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from 10 to 14 December 1973

Europe House, Strasbourg

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IN THE CHAIR: MR BERKHOUWER

President

(The sitting was opened at 3 p.m.)

President. — The sitting is open.

1. Resumption of session

President. — I declare resumed the session of the European Parliament adjourned on 16 November 1973.

2. Verification of credentials

President. — At its meeting of 16 November 1973 the Bureau verified the credentials of the

Marquess of Lothian, whose appointment by the British House of Lords was announced on 12 November 1973.

Pursuant to Rule 3(1) of the Rules of Procedure, the Bureau has made sure that this appointment complies with the provisions of the Treaties.

It therefore asks the House to ratify this appointment.

Are there any objections?

That is agreed.

3. Texts of Treaties forwarded by the Council

President. — I have received from the Council of the European Communities certified true copies of the following documents:

President

- Minutes of the notification of the completion by the Community of the procedures necessary for the entry into force of the Agreement between the European Economic Community and the Arab Republic of Egypt and the protocol laying down certain provisions relating to that Agreement and the Agreement, in the form of an exchange of letters, concerning Article 6 of Annex I to that Agreement;
- Protocol laying down certain provisions relating to the Agreement between the European Economic Community and the Arab Republic of Egypt consequent on the accession of new Member States to the European Economic Community;
- Notice of the completion by the Community of the procedures necessary for the entry into force of the Agreement between the European Economic Community and the Arab Republic of Egypt and the Protocol laying down certain provisions relating to that Agreement and the Agreement, in the form of an exchange of letters, concerning Article 6 of Annex I to that Agreement;
- Agreement between the European Economic Community and the Arab Republic of Egypt on the supply of food aid in the form of skimmed milk powder;
- Agreement between the European Economic Community and the Arab Republic of Egypt on the supply of flour of common wheat as food aid;
- Agreement between the European Economic Community and the Arab Republic of Yemen on the supply of common wheat as food aid;
- Agreement between the European Economic Community and the Republic of Lebanon on the supply of food aid in the form of skimmed milk powder;
- Agreement between the European Economic Community and the Republic of Lebanon concerning the supply of common wheat as food aid;
- Agreement between the European Economic Community and the Republic of Mali concerning the supply of maize and durum wheat as food aid;
- Agreement between the European Economic Community and the Republic of Mali for the supply of food aid in the form of grain sorghum and maize;
- Agreement between the European Economic Community and the Islamic Republic of Mauritania on the supply of skimmed milk powder as food aid;
- Agreement between the European Economic Community and the Republic of Niger on the supply of skimmed milk powder as food aid;
- Agreement between the European Economic Community and the Republic of Upper Volta on the supply of skimmed milk powder as food aid;
- Agreement between the European Economic Community and the Republic of Upper Volta concerning the supply of maize as food aid;
- Agreement between the European Economic Community and the Republic of the Philippines on the supply of common wheat and of flour of common wheat as food aid;
- Agreement between the European Economic Community and the Republic of Senegal on the supply of skimmed milk powder as food aid;
- Agreement between the European Economic Community and the Republic of Senegal on the supply of maize as food aid;
- Agreement between the European Economic Community and the Republic of Senegal on the supply of sorghum and common wheat as food aid;
- Agreement between the European Economic Community and the Republic of Chad on the supply of skimmed milk powder as food aid;
- Agreement between the European Economic Community and the Tunisian Republic concerning the supply of common wheat as food aid;
- Agreement between the European Economic Community and the United Nations Relief and Works Agency for Palestinian refugees on the supply of flour of common wheat and milled rice as food aid;
- Agreement between the European Economic Community and the World Food Programme on the supply of skimmed milk powder as food aid to developing countries;
- Agreement between the European Economic Community and the Eastern Republic of Uruguay concerning the supply of common wheat as food aid;
- Agreement between the European Economic Community and the Republic of Mali on the supply of skimmed milk powder as food aid;
- Agreement between the European Economic Community and the Republic of Mali concerning the supply of flour of common wheat and sorghum as food aid;
- Agreement between the European Economic Community and Malta on the supply of common wheat as food aid;

President

- Agreement between the European Economic Community and the Kingdom of Morocco concerning the supply of common wheat as food aid.

These documents will be placed in Parliament's records.

4. *Authorization of reports*

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

Firstly, the Committee on Social Affairs and Employment:

- Report on the First Report on the activities of the new European Social Fund — Financial year 1972;

The Committee on Budgets has been asked for its opinion.

Secondly, the Committee on Social Affairs and Employment:

- Report on the First Report of the committee of experts on Community employment policy.

Thirdly, the Committee on Energy, Research and Technology:

- Report on future prospects for coal gasification and liquefaction;
- Report on the information obtained from the hearing of experts on the security of the European Community's energy supplies and cooperation with interested third countries.

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 estimates of expenditure and revenue of the Budget of the European Communities for the 1974-1976 financial years (Doc. 239/73).

This document has been referred to the Committee on Budgets;

- the proposal from the Commission of the European Communities to the Council for a regulation on customs treatment to be applied to certain fishery products originating in Norway (Doc. 240/73).

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 directive on the approximation of the laws of the Member States relating to the making-up by weight or by volume of certain pre-packaged products (Doc. 241/73).

This document has been referred to the Committee on Public Health and the Environment;

- the proposal from the Commission of the European Communities to the Council for a regulation laying down conditions for granting national aid under the common structural policy for seafishing (Doc. 242/73).

This document has been referred to the Committee on Agriculture;

- the following document:

I. Proposals for the Commission of the European Communities to the Council concerning regulations and communications relating to the application in 1974 of generalized tariff preferences to exports of manufactured and semi-manufactured products from developing countries,

II. Communication from the Commission of the European Communities to the Council on the implementation of the declaration of intent concerning commercial relations with certain Asian countries.

(Doc. 243/73).

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

- five proposals from the Commission of the European Communities to the Council concerning work on economic and monetary union (Doc. 245/73).

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

- the proposal from the Commission of the European Communities to the Council

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for a regulation amending Regulation (EEC) No. 1411/71 as regards the fat content of whole milk (Doc. 246/73).

This document has been referred to the Committee on Agriculture;

- the proposal from the Commission of the European Communities to the Council for a decision extending the system of minimum prices (Doc. 249/73).

