The only objection is that it can create surpluses. But this is a complete misunderstanding of the concept of agricultural surpluses.

As the Commissioner rightly said, safety stocks are essential, because nowhere is the national or international independence of the Community more important than in the food sector.

**Triboulet**

We often speak of the problems of oil and of power in general, emphasizing the need to maintain our independence in this field. But our independence in the area of food supplies is important from another point of view; it is important to ensure that whatever happens the people of Europe have enough food.

It could be argued that we are going through a period of food surplus at the moment. But how do we know what will happen in the future, even in the near future? And what provisions should be made for this eventuality? Mistakes are easy to make because the food market has a very special character; it is a particularly inflexible market, subject to drastic changes, and the need to eat cannot be put off indefinitely.

Thus there are periods when we have surpluses of food and prices slump, and others when there is not enough food and they shoot up; this is typical of agricultural markets.

For example, three or four years ago people were talking about the 'mountain' of butter. And yet two years ago everyone was wondering if there would be enough. Certainly there was a danger of shortage.

In the present social context of dairy farming, young people are no longer prepared to milk cows, and even with modern methods the work involved in dairy farming is much more onerous than with beef herds or arable farming. So it is quite possible that in two or three years there will be a severe shortage of milk and butter.

This is why Europe must have safety stocks which may in some cases seem excessive but can eventually be absorbed. You may argue that in absorbing them money is being lost—but at the same time human beings are being fed!

How is it possible for a debate like this to be going on at a time when, in my opinion, the efforts of the Community in providing food aid for the Sahel are far from sufficient. Europe's real vocation should be to give agricultural produce to men who are dying of hunger, even if this means making sacrifices.

When people talk of selling agricultural produce to the Soviet Union, do they not realize that for some years now there has not been sufficient snow in Russia? Consequently, Eastern Europe too is faced with famine in many areas.

And even at the cost of some sacrifices, we shall not be able to provide enough to eat for all the people in Europe and other parts of the world. I really think that the policy of restricting agricultural production is a scandalous policy. Europe is a great agricultural region, and it must achieve

maximum production capacity and ensure a living wage for its farmers. Apart from this, it will make the necessary sacrifices to provide food for the hungry.

*(Applause)*

**President.** — Ladies and gentlemen, in anticipation of the official tribute yet to be paid to Mr Triboulet, and on this occasion of his last speech among us here, those Members present might like to pay their own tribute to him as a politician, as a colleague, and as someone who has always worked towards European unity.

*(Applause)*

I call Mr Nolan.

**Mr Nolan.** — Like my two predecessors in the debate, I shall not say that I will be brief because, as has been said, when someone says that he is going to be brief, he usually goes on rather a long time.

I wish to refer to the butter problem as it affects Ireland. We in Ireland are concerned that there is no common sheep policy. Our farmers, traditionally sheep farmers, are turning to milk production. I ask Mr Lardinois whether there will be any draft outline of a common sheep policy available in July, as promised. This is very important.

Why is there a switch from sheep or lamb production in Ireland to milk? The reason is simple—there is no common market. We may export lamb to Paris for two months and suddenly find the market closed, with the result that our farmers cannot sell the lamb. If one is producing lamb, there is not the problem which there is in beef production. If one is producing beef, one is also producing milk and this will add to the butter surpluses. If one is producing lamb, which is good meat, one does not have the milk problem.

If we have no common sheep policy whereby we can produce lamb for sale in the European or any other market, the sheep population will be reduced in countries like Ireland and France. As far as I am aware, France and Ireland are interested in a common sheep policy. They are the two Member States with a particular interest in sheep.

I am glad to hear that France and Ireland have a bilateral agreement on the marketing of lamb. This will be a regulated market, and as both countries are Members of the EEC I hope that a common sheep policy will soon be outlined by Mr Lardinois and adopted by the Community.

**President.** — I call Mr Cipolla.

**Mr Cipolla.** — (1) Mr President, at the beginning of Mr Lardinois' speech, I was worried to see a glass of milk standing in front of him. However his speech, even if it did not set all my fears at rest, made it clear, nevertheless, that our concern is shared also by those who come from those countries whose prosperity is linked to the development of milk production and which, like Mr Lardinois' own country, have derived large profits from this first phase of the common agricultural policy.

The situation we are in today is a critical one and it will be necessary to take structural decisions within the next month, in view of the fact that agricultural policy, which had hitherto been considered the cement of the European Community, is now seen as a real disruptive force. And it is clear that it cannot continue to be so. The situation has reached a stage now where this common agricultural policy, as it has been carried through up to now, is nothing less than an obstacle to the very survival of the Community; I even seem to have got this impression from the impassioned conclusion of Mr Lardinois' speech.

Today, however, there is not only the problem of surpluses. This is indeed a serious problem, about which we have spoken many times, and I do not intend to return to the subject here; however, we have only to think of the 550 000 tons of butter which, if thrown into the North Sea, would seriously disrupt maritime traffic: just imagine for yourselves the problem they are for the Community and the cost of keeping them in cold storage.

The other serious consequence of Community policy is the shortage of certain products. At this time there is, particularly in my own country but, I believe, also in all other countries of the Community, a serious shortage amounting almost to a famine in beef, resulting in a greatly decreased consumption of a food which is considered one of the signs of prosperity.

Community policy has therefore led to surpluses on the one hand and to shortages on the other.