This document has been referred to the Committee on Agriculture;

- the proposal from the Commission of the European Communities to the Council for a regulation temporarily and partially suspending the autonomous duties in the Common Customs Tariff on bitter or Seville oranges of sub-heading ex 08.02 A II a) and b) and saffron, neither crushed nor ground, of sub-heading 09.10 C I (Doc. 250/73).

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;

- the memorandum from the Commission of the European Communities to the Council for the improvement of the common agricultural policy (Doc. 251/73).

This document has been referred to the Committee on Agriculture;

- the following document:

I. Proposal from the Commission of the European Communities to the Council for a directive on aid to the shipbuilding industry,

II. Memorandum from the Commission of the European Communities to the Council on procedures for action in the shipbuilding industry.
(Doc. 252/73).

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

- the proposal from the Commission of the European Communities to the Council for a regulation concerning the rate of import charges collected on small non-commercial consignments of agricultural products and products coming under Regulation (EEC) No 1059/69 (Doc. 253/73).

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

- the communication from the Commission of the European Communities to the Council on multinational undertakings and Community regulations (Doc. 261/73).

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

- 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 the application of the principle of equal pay for men and women contained in Article 119 of the EEC Treaty (Doc. 262/73).

This document has been referred to the Committee on Social Affairs and Employment;

- the proposal from the Commission of the European Communities to the Council for a regulation on the total or partial suspension of Common Customs Tariff duties on certain agricultural products originating in Turkey (Doc. 267/73).

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

I. a decision on action by the European Social Fund to assist the social and occupational integration of handicapped persons,

II. a decision concerning action by the European Social Fund to assist workers moving from one Community country to another,

III. a regulation on further types of aid for workers moving from one Community country to another.

(Doc. 268/73).

This document has been referred to the Committee on Social Affairs and Employment;

- (b) from the Council of the European Communities:

- a consultation on

President

- a regulation on the conclusion of an Agreement in the form of an exchange of letters amending Article 7 of Annex 6 to the Additional Protocol to the Agreement establishing an Association between the European Economic Community and Turkey;
- the proposal from the Commission of the European Communities to the Council for a regulation on imports of olive oil from Turkey.

(Doc. 274/73).

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;

(c) from the Commission of the European Communities:

- an *aide-memoire* on the fixing of the ECSC levies and operating budget for 1974 (Doc. 244/73).

This document has been referred to the Committee on Budgets as the committee responsible and to the Committee on Economic and Monetary Affairs, the Committee on Social Affairs and Employment and the Committee on Energy, Research and Technology for their opinions;

(d) from the committees, the following reports:

- Report by Mr Hans Edgar Jahn on behalf of the Committee on Public Health and the Environment on the Tenth Report of the Mines Safety and Health Commission and on the Fourth Report of the Steelworks Safety and Health Commission (Doc. 247/73);
- Report by Mr Francis Vals on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council (Doc. 111/73-II) for a directive modifying the Directive of 9 April 1968 concerning the marketing of vegetative propagation material of the vine (Doc. 248/73);
- Report by Mr Christian de la Malène on behalf of the Committee on External Economic Relations on the proposals from the Commission of the European Communities to the Council (Doc. 145/73 I and II) for
 - I. a regulation on the conclusion of an agreement in the form of an exchange of letters amending Article 5 of

Annex I to the Agreement establishing an Association between the European Economic Community and the Kingdom of Morocco;

- II. a regulation on the conclusion of an agreement in the form of an exchange of letters amending Article 5 of Annex I to the Agreement establishing an Association between the European Economic Community and the Republic of Tunisia.

(Doc. 254/73);

- Report by Mr Christian de la Malène on behalf of the Committee on External Economic Relations on the proposals from the Commission of the European Communities to the Council (Doc. 146/73) for

I. a regulation on imports of olive oil from Morocco;

II. a regulation on imports of olive oil from Tunisia.

(Doc. 255/73);

- Report by Mr Luigi Girardin on behalf of the Committee on Social Affairs and Employment on the social policy action programme submitted by the Commission of the European Communities to the Council (Doc. 216/73) — (Doc. 256/73);

- Report by Mr Mario Vetrone on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council (Doc. 238/73) for a regulation opening, allocating and providing for the administration of a Community tariff quota for frozen beef falling within sub-heading 02.01 A II a) of the Common Customs Tariff (1974) — (Doc. 257/73);

- Second report by Miss Astrid Lulling on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council (Doc. 100/71) for a regulation on the granting of special aid for certain tobaccos used for wrapping cigars (Doc. 258/73);

- Report by Mr Giovanni Giraudo on behalf of the Political Affairs Committee on the Conference of Heads of State or Government on 14 and 15 December 1973 (Doc. 259/73);

- Report by Mr Helmut Karl Artzinger on behalf of the Committee on Economic and Monetary Affairs on the proposal from the Commission of the European

President

Communities to the Council (Doc. 170/73) for a regulation on the control of concentrations between undertakings (Doc. 263/73);

- Report by Mr Helmut Karl Artzinger on behalf of the Committee on Economic and Monetary Affairs on the second report from the Commission of the European Communities on competition policy (Doc. 148/73) and on the communication from the Commission of the European Communities on the implementation of the principles of coordination of regional aid in 1972 (Doc. 122/73) — (Doc. 264/73);
- Report by Mr Helmut Karl Artzinger on behalf of the Committee on Economic and Monetary Affairs on the proposal from the Commission of the European Communities to the Council (Doc. 65/73) for a regulation on mutual assistance between the latter and the Commission for ensuring the correct application of Community customs and agriculture regulations (Doc. 265/73);
- Report by Mr Ferruccio Pisoni on behalf of the Committee on Budgets on the *aide-memoire* from the Commission of the European Communities (Doc. 244/73) on the fixing of the ECSC levies and operating budget for 1974 (Doc. 269/73);
- Report by Mr André Rossi on behalf of the Committee on Budgets on the estimates of expenditure and revenue of the Budget of the European Communities for the financial years 1974, 1975 and 1976 (Doc. 239/73) — (Doc. 270/73);
- Report by Mr Georges Spénale on behalf of the Committee on Development and Cooperation on aid to the Sahel countries affected by drought (Doc. 271/73);
- Report by Mr Maurice Dewulf on behalf of the Committee on Development and Cooperation on the proposals from the Commission of the European Communities to the Council (Doc. 171/73 and Doc. 243/73) for regulations concerning the application in 1974 of generalized tariff preferences in favour of developing countries (Doc. 272/73);
- Report by Mr Jean Durieux on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council (Doc. 249/73) for a decision extending the system of minimum prices (Doc. 273/73);
- Report by Mr Charles-Emile Héger on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the Council (Doc. 217/73) for a regulation amending Regulation (EEC) No 974/71 on the price level of agricultural products in Italy as a result of monetary developments (Doc. 275/73);

- Report by Mr Fernand-L. Delmotte on behalf of the Committee on Regional Policy and Transport on the proposals from the Commission of the European Communities to the Council (Doc. 205/73) for

I. a regulation on the list of priority agricultural regions and areas referred to in the Regulation (EEC) on finance from the Guidance Section of the European Agricultural Guidance and Guarantee Fund for projects falling within development programmes in priority agricultural regions;

II. a regulation on the list of regions and areas referred to in the Regulation (EEC) establishing a European Regional Development Fund.