Neither can we ignore, in this context, the problem of the rising cost of living. If we and our Socialist colleagues dwell on this matter so insistently, my dear Mr Triboulet, (and I also take this opportunity to pay you my respects) it is because it is of interest not only to the workers (and that in itself would be sufficient reason for speaking of it), but also to the farmers. In my own country, for example, farmers produce and sell at international market prices citrus fruits, wine and horticultural products, while

every time that we meet, we must approve regulations for the import of such products from Portugal, Spain, Cyprus or Israel without customs duties. But the farmers, just like the workers, pay for other protected products such as bread, butter, cheese, sugar and so on.

Thus we see that the rising cost of living also affects the farmers, who are, for one thing, the weakest sector of the market and also have to suffer in a twofold way the consequences of rising prices for agricultural products: firstly as they, like every one else, have to pay increased prices for various agricultural products and secondly, as this price increase is reflected also in increased prices for industrial products, as is happening at present in my own country in the case of artificial fertilizers, machinery and all the rest.

It is only right therefore that when we speak of a more realistic policy, we should speak also of the rising cost of living and of inflation. In speaking of farmers, we should bear in mind that the number of farmers in the entire Community producing products other than sugar, milk and soft wheat is greater than the number of farmers producing these three products. This is the truth of the matter. Not all farmers in Southern France, Italy and the various regions of Belgium, Holland and even of Germany, are producing these products.

And this brings me to my fourth point, Mr Lardinois. The Common Market has been built up piece by piece, and this was a mistake; first one regulation was made, then another, and each one of these regulations is different from the other: there has been something wrong about the way in which these regulations and the entire Common Market policy have been promoted.

The initiative taken by Socialist colleagues therefore is a praiseworthy one: we cannot modify market policy without paying heed to the necessity for uniform regulations. We cannot, while taking measures to import wine into the Community, maintain a regulation which imposes restrictions on vine planting; all the while we are taking no measures to limit the increase in the number of milch cows. This cannot continue, as it disrupts the Common Market and shows that the principles of the Treaty have not been applied.

Finally, I should like to say that the agricultural problem is not merely one of production only; it is a problem of people, of land, it is a social problem. It is not merely an undertaking to be looked at from the point of view of productivity alone; we must also be concerned about the farmer as a man, in large regions from which the farmers are leaving and which remain there-

**Cipolla**

fore depopulated with all the loss that this entails for society as a whole.

For a long time it seemed that Community policy was designed solely to reduce the number of farmers on the land and to chase them away; while this may be possible in certain areas such as in the plains, it is not possible in other areas.

Therefore, Mr Lardinois, if we really want to put our common agricultural policy on a new footing at a time when it is under attack as a result of past errors and of the difficulties affecting the European economy and also European farmers, an attack furthermore which is aided by legitimate requests from outside the Community (because we cannot continue with a commercial policy which causes difficulties for the entire world market in agricultural products), we must guarantee certain conditions.

When we have implemented a better agricultural policy, tailored to the needs of people and respecting the food requirements and the production needs of our own country, we will have a stronger contractual position in our dealings with the United States.

I would like to recall here, so that it may be taken into account during the negotiations, that in the Kennedy round the United States was allowed to import dairy products and tobacco in unlimited amounts into the European Community free of duty and levies. But we are paying for this through the EAGGF, when we are obliged to give fixed prices to the farmers; we are paying for it with the remains of the butter, seeing that margarine is making such progress on the market. In my own country for example, great publicity is being given to Dutch margarine but not to Dutch butter. This aspect therefore must also be considered and when the day comes that we try to reduce the market price of soft wheat and of butter, we can then demand that a stop be put to the import, free of customs duties and all other charges, of the products mentioned in the Kennedy round.

We feel a genuine need for a profound change. The same structural measures cannot be applied, if we do not modify a policy which, as we have all seen, has caused serious difficulties and even endangers the very life of the European Communities.

**President.** — I call Mr Vetrone.

**M. Vetrone.** — (I) Mr President, I should like to point out first of all that the Socialist Group has certainly given great prominence to its questions on surpluses just as it highlighted this morning the importance of the motion for a resolution on the Nixon visit to Europe when

asking for its postponement. I am surprised that the President should have given over the floor for these questions, on which it was easy to foresee very lengthy debate, as they inevitably led to a review of the entire position with regard to the common agricultural policy. I feel however that we ought not to be speaking of the common agricultural policy on this last day of the part-session, especially when the agenda is already so long. I do not intend now to raise basic questions about the common agricultural policy. The problem of the surpluses is not one that we have discovered today. It was raised by Mr Mansholt during his term of office. And Mr Lardinois was obliged to say in this House, in his own very eloquent expression, that he had his fingers in the butter.

In conclusion, I must say to Mr Lardinois that, in my opinion, when we are planning a new policy for fats, these should be considered as a whole, whether they are of animal or vegetable origin. Who knows but that we might not return to a consideration of margarine and that it might not even lead to a happy ending to the butter problem!

Now, Mr President, I must remind you that I gave my support to the proposal to discuss items No 89/13 and No 90/13 first, because I had been assured that the agenda would be completed this morning. After that I would be able to present briefly my report, something which I should be prepared to do immediately, in fact, since Miss Lulling has given me precedence.

**President.** — I call Mr Lardinois.

**Mr Lardinois, Member of the Commission of the European Communities.** — (NL) Mr President, I have already made the most important points in my earlier speech.

I am sorry that Mr Frehsee did not listen to what I was saying, since he reverts to the point which Mr Fellermaier brought up earlier. He also includes the usual trading reserves in the surpluses. I would urge Mr Frehsee not to be so frivolous. If we were ever to have what he considers to be a normal situation it would be impossible to continue to provide the market with supplies. It is also nonsense—as I clearly explained earlier—to claim that there would be a lack of cooling-houses for butter this year. It is nonsense since we are talking about a Community of nine countries and there is a minimum trading reserve of 250 000 tons. The Community of Six has been able to store a surplus of 250 000 tons in cooling-houses on many occasions in the past. I am not saying



**Lardinois**

that there will not be some problems at a regional level, but I am now speaking of the Community as a whole.

And I certainly do not expect a significant surplus of powdered milk this year; there is not the slightest indication of this. As for grains, I would like to point out to Mr Frehsee and Mr Fellermaier that better balance in the grain market of the Community is entirely dependent on themselves, or at least on their party and the FDP in Germany.

If they are prepared to cooperate in the creation of a better balance between fodder grains and wheat, not only by means of a price increase but also by other means, the other eight countries of the Community would certainly have fewer difficulties.

We therefore hope to produce some proposals for the improvement of the common agricultural policy within a few months, i.e. by October. My opinion is that this requires not a new agricultural policy, but rather the formulation of a number of basic considerations for improvement of those points where the common agricultural policy at present has failed so far to provide a solution, or at least a satisfactory solution, for existing problems.

The slaughtering premiums for dairy cattle which Mr Frehsee mentioned would be acceptable to me if we had a meat shortage. The same is true of levies on raw materials for margarine. There is another side to that problem too and I presume that most Members of this House would be opposed to the application of this obvious method to solve it. I took it that Mr Vetrone and Mr Cipolla were not so very much opposed to such a solution, but I personally did think that, generally speaking, it would be a very difficult problem to solve.

I completely agree with Mr Scott-Hopkins. I need not repeat his point. I subscribe to the philosophy on which he bases his approach to this problem.

Mr Triboulet denies that there is any problem. However there definitely is a problem; he only has to look at the cost of the butter surpluses. At the beginning of last year it was negligible, but since then it has suddenly re-emerged as large as it was three or four years ago. Every kilo of surplus butter costs us at least as much again as the farmer receives for it. If the farmer is paid DM 6.50 for a kilo of butter the dairy factory, then a kilo of surplus butter also costs us DM 6.50—and we can count ourselves lucky if these are genuine surpluses.

Mr Cipolla spoke at length on the standardization of Community market regulations. I

would definitely not view this matter positively. I believe that production balance can be regulated via proprietary brands and market conditions. I do not believe that this means that all regulations should remain as they are now. On the contrary I am of the opinion that the legislation should be extended on several points. Mr Nolan asked for a common sheep regulation. This is being prepared. It is possible that a draft regulation will be submitted to the Council by the Commission towards the end of this year.

**President.** — I have no motion for a resolution on this debate.

This item is closed.

### 11. *Change in agenda*

**President.** — At the request of Mr Vetrone, who requires only two minutes to present his report, on which there is only one speaker listed, I propose that we consider his report now.

Are there any objections?

That is agreed.

### 12. *Regulation on imports of cattle and beef from Yugoslavia*

**President.** — The next item is a debate on the report drawn up by Mr Vetrone on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation on the levies applicable to imports of mature cattle and to meat from such cattle originating in Yugoslavia (Doc. 72/73).

I call Mr Vetrone, who has asked to present his report.

**Mr Vetrone, rapporteur.** — (I) Mr President, ladies and gentlemen, the non-preferential Trade Agreement between Yugoslavia and the Community expired on 30 April 1973, and as a result it has been necessary to arrange for it to be extended. In the course of the negotiations which took place in the first half of April, Yugoslavia looked for a more broadly-based agreement, extending in particular to economic cooperation. It was decided therefore to extend this Trade Agreement until 30 September.

In practice, this is only a formality, since in the meantime the Council of Ministers has extended to 17 September 1973 the so-called 'shortage' regulation. The concessions made to Yugoslavia on the basis of the Trade Agreement are less

**Vetrone**

than those which Yugoslavia can enjoy on the basis of the 'shortage' regulation, which provides for a 50% reduction of customs duties and a suspension of compensatory charges both for live animals and for meat.

Therefore, the proposal to extend the non-preferential Trade Agreement to September 1973 does not seem to afford any cause for concern. I believe therefore that Parliament may give a favourable opinion.

**President.** — I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — I welcome this report and accept what has been said in it. I have only one small question, aimed at the Commissioner rather than the rapporteur. There is a virulent foot-and-mouth disease in Yugoslavia which is going through the Greek, Albanian and Yugoslav area like lightning. Are sufficient precautions being taken, on the importation of animals from Yugoslavia into Italy—this disease could spread from there throughout the rest of the Community—to ensure that there is no increased danger of this new A2 virus spreading?

**President.** — I call Mr Lardinois.

**Mr Lardinois, Member of the Commission of the European Communities.** — (NL) Mr President, I should first of all like to specially thank the rapporteur for the favourable report he has presented on behalf of the Committee on Agriculture.

As regards the question put by Mr Scott-Hopkins, I should point out that the latest facts and figures are not available to me at the moment. I am, however, speaking from experience, acquired also in other posts than my present one, when I say that I have every confidence in the Italian veterinary authorities who are particularly vigilant in such matters. I am convinced that this will also be the case in this specific instance.