(Doc. 276/73);

- Report by Mr Pierre-Bernard Cousté on behalf of the Committee on Economic and Monetary Affairs on Community industrial policy (Doc. 277/73);
- Report by Mr Linus Memmel on behalf of the Legal Affairs Committee on the motion for a resolution (Doc. 196/73) tabled by Mr Durieux on behalf of the Liberal and Allies Group on the amendment of Rule 21 of the Rules of Procedure of the European Parliament on the tabling of a motion of censure (Doc. 278/73);
- Report by Mr Giosuè Ligios on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council (Doc. 250/73) for a regulation temporarily and partially suspending the autonomous duties in the Common Customs Tariff on bitter or Seville oranges of sub-heading ex 08.02 A II a) and b) and saffron, neither crushed nor ground, of sub-heading 09.10 C I (Doc. 279/73);

(e) from the Committee on Economic and Monetary Affairs:

- a motion for a resolution—with request that it be dealt with by urgent procedure pursuant to Rule 14 of the Rules of Procedure—on the five proposals from

President

the Commission of the European Communities to the Council (Doc. 245/73) concerning work on economic and monetary union (Doc. 260/73);

(f) from the Committee on Energy, Research and Technology:

- a motion for a resolution tabled by Mr Springorum on behalf of this committee—with request that it be dealt with by urgent procedure pursuant to Rule 14 of the Rules of Procedure—on emergency measures required to cope with the energy supply crisis in the European Community (Doc. 266/73).

6. Reference to committee

President. — By letter of 27 September 1973, the Chairman of the Committee on Regional Policy and Transport, Mr James Hill, requested that the Document 122/73 on the coordination of regional aid originally referred to this committee be referred to the Committee on Economic and Monetary Affairs as the committee responsible in view of the latter's competence to deal with competition policy. Consequently, the Committee on Economic and Monetary Affairs has been named as the committee responsible for the document in question, which will now be combined with Document 148/73 on the Second report on competition policy to form the object of a single report by the Committee on Economic and Monetary Affairs.

The Committee on Regional Policy and Transport will give the committee responsible its opinion on Document 122/73.

7. 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.

8. 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.

9. Order of business

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

As there are several changes to be made to the draft agenda which has been distributed, I propose that we now decide upon the agenda for this afternoon only.

We shall return to the order of business before the end of today's sitting.

Are there any objections?

That is agreed.

This afternoon, and this evening at 9 p.m.:

— report by Mr Girardin on the social action programme;

— Oral Question No 152/73 with debate, on seasonal workers in Switzerland.

I call Sir Derek Walker-Smith on a point of order.

Sir Derek Walker-Smith. — May I refer briefly to what you, Mr President, have been good enough to say in regard to dealing with item 180 on the draft agenda, that is, Doc. 170/73 on the proposal for a regulation on the control of concentrations between undertakings? I welcome, if I may respectfully say so, your decision to enter into close and constructive consultation with all those affected in regard to the positioning of this item on the agenda, but may I respectfully draw your attention to one fact? I hope that as a result of such consultations this item will not keep its place in the definitive agenda of this plenary part-session but will go back for closer and further consideration by the committees, of which this document very evidently stands in need. If, on the other hand, it were to be decided that it should be taken tomorrow, very practical difficulties would arise in regard to the tabling of the necessary amendments.

So far as I know there have been no amendments tabled, the impression being that this item would not now come up during this part-

Walker-Smith

session. If you were to decide that it should be taken tomorrow, there would be a very considerable logistical difficulty in regard to the preparation and placing before this Parliament of the various amendments which we would be under a duty to table. There would clearly be a very strong risk that insufficient time would exist for the study of those amendments, and certainly there would be insufficient time and opportunity for the consideration by this Parliament of the amendments on this vitally important document.

That, in my respectful submission, would not redound to the credit of this Parliament, and I hope that those considerations will be present to your mind in the consultations which you have and the decision which you arrive at.

President. — I call Mr Bermani on behalf of the Legal Affairs Committee.

Mr Bermani. — (I) I am called upon to speak today on the instructions of the Legal Affairs Committee in view of the President's proposal that Mr Artzinger's report under item 180 of the agenda should be discussed tomorrow. Now, Sir Derek Walker-Smith has forestalled me, and his comments constrain me to speak as I should have done in the first place, I repeat, in the name of the Legal Affairs Committee. That Committee has in fact unanimously instructed me to act as its spokesman with the President and our colleagues in respect of what I am about to say.

The Legal Affairs Committee, asked for its opinion, agrees in requesting that the consideration of the aforesaid report of Mr Artzinger on behalf of the Committee on Economic and Monetary Affairs should be postponed to one of the subsequent part-sessions of Parliament.

The Legal Affairs Committee makes this request in view of the fact that it has been practically impossible for it to make a thorough examination of the proposed regulation in question, as required by the importance of the subject, and therefore to express a reasoned opinion.

The rapporteur is already nominated, and I must say that that rapporteur is myself, now speaking to you, in the absence of the Chairman, as Vice-Chairman of the Legal Affairs Committee. I do not think that I have been negligent, since I have already drawn up a draft opinion. But the Committee received the translated text of the opinion only at the last moment and too late to give it serious consideration. It has not in fact had the necessary time to express its views.

Mr Artzinger's report involves legal arguments which it is very important to discuss. It is therefore absolutely fitting, not to say essential, that the report should be considered in conjunction with the opinion of the Legal Affairs Committee.

(Applause)

President. — I call Mr Lange.