**President.** — Does anyone else wish to speak?

I put the motion to the vote.

The resolution is adopted.<sup>1</sup>

13. *Oral Question No. 26/73, without debate, on cruelty to animals*

**President.** — The next item is Oral Question No. 26/73, without debate, put by Mr Normanton

to the Commission of the European Communities on cruelty to live animals, which is worded as follows:

The Commission is asked to take note of the deep and widespread disgust of the majority of the people of the United Kingdom at the suffering caused to sheep, horses, and cattle during their transport live from Britain by sea and road into the countries of the original Six?

And will the Commission take urgent steps to draw to the attention of the signatories of the Balfour Assurances their contractual obligations and moral responsibilities, and, where the Commission consider it appropriate, initiate such measures as will bring to an end malpractices which are odious and incompatible with the high principles for which the Community stands?

I call Mr Normanton to speak to his question.

**Mr Normanton.** — As I understand it, the procedure is that where a question is tabled for answer by the Commissioner without debate, it is normally answered by the Commissioner, and I may then exercise my right to reply. Is that in accordance with your ruling, Mr President?

**President.** — I call Mr Lardinois to answer the question.

**Mr Lardinois, Member of the Commission of the European Communities.** — (NL) In our increasingly affluent society we have to face, more than ever before, the ethical and moral implications of our actions. In today's society we must clearly be mindful of such considerations, not least in regard to the way we treat animals, and especially domestic animals, on our farms. The Commission is ready to join forces with Member States' governments in fighting against all forms of cruelty to animals. This applies both to animals on the farms and in transport. Needless to say, we do not have only British animals in mind: Irish and Continental livestock are equally precious to us in this respect.

The way animals are treated during transportation is an extremely sensitive and live issue, particularly in the United Kingdom. This is a subject about which I keep on receiving letters and about which reports and articles constantly appear in the British Press, the main point at issue being the transport of animals by sea. Hundreds of thousands of animals have been and are still being shipped to England every year. This is mainly because of the historical ties with Ireland which is major source of supply of livestock, and in particular cattle, earmarked for the U.K. market.

Reference is also made to the start that has been made with cattle shipments from Britain to the Continent. This has also helped to bring

<sup>1</sup> OJ C 49, 28. 6. 73.

**Lardinois**

the problem to the attention of the British man in the street and to make us increasingly aware of it ourselves.

The Council of Europe already adopted a Convention on the matter in 1968. I hope—and I shall do everything in my power to this end—we shall see that this convention is accepted by all Member States before this year is out, so that it may be put into effect throughout the Community in 1974.

**President.** — Thank you, Mr Lardinois.

I call Mr Normanton.

**M. Normanton.** — I am sincerely grateful to Commissioner Lardinois for his sympathetic and understanding response. May I submit to him, and to all Members, that posterity will come to judge the historical significance of the European Economic Community not by its achievements in technology, not by the wealth which we may accumulate, but according to the moral standards we set and the code of ethics we follow. These criteria apply, as Mr Lardinois has implied, as much to animals as to human beings.

May I express the hope that this House will support me and millions of our constituents throughout Europe in confirming the belief that to inflict avoidable and unnecessary suffering on any of God's creatures is a heathen and uncivilized practice which must not and shall not be allowed to continue.

Would the Commissioner therefore undertake to give the House—perhaps by the end of this year, since he has outlined his thoughts—a report on the steps that he is taking in this matter and the progress that is being made towards ending these nauseating practices which he and all Members will condemn?

**President.** — I call Mr Lardinois.

**Mr Lardinois, Member of the Commission of the European Communities.** — (NL) Mr President, I have been asked a very specific question to which I will give a very brief answer: yes.

#### 14. *Directive on approximation of fertilizer laws*

**President.** — The next item is a debate on the report drawn up by Miss Lulling on behalf of the Committee on Agriculture 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 concerning fertilizers (Doc. 54/73).

I call Miss Lulling, who has asked to present her report.

**Miss Lulling, rapporteur.** — (F) Mr President, in the context of the overall programme for abolishing technical barriers to trade caused by differences in national legislation, we have been asked for an opinion on the proposal from the Commission, concerning a directive on the approximation of Member States' legislation on fertilizers.

The object of the directive is to establish the free movement of a range of simple or compound fertilizers appearing on sample lists, which, if they comply with certain clear and verifiable standards, can be labelled 'EEC-fertilizers' and distributed freely in all Community countries.

Legally, this means that the producer can put on the market either a product which can be freely distributed throughout the Community, or a product which is permitted only in the national market and subject to national legislation. It is true that this solution will lead to the juxtaposition of markets governed by different legislations, but it must be remembered that many fertilizers are only of local, or, at best, national interest, and if we want to harmonize, we must begin somewhere.

The Committee on Agriculture delivered a favourable opinion on this first attempt to approximate some of the legal and administrative regulations, and called upon the Commission to apply itself to submitting proposals in the various fields. For example, it should attempt to devise a unique standard for evaluating Thomas slag.

I do not want to go into the technical details of this proposal for a directive, but I should state that the Committee on Agriculture questioned whether the present tolerance of 0.7 applied in the manufacture of Thomas slag is realistic or whether one could consider the possibility of increasing it.