Mr Lange, chairman of the Committee on Economic and Monetary Affairs. — (D) Mr President, ladies and gentlemen, I thought that we had finished with this question for today's procedural debate since you had suggested that we should discuss the matter once again during the afternoon in order to see what generally acceptable solution could be devised. I should like, however, to make a few remarks on the procedure.

We had raised this point immediately after the summer recess and fixed it for the November or December part-session. All in all, there should have been enough time to deal with the matter. I understand the Legal Affairs Committee but we can discuss this matter later. However, I wanted to inform Parliament how long the matter is taking and when it was scheduled for discussion in plenary sitting so that we can discuss the matter at leisure later. I should also be grateful, Mr President, if we could do as you propose.

President. — I see that Mr Lange agrees with my proposal to return to the order of business at the end of the sitting, when the situation will be clearer.

Are there any objections?

That is agreed.

10. Social Action Programme

President. — The next item is a debate on the report drawn up by Mr Girardin on behalf of the Committee on Social Affairs and Employment on the Social Action Programme submitted by the Commission of the European Communities to the Council (Doc. 256/73).

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

Mr Girardin, rapporteur. — (I) Mr President, and colleagues, in view of the time available to me to introduce the report, I shall try to be brief. I should like to start straight away with a few comments of a preliminary character.

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The Committee on Social Affairs and Employment found itself in exceptional conditions, and I would even say in grave difficulties, in submitting in good time, really at the last moment, on the eve of the Council meeting to be held in Brussels tomorrow, a motion for a resolution on the Social Action Programme submitted by the Commission.

I should like to make a second comment on the availability of the time we had and also on the request which has been submitted to the office of the President of this Assembly that the European Parliament should hold an extraordinary sitting to be able to discuss the social aspects of Community Policy with sufficient time and in adequate depth. I think it is worth doing this; but for objective reasons (I do not know what, precisely) it has not been possible to have a sitting devoted solely to social policy as has in fact been possible for other sectors of political activity such as agriculture.

We think it obvious that social policy has, and, above all, will have in the course of time, a part to play in the construction of European unity. My colleagues will remember that only last April the Commission presented a document to Parliament for preliminary consultation. This document contained references to a social action programme which were the subject of observations and examination by the Committee on Social Affairs.

Undoubtedly this was a highly positive method of prior consultation, which, however, could in our opinion have yielded much more decisive results if the new method introduced by the committee had been accepted.

What we have been able to observe—and this is brought out in our resolution—is that there is a difference between the guidelines then presented by the Commission and the programme which is today under examination by this Parliament. In fact, in our opinion, these guidelines were much more progressive, and courageous and more in harmony with the letter and spirit of the Paris Summit of October, 1972. This surprised us a little and we have noted that the Commission found itself in a state of uneasiness, while thanking Dr Hillery, Vice-President, for his accessibility and his readiness to meet the requests and observations put forward by the Committee on Social Affairs of this Parliament.

I should like to make another comment. We should have wished—and we bring this out explicitly in our resolution—that the famous tripartite conference which should have been held in Luxembourg had really taken place. The opportunity was missed for a dialogue between

the Community institutions and the labour and management organizations. We hope that this Conference can be held as soon as possible.

In the resolution, in order not to give the Council an alibi, the Committee on Social Affairs and Employment of our Parliament expresses its agreement in principle with the action programme presented by the Commission to the Council, but with the specific proviso that the observations and amendments presented by this Parliament are taken into account, while considering that the programme represents a first step towards solving the serious social problems which exist within the Community itself. It is exactly here that, in our opinion, the responsibility of the European Economic Community lies for not having seized the more favourable moment of its maximum economic expansion to correct territorial, social and economic disequilibria. In fact it now finds itself in the most serious and anxious moment of its history (mainly due to the energy crisis and to the economic crisis which will be its consequence) with a burden of injustices, inequalities and social evils which will make the economic crisis we shall have to face even more burdensome.

We are today paying the harsh penalty for having always professed, but never having put into practice in Community policy, that social issues should not play second fiddle to economic issues, but vice versa, and that a social policy cannot be the corrective and remedy for injustices created by a policy of economic expansion. Unfortunately, it is the workers who are paying the penalty too, particularly emigrant workers who have to go back to their home country, or are under the threat of having to do so. The development model adopted by Member countries, and therefore by the European Economic Community, a model of irrational and indiscriminate expansion of private consumption, particularly at the cost of public consumption and therefore of the most elementary needs of the community, a model of industrialization constantly given the preference in economic choices without being harmonized in the context of growing civilization of our peoples, has now brought us face to face with the risk that the inhuman aspects of economic development will weigh on the shoulders of Europe without attenuating the disadvantages which may flow from that development. We have, for example, created the need for thirst, extreme thirst, without thinking that one day we shall have nothing to drink.

The opportunity now afforded to Europe to follow a social and therefore more human line should be responsibly seized by us as Parlia-

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ment—and therefore as the expression of the democratic public opinion of Europe—so that we can look to the future with greater confidence.

A European social action programme cannot, in our opinion, be divorced from the attainment, in the society of the united Europe of the future, of a point of balance between the degree of economic development and that of the human and civic conditions of the people, particularly of the most needy and defenceless classes.

Economic growth, which is essential to improve the conditions of life for everybody, should be gradual and harmonized with the need to create surrounding working and living conditions which are human and not subordinate to the sole logic of economic development and profit.

It is only in the expectation of the creation of a European society which is just and which is made to the measure of man and aimed not solely at the attainment of quantitative targets of an economic character, but also at the qualitative goals of improved human living conditions, that we can be confident in a united Europe founded on social justice.

That, Mr President and colleagues, is a short summary of the spirit and political will underlying the resolution which rightly reflects the desires of the Committee on Social Affairs and Employment which, as always happens, has had to find compromises in order to agree on the opinion to be proposed to this Assembly.

The rapporteur logically relies on this opinion, while open to any contribution which may be proposed to improve the opinion itself. Personally, however, your rapporteur also relies on the motivation underlying this opinion in so far as it is a better expression of the political will which should be the basis of Community action at a moment in the history of our Europe when the question is whether we are capable of rising to the situation in the interests of the united development of Europe and above all of the expectations of the workers.

(Applause)

President. — I call Mr Walkhoff, draftsman of the opinion of the Committee on Public Health and the Environment.

Mr Walkhoff, draftsman of the opinion. — (D) Mr President, ladies and gentlemen, in order to help to conclude this discussion as soon as possible I should like, as draftsman of the opinion of the Committee on Public Health and the Environment, to restrict my remarks to a few sentences.