The second area in which we would like to see proposals made is the approximation of national legislation on dangerous or explosive substances. In fact, this approximation is essential because the present directive on fertilizers will permit the free movement of, for example, amino nitrate, even high-grade. However, national legislation on explosives prohibits the free movement of high-grade (for example 33 or 34%) amino nitrate, because as well as being a fertilizer it is also an explosive. This is why legislation on explosives must be harmonized as well if movement of this product is going to be absolutely free.

**Lulling**

The third area in which we want to see proposals made is the approximation of legislation on liquid fertilizers, secondary elements and oligo-elements.

We therefore believe that we must begin at the beginning, but must also carry on with our progress towards approximation. We would however suggest a few amendments to the Commission's proposal for a directive.

The main amendment concerns Article 8. We would like to see its control extended to the provisions of Annexes I and II and carried out by means of sampling and analysis based on the provisions in Article 11, i.e. in accordance with Community regulations.

In fact, if there are no Community methods of sampling and analysis, the free movement of fertilizers is likely to remain theoretical. We therefore propose, in conjunction with this first amendment, an amendment to Article 9 guaranteeing that Community regulations on sampling and analysis should be introduced not more than 12 months after the directive has been published.

We also suggest further amendments, relating to the procedures and powers of the permanent committees. This, as we all know, is the subject of a long-standing disagreement with the Commission. The Commission maintains its point of view; we continue to defend ours, which is that technical committees of experts from Member States should not be given wider powers than this Parliament. This is why we propose that the Commission should take decisions to adapt the directives on the abolition of technical barriers to the movement of fertilizers in the light of technical progress, even if the committee does not agree.

Subject to these amendments, we would recommend that Parliament vote in favour of this proposal, after which, we hope, the Commission and Council will act in accordance with the opinion expressed.

*(Applause)*

**President.** — I call Mr Scott-Hopkins on behalf of the European Conservative Group.

**Mr. Scott-Hopkins.** — A great many people manufacture fertilizers and many more use them, and to them this is a very important subject. We are dealing with it now late in the morning and have no time to go into detail. However, it is a very important subject to those concerned, although it may not be to us unless one has specialized in these matters.

I congratulate Miss Lulling on the speed of her delivery and the comprehensiveness of her written and oral reports. It is too bad that we should have to deal with a subject as important as this in such a short space of time. We cannot do it justice.

I confine myself to stating my belief that the report proposes the right thing to do. I accept the fundamental basis of the report for trying to establish a European fertilizer with safeguards. I have one or two criticisms which I shall make now as I shall not speak later when my amendments are put.

My first amendment concerns the levels of tolerance. Miss Lulling mentioned that she too was a little disquieted about the rigidity of some of the levels of tolerance contained in Annex III. I hope that the Commissioner will be kind enough, after consultation with his own experts and the industry, to have a complete review of the levels of tolerance in Annex III.

There is a great deal of disquiet throughout the European manufacturing industry on this point, and I believe that, following proper consultations and investigations through the Commission and the industry, there should be more flexibility in the matter. I accept what Miss Lulling has said about the amino nitrate high quality 33 and 34, which is in the high explosive bracket, and therefore I shall not move my second amendment.

Miss Lulling also raised a matter of principle which is embodied in the various amendments which the committee and the House propose to Article 8 of Commission's original proposals. I support her most firmly in this, and I hope that the House will also support her report in asking the Commission to act in this way.

The Commission proposed that there should be a European fertilizer properly marked, with the tolerance reasonably flexible, and with the people of the Member States able to read and understand the labelling. The Commission said that this trend should be encouraged within the Community. This is something we should all support, given the safeguards proposed not only in the Commission's document but also in Miss Lulling's report.

**President.** — I call Mr McDonald.

**Mr McDonald.** — I join with Mr Scott-Hopkins in complimenting Miss Lulling on the excellence of her report. I want to say a few words from the point of view of the ordinary farmer, who has over many years had very little control over the quality of the fertilizers he has been paying

**McDonald**

rather dearly for. In recent times, there has been a steep increase in the cost of fertilizers, which now account for a high proportion of the farmer's inputs. I think that the Commission's document comes at a very appropriate time and I welcome it as such.

There is provision in the document for joint supervisory procedures in the formal methods of sampling and analysis. There is also great need for regulation of pricing. The fertilizer manufacturing industry may feel that the larger farmers are the better customers. Nevertheless, we have to consider the small farmers who buy their fertilizer in bags, whether a bag weighs 1 cwt or 1 kg. They have found that with an average weight in the sacks they have not been getting 100 per cent what they have paid for. Since these international cartels have made considerable profits over the years, it is good that the Commission should get down to trying to strengthen the regulations so that the people at the bottom of the scale—who in agriculture are by far in the numerical majority—have a better opportunity of sitting back and relaxing, knowing that what they are paying money for will be delivered and marked as prescribed. This is important, although not as important as it was some years ago because the farming community is better educated in these matters and farmers are far more aware of the difficulties.

I thoroughly agree with what Mr Scott-Hopkins has said. He has given this matter considerable study and thought and at the meetings of our Committee on Agriculture we have gone into these aspects of the difficulties. I welcome the report and compliment the rapporteur on studying it and making it so easy for us to understand.