In so far as the matter concerned falls within its field of competence, my committee welcomes the setting up of a General Industrial Safety Commission and the extension of the terms of reference of the Mines Safety and Health Commission, as also the setting up of a European Foundation for the Improvement of the Environment and Living and Working Conditions. It notes, however, the lack of any substantial content and concrete aims which would certainly make clear that what is to be consistently pursued is the improving of working conditions and of the quality of life.

The committee was not able in the short time available to give the statement any further substantial content. It had to limit itself to a few guiding remarks. These included both the call for a specific plan of action for the Foundation for the Improvement of the Environment and Living and Working Conditions which we consider should also be made responsible for coordinating research and studies on the protection of the environment at Community level, and the supplementing of the outline programme on industrial safety planned for 1974 by practical proposals for binding regulations at Community level and the laying down of binding minimum safety regulations and the extension of the action programme to include the proposed statistical surveys on industrial accidents and safety.

Finally, the Committee on Health and the Environment was of the opinion that the Commission should not be satisfied with carrying out investigations on job enrichment but should submit practical proposals in this field as soon as possible which are binding on all Community undertakings.

The lack of specific aims gives grounds for particularly serious misgivings when we know that the Commission's proposals on the setting up of the Mines Commission and of a European environment foundation which are to be submitted to the Council by 1 April 1974 at the latest were not available to the committee at its last meeting. I am afraid that they have still not been received. So once again the committee will not be able to do the best possible job. And that we should do so is—and I would say this particularly after reading the social policy action programme—an absolute necessity.

Mr President, I should like in conclusion to make one personal remark. Our aim to develop the European Community into a social union as well as an economic and monetary one has hardly been brought nearer by the Social Action Programme, not even if this is regarded merely as a declaration of intent. Any possible contribu-

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tion it may make will depend upon the form that future steps take.

Thank you for your attention.

(Applause)

President. — I should like to take this opportunity to welcome Mrs Eva Gredal, the Danish Minister for Social Affairs, and our former colleague Mr Glinne, present in his capacity of Member of the Council of the European Communities.

I call Mr Dinesen.

Mr Dinesen, President-in-Office of the Council of the European Communities. — (DK) Mr President, ladies and gentlemen, I should like to say how pleased I am to be here today at this very important meeting, at which the European Parliament is to deliver an opinion on the social action programme.

This is the first time that I have had the honour, as President-in-Office of the Council and in cooperation with the Ministers of Labour and Social Affairs of the Member States, to follow the work of the European Parliament, and I am happy to note that my first meeting with you coincides with a particularly significant stage in the development of the Communities.

Last year the Summit Conference gave a new impetus to Community work in the social sector, and our task is to make every effort in that sector to achieve the goals outlined by the Summit for the coming years. For a number of years it was the customs union and the common agricultural policy which came first in line in the Community's list of priorities. Now we also have another major project in economic and monetary union which will be one of our main tasks in future, and all these are very important.

However, we must not forget what the construction of Europe is really about—first and foremost it is supposed to benefit the individual. We must attach the greatest possible significance to social security in the widest sense of the term. That is why I am extremely glad that the Heads of State or Government emphasized last year in Paris that a social action programme should carry the same weight as the achievement of economic and monetary union—and I think that since October 1972 the need for progress in this sector has become more and more evident.

As you know the Council has the task of adopting before 1 January 1974 and after consulting the social partners, an action programme laying down precise measures and the means of implementing such a programme.

The Council laid down a timetable at the beginning of this year for the formulation of the action programme establishing a time limit sufficient for all the competent institutions to play their respective parts in this work.

However, the Commission was unable to submit formal proposals on the action programme to the Council before the end of October this year, but since that time the Council has been quick to consult the European Parliament and the Committee on Social Affairs and Employment on these proposals. As it proved impossible to convene the conference in which the social partners were to have taken part, the Council consulted the various organizations individually, to give them the opportunity of putting forward their views on the proposal, and most of them have made their position clear.

I feel I must thank the European Parliament for the efforts that have been made to hold a debate which has been as thoroughly prepared as possible. I am well aware that we have been under some pressure—that has already been mentioned here today. Parliament has also made clear the importance that it attaches to the observance of the time limit laid down by the Summit. I should like to say, Mr President, that I fully appreciate this attitude.

May I add that if the adoption of such an action programme for employment and the social sector is to mark a genuine turning point in Community activity for the years to come, it must be emphasized that the major objectives—especially the introduction of full employment and the improvement of living and working conditions—cannot be achieved by isolated efforts in the employment sector and within the present social systems. The objectives of the Summit must unceasingly mould all Community policy in every sector, and that includes economic policy, this is particularly true of everything to do with the regional policy.

In my opinion this view of future Community policy in the employment and social sectors should impel us to make a genuine effort towards the improvement and humanization of working conditions and an increased coordination of social policy.

Mr President, may I stress in conclusion that the Council has confidence in the constructive efforts of the European Parliament for the achievement of this task. I hope that tomorrow's Council meeting on the social action programme—which is being prepared this evening—will be decisive in creating a socially developed Community with increasingly better conditions for the individuals in that Community.

President. — Thank you, Mr Dinesen.

I call Dr Hillery.

Dr Hillery, Vice-President of the Commission of the European Communities. — I thank the European Parliament and in particular the Committee on Social Affairs and Employment and its rapporteur, Mr Girardin, for the detailed examination they have made of the Commission's proposals.

I should like to deal with the document we have received and hold myself available to Parliament if, at the end of the debate, Members consider it appropriate that I should answer questions raised during the debate.

The programme which the Commission has developed has been published as a Commission programme for social action. To implement in the institutions of the Community an action programme, we have selected 14 measures which we believe would be essential to implement the Summit mandate and which we have put down in the form of a draft resolution. We are proposing to the Council, which meets tomorrow, that it should engage itself by adopting this draft resolution to implement over the three years 1974, 1975 and 1976 these 14 measures and actions arising out of them to meet the objectives already mentioned by the President of the Council.

Some of the proposals before the Council from the Commission at this time and mentioned already in the debate will not be for decision tomorrow. They will be for decision before 1 April 1974. As each of the specific documents comes to the Council, it will be appropriate for the Council to seek the opinion of this Parliament on those specific actions. That answers the suggestion that the Commission might already have asked Parliament for its opinion on matters such as the institute. These will come for the opinion of Parliament in the normal course of events.