**President.** — I call Mr Vetrone.

**Mr Vetrone.** — (I) I shall be very brief, Mr President: I am not just saying that, I really will be brief. I wish to say to Mr Scott-Hopkins that I am glad that he has withdrawn his second amendment. I would like however to point out to him that, in my opinion, his first amendment is not likely to be put into effect. In this amendment he asks that these levels of tolerance should be revised on the basis of consultations between experts and industrial circles. But the experts have taken ten years to provide us with these proposals. To present an amendment therefore to review the entire question when ten years' work have gone into it seems to me too much. The experts have really done their best to reach agreement. Therefore it would be futile at present to insert an amendment of this kind which is in conflict with the reality of the situation, that is to say, with the fact that

these levels of tolerance have taken up ten years of consultation between experts and industrial circles, including the experts and industrial circles of the new acceding countries, as Mr Lardinois will be able to confirm.

**President.** — I call Mr Lardinois to state the Commission's position on the committee's amendments.

**Mr Lardinois, Member of the Commission of the European Communities.** — (NL) Mr President, I should first of all like to join all those who have complimented Miss Lulling on the excellence of her report. I think it will be clear from what I have to say about the amendments she has proposed that this is not just a display of gallantry towards a lady. Moreover, the fact that the Commission has reacted favourably to nearly all these proposals, not least because of the importance of the subject matter, is further evidence of the high quality of Miss Lulling's report.

The first proposal relates to Article 4. I find the amendment entirely acceptable, as it is intended to specify even more clearly the markings permitted on packages, labels and accompanying documents. This is something which everybody concerned with this particular kind of product, and especially the purchaser, can only welcome.

I can unreservedly endorse the amendment proposed to the second paragraph of Article 8.

As regards the first paragraph of Article 9, the purpose of the amendment proposed is to extend the Commission's terms of reference to include Annex III of the directive, i.e. the list of manufacturing tolerances. This is also a proposal that I can accept and for which I am most grateful.

I now come to the second paragraph of Article 9. From the legal point of view I do not consider that there is any need for the proposed addition. The work on determining a uniform sampling method and analysis techniques is already well advanced. So the amendment can be dispensed with for the time being and, as this is a matter to which we shall be returning very shortly, we do not have to deal with it any further at this point.

I can subscribe to the amendment proposed to the second paragraph of Article 11; the enlargement of the Community calls for a change in the weighting of votes.

The amendment proposed to the third paragraph of Article 11 relates to the Committee and the procedure to be followed. This is not the first

**Lardinois**

time that this subject has come up for discussion. Far from it: as Miss Lulling well knows, this is an issue on which we have time and time again crossed swords with the Council.

Although Parliament has always stood by us on these occasions, we have still not managed to make a break-through. I am quite aware of what this proposal is meant to achieve and I hope therefore that Parliament will bear with us if all we again get out of the Council is the same sort of discussion and the same sort of result as in the past.

Mr President, I should just like to make a brief comment on what has been said about ammonium nitrate. If it is a matter that is not covered by the directive, this is because of the disparities in the restrictions contained in Member States' legislation on explosives—a category to which ammonium nitrate also belongs. The Commission intends to submit in the course of this year a special directive on the harmonization of these particular provisions.

On the question of liquid fertilizers, the Commission will resume its preparatory work as soon as possible with a view to supplementing the first directive on fertilizers. As regards the amendment tabled by Mr Scott-Hopkins, I find myself entirely in agreement with Mr Vetrone. He is quite right in saying that what we have achieved is the outcome of years of discussion with experts both from industry and the civil service, the main focus of attention being the agricultural aspects of the problem. I can understand that the new Member States in particular are anxious to know whether enough preparatory work has gone into this effort. But I have nothing to add to what Mr Vetrone has said on the subject. When matters have been discussed at such length and in such detail, the main thing is to arrive at a compromise between industry and agriculture. We believe that a compromise has been found, and I have always thought that the British set great store by equitable compromises.

**President.** — Does anyone else wish to speak? The general debate is closed.

We shall now consider the motion.

On the preamble and paragraphs 1 to 4, I have no amendments or speakers listed.

I put them to the vote.

The preamble and paragraphs 1 to 4 are adopted.

After paragraph 4 I have Amendment No 1 tabled by Mr Scott-Hopkins on behalf of the European Conservative Group, half of which he has just withdrawn.

What is the opinion of the rapporteur?

**Miss Lulling, rapporteur.** — (F) Mr President, clearly I can only give my personal view and not the opinion of the Committee on Agriculture, since the committee has not defined its position on this amendment.

Mr Vetrone's statement is correct and we know what lengthy discussions were needed to arrive at this result. So I must emphasize that on page 14 of our report, we drew attention to this question, with the words: 'The Committee on Agriculture questioned whether the present tolerance of 0.7 applied in the manufacture of Thomas slag is realistic or whether one could consider the possibility of increasing it.'

If Mr Scott-Hopkins is satisfied with this information, in the light of the negotiations which have taken place and the statements made in the course of this debate on the possibility of revision, he may perhaps withdraw his amendments. Otherwise, Parliament would have to deliver an opinion.

Mr President, I would remind you that one of the rules we always follow in our work is to avoid duplication of effort.

Extra work is sometimes necessary, but not in our resolutions.

I therefore suggest to Mr Scott-Hopkins that, having heard Commissioner Lardinois' statements and in the light of the text I quoted, he should withdraw this part of the amendment. We would then be able to reach unanimous agreement on the matter.

**President.** — Mr Scott-Hopkins maintains his amendment.

I put it to the vote.

The amendment is not agreed to.

On paragraphs 5 to 8, I have no amendments or speakers listed.

I put them to the vote.

Paragraphs 5 to 8 are adopted.

I put the motion as a whole to the vote.