I should like to note the satisfaction of the Commission that the parliamentary committee's assessment of the programme is close to the substance of our own proposals and that the objectives towards which the social action programme is directed are fully endorsed. Those objectives are full and better employment, improvement in living and working conditions and a greater participation of workers and employers in the economic and social decisions of the Community.

Before answering in detail some of the points contained in the resolution, I should like to refer to the social objectives in the light of

today's events. Employment in the Community is threatened by continued inflation and inflationary pressures, more recently aggravated by the effects of the energy supply crisis. In circumstances such as these it is usually the weaker sections of the population that suffer.

The effect that continuing inflation and the reduction in the supply of energy would have on jobs and the living standards of our people will have to be examined. It is an urgent problem, which will have to be examined in consultation with the social partners. Therefore, the Commission would like to have this examination carried out within the framework of the Standing Committee on Employment. The Commission feels that the committee should meet early in the New Year to seek to make clear evaluations of the effect of these two influences on employment and to seek to find solutions to them.

These two matters—inflation and energy scarcity developments—could add urgency to the need for a fundamental change in the social structure and social thinking of the Community and the need for the Council to adopt a social action programme tomorrow.

I should like to refer to the disappointment in the social programme expressed by Mr Girardin. It is a good programme. The services of the Commission have been working on it for 12 months. Those of us who can look into the future and see it in its full development feel that it is the answer. It has been stated by the trade unions that it answers to the political needs of our time. I ask myself why people can sometimes express disappointment at the beginning of something that will obviously be a good programme. I find that one answer is that sometimes people see a Community programme in terms of their own national needs. Some of the criticisms outside this Parliament have been on that basis. My answer is that it is a programme for the European Communities, answering as far as is possible to the matters which require action at European level for dealing better with them.

The second possible reason for disappointment is that after the summit we all felt the Community would now take on a more human social consideration in its decision-making process, that when decisions and programmes were drawn up they would be drawn up with the human being centrally placed, and with everything decided on in regard to the effect on people. That was the intention, and it is what is happening. But in the implementation of this spirit through the whole range of Commission proposals, a division had to be made for separate

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responsibility, and what have fallen to be dealt with under the social action programme are those matters normally dealt with at national level by ministers for labour and ministers for social affairs. Each one of the Commission proposals was drawn up with these considerations in mind: what is the social content of this programme? How does this impinge on the ordinary working people?

Each policy of the Commission has been drawn up in consultation with that part of the Commission most closely concerned with social affairs—that is, Directorate-General V, the section of the Commission for which I have special responsibility. If this social action programme does not express the whole spirit of the Community's social thinking, I would ask the Members of this Parliament to refer to a document we have prepared showing the social content of all the other programmes and policies of the Commission. If Members of Parliament read this document and consider the total picture, they will have less disappointment to express about the social action programme.

I repeat my conviction, which comes from long experience, that this is a good programme. The beginning of any programme has to be small, but the first steps are the most difficult and the most important. Those who wish to look ahead to a fully-developed programme, for which new proposals will from time to time come forward from the Commission for consultation with Parliament, must see that what we are doing is totally changing the spirit, outlook and thinking of the European Communities.

The question of consultation with the social partners as distinct from the normal institutional consultation which takes place with Parliament and with the Economic and Social Committee has been raised in the document as a cause of disappointment. It was, indeed, a serious disappointment to the Commission that the Council was unable to succeed in the splendid idea of having a tripartite conference which was due to take place in Luxembourg last June. It was not possible to hold this because of difficulties in the arrangements as to who should be present.

Having said that, and having expressed the disappointment of the Commission at its not taking place, and at the lack of a confrontation and of the information which would have come out of such a meeting, I wish to make it clear that there has been a real and continuous dialogue between the Commission and the social partners in the drawing up of this

programme. Indeed, the contents of the social action programme owe much to these discussions, which have contributed greatly to making sure that our proposals to the Council answer to relevant social issues with which we should be concerned at Community level.

To concentrate this consultation procedure, President Ortoli, accompanied by me in my capacity as Vice-President in charge of social affairs, Mr Haferkamp and Mr Thomson last Friday met the leading members of all the trade unions and we had a very useful day's work discussing problems, but also arranging the first stages of how future consultation between the social partners and the Commission can take place across the wider range of policies about which I have already spoken. At that meeting, members of the trade unions made known to us that it was their intention to request the summit to decide to have a tripartite conference of the governments, the social partners and the Commission at which the policies—energy policy, regional policy, social policy and so on—could be discussed in the type of debate which we had hoped for last June.

Another criticism I find in the motion for a resolution is that we have not made proposals about financing the social action programme. One of my anxieties, and it must be the anxiety of those interested in having a social programme, is that sufficient money should be available for implementation of it.

From 1975 onwards the Community will be budgeting on its own resources. From that time onwards, we must make it quite clear that there can be no social action programme without the expenditure of a fair amount of money. At this stage it is not possible to say what each individual proposal we have will cost. Much depends on how much of the proposal would fall for expenditure on Community funds, how much on national funds and how much on employers' costs. It also depends on changes in costs between now and the time of implementation of the specific proposals.

However, we have published—and it is available to Members of Parliament—a global concept of the costs both of the social fund and of the new programme. This is available, but, as I say, it does not fall in the budget now. Next year's budget for the first year of implementation of the social programme will not have any supplementary demands. After that, each individual item will have a specific investigation, which must be done in close collaboration with Member States, with industries and with the Community services, and will have a specific figure of its costs which will appear in the

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budget of the following year. At this time it is not possible to do any more than we have already done and accomplished in terms of global costs.

At this time it seems to me that some of the social actions to be implemented will for some States be difficult unless there is the will now to transfer resources. We must be quite clear about that. If we make demands on the national governments for certain expenditures, then we must as a Community think in terms of the solidarity that will make it possible for States without these resources to have the resources made available from the Community through transfer. As I say, the costs will be paid from the Community's own resources from 1975 onwards.

The juridical base of the new programme has been almost an emotional matter for some people. The experience of people in the Community has led them to feel that unless there is a clear juridical base, no progress will be made. For that reason it has been criticized.

I also see in the motion the criticism that we do not resort to the possible use of Article 235. I felt myself that we should mention Article 235 to meet this anxiety of people that we will not have progress unless we have a solid legal base. However, it was said to me that the phrase which we used in the Commission document, that we would base them on the Articles of the Treaty, covers all the articles of the Treaty including Article 235. I accept that. I wish to say quite clearly that it is my intention that Article 235 would be used where necessary in each individual item coming forward as an action. In fact, we have already drafted one such action calling for the use of Article 235.