The resolution as a whole is adopted.<sup>1</sup>

## 15. *Change in agenda*

**President.** — I now propose that we consider the reports by Mr Héger.

Are there any objections?

That is agreed.

<sup>1</sup> OJ C 49, 28. 6. 73.

16. *Regulation fixing the intervention prices for raw sugar and beet*

**President.** — The next item is a debate on the report drawn up by Mr Héger on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation fixing for the 1973/1974 sugar marketing year the derived intervention prices, the intervention prices for raw beet sugar, the minimum prices for beet, the threshold prices, the guaranteed quantity, the maximum amount of the production levy and the special maximum quota (Doc. 97/73).

I call Mr Héger, who has asked to present his report.

**Mr Héger, rapporteur.** — (F) Mr President, I must say that I felt now as though I was at an academic gathering, when we were debating agricultural policy and the advocates of zero growth were speaking. It would have been a good idea for someone else, from the Club of Rome or from Massachussetts, to stand up and say that there are many people who are apprehensive about what might happen by the year 2000, and that there is every likelihood that the world will suffer from famine in the future.

But it is 1 o'clock now, so I do not want to embark on an academic discussion about this.

What is actually involved? The title of the motion indicates that this regulation lays down, for the 1973/1974 sugar year, the derived intervention prices, the intervention prices for unrefined beet sugar, the minimum prices for beet, the threshold prices, the guaranteed quantity, the maximum contribution to production and the special maximum quota.

Clearly, Mr President, a special sitting could be devoted to this question; the title could be a starting point for lengthy discussion—remember the marathon debates we have had, lasting hours and even days!

But, in fact, what is really involved is a legal scruple, which was brought up at a late stage, either in the Commission or in the Council, I do not know which. Article 52 of the Accession Treaty provides for the alignment of prices, in particular the prices in the new Member States. Paragraph 3 of this article allows for a departure of not more than 10% of the amount of the move to be made by prices in new Member States to bring them into line with Community prices.

Under the terms of the Accession Treaty, the European Parliament must be consulted from this stage onwards.

Why, therefore, does the document give all the prices for different countries, when we know that the Council, acting on the Commission's proposals, can decide on the prices without having to consult Parliament?

I mentioned the legal scruples which have been brought up in certain quarters. But I should like to say that it is a gesture of courtesy on the part of the Commission or the Council to submit this proposal to parliament. We should reply to this proposal in the same spirit, by not starting a debate on quotas, prices, derived prices, or on any of the other provisions of this regulation.

That is why I urge Parliament to limit the scope of this debate, in other words to deliver an opinion on the possibility of authorizing a departure of 10% on the margin allowed to new Member States, particularly Great Britain, in accordance with Article 52(3) of the Accession Treaty.

I am sure that no one here today would wish to make Britain's accession more difficult, nor its participation in the development of this market.

Mr Scott-Hopkins pointed out earlier that there is a danger that surpluses will be created. Perhaps there might be a little more sugar in his country, as a result of the more favourable prices. But, knowing Britain's generosity, I am sure that this surplus will be offered as food aid to those countries which need it. And this is a reflection of what we were saying earlier, that it would be extremely selfish for the farmers in prosperous European countries to miss an opportunity by cutting down on production and not providing food for the two-thirds of the world which are really in need of it.

**President.** — Does anyone else wish to speak?

I put the motion to the vote.

The resolution is adopted.<sup>1</sup>

17. *Regulation fixing the main intervention centres for oilseeds*

**President.** — The next item is a debate on the report drawn up by Mr Héger on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation fixing the main intervention centres for oilseeds for the 1973/1974 marketing year and the derived intervention prices applicable in these centres (Doc. 98/73).

<sup>1</sup> OJ C 49, 28. 6. 73.

**President**

I call Mr Héger, who has asked to present his report.

**Mr Héger, rapporteur.** — (F) Mr President, I have nothing to add on the second report, since it is identical to the first. I hope therefore that Parliament will unanimously adopt the motion for a resolution.

**President.** — Does anyone else wish to speak?

I put the motion to the vote.

The resolution is adopted.<sup>1</sup>

**18. Regulation opening, allocating and providing for the administration of Community tariff quotas for a variety of Portuguese wines**

**President.** — The next item is the report drawn up on behalf of the Committee on External Economic Relations on the proposals from the Commission of the European Communities to the Council for

I. a regulation opening, allocating and providing for the administration of a Community tariff quota for Port wines falling within sub-heading ex 22.05 of the Common Customs Tariff, originating in Portugal

II. a regulation opening, allocating and providing for the administration of a Community tariff quota for Madeira wines falling within sub-heading ex 22.05 of the Common Customs Tariff, originating in Portugal

III. a regulation opening, allocating and providing for the administration of a Community tariff quota for Moscatel de Setubal wines falling within subheading ex 22.05 of the Common Customs Tariff, originating in Portugal (Doc. 77/73).

The rapporteur has informed me that he has nothing to add to his written report.

Does anyone wish to speak?

I put the motion to the vote.

The resolution is adopted.<sup>1</sup>

**19. Supplementary Protocols to the EEC-Tunisia and EEC-Morocco Association Agreements**

**President.** — The next item is the report drawn up by Mr Fellermaier on behalf of the Com-

mittee on External Economic Relations, embodying the opinion of the European Parliament on the Supplementary Protocols to the EEC-Tunisia and EEC-Morocco Association Agreements following the accession of new Member States to the European Economic Community (Doc. 51/73).

The rapporteur has informed me that he has nothing to add to his written report.

Does anyone wish to speak?

I put the motion to the vote.

The resolution is adopted.<sup>1</sup>

**20. Regulation on the introduction of recording equipment in road transport**

**President.** — The next item is the report drawn up by Mr Seefeld on behalf of the Committee on Regional Policy and Transport on the proposal from the Commission of the European Communities to the Council for a regulation amending Council (EEC) Regulation No. 1463/70 of 20 July 1970 on the introduction of recording equipment in road transport (Doc. 88/73).

The rapporteur has informed me that he has nothing to add to his written report.

Does anyone wish to speak?

I put the motion to the vote.

The resolution is adopted.<sup>1</sup>

**21. Decisions to set up two research programmes in the field of new technologies and recycling raw materials**

**President.** — The next item is the report drawn up by Mr Glesener on behalf of the Committee on Energy, Research and Technology on the proposals from the Commission of the European Communities to the Council for decisions to set up two research programmes in the field of new technologies and recycling raw materials (Doc. 89/73).

The rapporteur has informed me that he has nothing to add to his written report.

Does anyone wish to speak?

I put the motion to the vote.

The resolution is adopted.<sup>1</sup>

<sup>1</sup> OJ C 49, 28. 6. 73.

<sup>1</sup> OJ C 49, 28. 6. 73.



22. *Regulation providing for special measures in respect of colza and rape seed*

**President.** — The next item is a debate on the report drawn up by Mr Lefèbvre on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation providing for special measures in respect of colza and rape seed for sowing and adapting in respect of these products the nomenclature given in Regulations No 136/66/EEC, (EEC) No 2358/71 and (EEC) No 950/68 (Doc. 92/73).

I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — I merely want to ask a question. This is a technicality, which was an oversight by the Commission. One understands what has happened; we had a long discussion in committee about this. I wonder whether the Commissioner can assure the House that this kind of thing does not arise where there is a duplication of recommendations applying to the same thing in two spheres. Over the summer months, will he institute an investigation to make certain that this does not occur again and that we do not have to take this remedial action in retrospect because of a mistake that has been made in the past?

**President.** — Do you wish to reply, Mr Lardinois?

**Mr Lardinois, Member of the Commission of the European Communities.** — (NL) Mr President, I concur with what Mr Scott-Hopkins has just said.

**President.** — Thank you, Mr Lardinois, for that clear and brief answer.

Does anyone else wish to speak?

I put the motion to the vote.

The resolution is adopted.<sup>1</sup>

23. *Regulation on customs duties for certain agricultural products*

**President.** — The next item is a debate on the report drawn up by Mr Martens on behalf of the Committee on Agriculture on a proposal from the Commission of the European Communities to the Council for a regulation temporarily suspending the autonomous duties in the Common Customs Tariff on a number of agricultural products (Doc. 93/73).

The rapporteur has nothing to add to his written report.

Does anyone else wish to speak?

I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — Once again, I have only a small question for the Commissioner and obviously have no intention of opposing either his proposals or the report. I have here a list of the various items which will be reduced in levy coming in and of the various countries from which they come. The Icelandic position is the one that concerns me. I understand that the main exports from Iceland of cod, coalfish and haddock, fresh and chilled, are not affected by this recommendation, yet there are one or two small items like mackerel, fresh and chilled, salmon, pike dogfish—whatever that may be—which are affected. I am concerned about black halibut, imports of which are coming into the community under a zero levy. There is a 5 per cent levy on mackerel up to 500 tons, but no duty at all on black halibut.

I do not object to this situation, which is unimportant, but in relation to this recommendation of lowering tariffs, could that exporting country, if it wished, increase the amount of exports into the Community which would all have the benefit of the same tariff—in other words, 5 per cent on mackerel and no duty at all on black halibut?

At this moment, with the difficult and strained relationship which exists between my country and one or two other Community countries and Iceland, it would be regrettable if this were allowed to happen. I should like an assurance from the Commissioner that that could not happen or a statement of what his intention is.

**President.** — I call Mr Lardinois.

**Mr Lardinois, Member of the Commission of the European Communities.** — (NL) Mr President, it was not our intention that this lowering of tariffs should be linked to a cut in imports. If an increase in imports should ensue, we shall have to examine the situation anew, in which case we shall give Parliament sufficient forewarning.

**President.** — Thank you, Mr Lardinois.

I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — Yes Sir, and I thank the Commissioner.

**President.** — Does anyone else wish to speak?

<sup>1</sup> OJ C 49, 28. 6. 73.

**President**

I put the motion to the vote.

The resolution is adopted.<sup>1</sup>

I should like to thank the Committee on Agriculture and its rapporteurs very warmly. They have had to work under extremely difficult circumstances.

24. *Date of next part-session*

**President.** — We have completed the agenda. The enlarged Bureau proposed that the next part-session should be held in Strasbourg in the week from 2-6 July 1973.

Are there any objections?

That is agreed.

25. *Approval of minutes*

**President.** — Pursuant to Rule 17 (2) of the Rules of Procedure, I submit to Parliament for its approval the minutes of today's proceedings which were written during the debates.

Are there any comments?

The minutes are approved.

26. *Adjournment of session*

**President.** — I declare the session of the European Parliament adjourned.

The sitting is closed.

*(The sitting was closed at 1.15 p.m.)*

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<sup>1</sup> OJ C 49, 28. 6. 73.