The last day I was in Parliament, in relation to another question, Miss Lulling spoke of something which now appears in the motion, namely, the opening of Article 4 of the Social Fund for women over 35 re-entering the employment market. What she wants to do is, I think, good—namely, to provide special help to women over 35 to enable them to get back into the employment market. I myself have said many times that if men were separated from employment for as long as women who take up the cares of the family, they would not be able to get back into employment; they would become unemployable and would be offered, and require, assistance from State or Community to do so.

In my view that same principle applies to women and I think that what Miss Lulling wants is something that should be done. Indeed, during the discussions in the Council in 1971 and 1972 on the reform of the Social Fund, the same idea

was proposed by the Commission. I said this in Parliament in answer to Miss Lulling the last day I spoke. However, it encountered strong opposition based on the feeling that the training of women for re-employment after the age of 35 was largely a problem of well-off countries and that these countries themselves should pay, and that the money in the social fund should not be expended on matters for which well-off countries or owners of enterprises should pay and are able to do so.

This is the difficulty. I do not in any way reject the proposal, but it is a political decision and it was rejected before on those grounds. I do not think those grounds have changed in the minds of people who will be voting on it. For that reason I think it would be more prudent to wait and see if we can implement the effect of what the Member of Parliament wants in some other way than by expending money which may be better employed for women where the problem does not mainly relate to well-off States and enterprises which can deal with it themselves.

I promised Miss Lulling that I would examine the proposal concerning Article 4 of the Social Fund as she suggested. I would like to see it debated in the Permanent Committee for Employment, in the Social Fund Advisory Committee and in the special *ad hoc* group for women's employment which has been set up in the Commission's services. I think the principle is right but the possibility is doubtful because of our previous experience, and the prudence of spending money in that particular fashion when it might come from some other source is open to question.

In regard to another point raised by Miss Lulling, I think she is aware that in 1966 the Commission made proposals to the Council on the harmonization of Member States' legislation on the protection of women during pregnancy and no decision was taken by the Council on this. I hope that this matter may now be taken up again by the special *ad hoc* group for women's employment which has been set up by the Commission. I will draw the group's attention to these two problems so that it may make suggestions on each of them as it thinks appropriate.

Those points are already available for comment. The programme is what the Commission considers must and can be done over the next three years. If we cannot implement this, then we are not fulfilling the mandate given to us by the summit. The programme does not attempt to define social union completely. It would be a fruitless exercise at this stage of Community development and would divert us from the possibility of taking real actions to begin the pro-

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gramme. What we are concerned with is short-term practical action to make the Community a better place in which to live and to do this in the relatively near future.

We would hope that after this programme comes to a conclusion there will be a further development in the years from 1976 onwards, but if we were to concentrate now on the ultimate goal of social union with the final desired state which we all envisage we might not make as much progress as we would by concentrating on the first practical steps. As I have said, the programme has been drawn up in close consultation with the social partners. Of course we disagreed on some points of presentation, but we found general agreement with the social partners on the substance of what the programme should cover, and I think that the assessment in the draft resolution is fairly close to the substance of what the social partners and the Commission agreed on.

Again, I thank Parliament for an opportunity to speak on what I consider to be a most important occasion for Parliament. It has an important role to play by creating the climate for tomorrow's Council discussion, and I think that a positive resolution from the Assembly would be a very useful help to the Council and to the Commission when we are discussing the social action programme tomorrow. As I said, I hold myself available to answer questions and points raised if Members feel it fit that I should do so.

(Applause)

President. — Thank you, Dr Hillery. I now call Mr Bertrand, chairman of the Committee on Social Affairs and Employment. He has a maximum of ten minutes' speaking time. I should also like to ask the representatives of the Council and the Commission to be so kind as to help us finish this important debate while all Members of those institutions are still here. The representatives of the Council must leave us at 7 p.m. If we limit ourselves to our speaking time, we shall be able to finish the debate before 7 p.m. If we do not do so, I am afraid that the debate will end in an anticlimax.

Mr Bertrand, Chairman of the Committee on Social Affairs and Employment. — (NL) Mr President, you need have no fear since I shall be able to keep within my allotted time. As Chairman of the Committee on Social Affairs and Employment I would like to address a word of thanks to the members of that Committee who have made a prodigious four-day effort to prepare their recommendation. In particular I would like to thank the Rapporteur who has managed, in very difficult circumstances, to draw up a very

well-balanced resolution. Thus it is that today, 21 years after the setting up of the European Community, we are able for the first time to hold a general debate on the orientation of the social policy forming a new element in the development of the European Community.

At this juncture I am reminded of the words of Mr Mansholt, previous President of the Commission, when referring to the decisions of the Summit Conference of October 1972:

'The great surprise of the Paris Summit Conference was that it added a new chapter to the Rome Treaty in relation to social policy.'

It is my opinion that we too should see our discussions in this light. We should face the future with full confidence. Sustained by the goodwill of the national governments and parliaments (the President of the Council made this same point only a few minutes ago) we should make it our business to see that the Council, the Commission and the social partners bring a social policy into being if we wish this Community to be at least acceptable to the peoples of which it consists.

I thank Dr Hillery, Vice-President of the Commission, who has succeeded in the time allowed, in carrying out the task entrusted to the Commission by the Paris Summit Conference. In particular he has been able to present a draft social action programme to the Council before the end of this year.

I would also like to express my thanks to the President of the Council for attending this discussion and for his introductory address. His words clearly showed the concern and determination of the Council to give effect to the wish that, through the practical programme presented by the Commission, a start should be made with this new social policy.

To my regret, however, I am obliged to note that the action programme we are now discussing is incomplete. Dr Hillery has said that it is good in its approach and with this I agree. Dr Hillery himself, however, has regretted that there were a number of things that it was not possible to finalize in the programme.

He should not be unduly surprised that a degree of dissatisfaction also reigns in our Committee as a result of its examination of the points which did not meet its expectations. These points relate to procedure and to content. With regard to procedure, we regret in common with the Commission that the Council was not successful in organizing the tripartite conference expressly requested by the Paris Summit Conference. The Summit Conference had, as we know, attempted to prepare an action programme jointly with

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the social partners. Because of a difference of opinion on interpretation, the Council was not successful in setting up the tripartite conference. The result of this was that the various organizations on the Council (i.e. those of the trade unions, farmers, small and medium size undertakings and large industrial undertakings) made their differing standpoints known in the form of memoranda.

These memoranda were received by our committee too, but there has been no dialogue between these organizations, the Council and the Commission, a fact that we are the first to regret. There is no doubt that this constituted a lacuna in the preparation of the programme and in the programme itself.

The Committee on Social Affairs and Employment organized a hearing attended by many representatives of the social organizations and all the other interest groups involved. I would like to thank them for having given us this opportunity to learn their views.

Dr Hillery has said that the programme as placed before us is endorsed by the social partners and that it has been drawn up in consultation with the Commission. With this I cannot agree. The social partners agree with the statement that this is a minimum programme—a starting point for social policy in the Community. I would like to warn the President of the Council that if the Council waters down still further this minimum programme then it will run the risk of causing great difficulties for the trade union organizations which have been the most loyal upholders of the institution of the European Community. This could shake their faith in the future development of the European Community.

The agreement of the social partners with this programme should be interpreted in the following way: it is a minimum programme providing a practical initial approach to a broad-based social policy for the future.

Mr President, the social policy has a threefold content: The first point is that central to the whole policy to be implemented—whether it is a matter of economic policy, monetary policy, regional policy, industrial policy, cyclical policy, the improvement of living conditions, the struggle against inflation, or policies designed to achieve a more equitable distribution of income and wealth—central to all these must be man himself. All this can lead to a social policy only if man is made its focal point, if social justice—and not charity—is made its objective and if the concept of solidarity is accepted whenever the question of providing the resources neces-

sary for social policy arises. At the moment there is some apprehension about using the word 'solidarity'. In recent weeks solidarity has been put to the test in another context—the oil crisis.

But 'solidarity' is the basis, the point of departure for the implementation of a general social policy. The means at our disposal should be greater from 1 January onwards, when we are to have the management of our own resources. It ought to be possible then to show whether the European Community is in earnest about social policy. It will all depend on the share of the Community's income that is allocated to the implementation of social policy.

On behalf of the Committee on Social Affairs and Employment I would like to say that we too are disappointed that no financial provisions accompany the programme. I am concerned lest, tomorrow, the Council will advance this as an argument against accepting the programme, with its formal commitments, on the pretext that the financial implications of the decision it is asked to make are unknown. I therefore warn the Council against taking refuge in such facile logic when it shoulders the responsibility for tomorrow's decisions. If it does so, then it will be taking the easy way out.

The European Commission knew very well what it was doing when it said: We have seven points on which the Council has to take a decision by 1st April 1974. The Commission knew very well what it was doing when it asked the Council to take a decision on all the proposals within 9 months of the submission of those proposals. It is the intention of the Commission that the Council should take this moral responsibility upon itself so that social development should not be obstructed, as so many other developments in the Community have already been obstructed, through the system currently followed by the Council, namely that decisions have to be unanimous.

Mr President, there is much more that I would like to say but I do not propose to continue. The Committee on Social Affairs and Employment hopes that the programme will be accepted as a first step towards a social policy. For us, however, this is not the social policy that we envisage for the future. The social policy we have in mind needs to be defined in broader terms and founded on the basis of a wider general policy. The Committee on Social Affairs and Employment is hoping for measures from both the Commission and the Council that will meet this criterion.

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

Mr Pêtre. — (F) Mr President, ladies and gentlemen, I should first like to say, on behalf of the Christian-Democratic Group, how much interest was aroused by the social action programme submitted to the Council by the Commission of the European Communities.

I would also like warmly to congratulate Mr Girardin both for the report which he prepared on behalf of the Committee on Social Affairs and Employment and for the verbal explanation which he gave of it.

Everyone knows that the Summit Conference of Heads of State or Government held in October 1972 emphasized the importance which it attached to the field of social policy, adding that the social situation in the Community should develop at approximately the same rate as the achievement of economic and monetary union.

This Summit Conference, as we all know, gave the stimulus to the report put before us today because it asked the Commission to prepare a social action programme by 1 January 1974. We have in the past complained too often of the delay involved in implementing certain decisions not to congratulate ourselves today that the Commission was able to perform its task in time. The committee was thus able to study the report very carefully and approve it.

The Christian-Democratic Group was able to assess the true value of this important document. The proposal for a resolution of the Council on a social action programme can only be considered—and the chairman of the Committee on Social Affairs and Employment has just underlined this fact—as a minimum acceptable to the members of the Commission. If we were to water down the Commission's wording and aims we would be putting at risk the social objectives of the peoples of the Member States and of the development of the European Communities. I would ask the Council representative to pay particularly attention to this point. This means that we are asking the ministers for social affairs who are due to meet tomorrow to adopt a stand that is really clear and positive and makes credible the wishes and social intentions of the Community authorities.

Obviously, if the decision of the Council of Ministers on the programme proposed were not in accord with either the spirit or the letter of the decisions taken at the Paris Summit this social action programme would quickly cease to be of any interest and be particularly disappointing to workers in the Community who, as we have also just emphasized, hope to see becoming reality the intentions of the Commission to use economic growth in order to improve the living conditions of all the peoples of the Member States.

I would break off for a moment in order to point out that in its report on the guidelines of the social action programme which it presented to the Council on 19 April this year, the Commission considers a social action programme as the basis for a Community social policy which might be included in a future European social charter. And I should like to add here that in fact this is the realization of the first phase of European social union.

The Christian-Democratic Group much appreciated this conception and we should like to refer to it in order to emphasize the very positive contribution which the social action programme makes to the construction of Europe by actions to be taken at Community level, that is to say using means which largely exceed national possibilities, and by the coordination of certain national policies and by research work. These are all measures which are not provided for in any other international instruments whereas these instruments such as the conventions of the International Labour Organization or the European Social Charter sometimes overlap with the programme we are considering.

We would therefore insist upon how important it is that the Community institutions should tirelessly and continuously call for the ratification of the European Social Charter and do everything to foster its implementation as an effective contribution to the realizing of a genuine social action programme by the Communities.

Social policy has undoubtedly been mentioned too often in this Parliament for it to be necessary to underline the gaps now. Difficulties are expected on the employment market, of which mention has just been made. We would have preferred to hear a reply explaining what attempts are going to be made to solve the important problem of unemployment as seen from this angle of the labour market. I would also mention the harmonization of social legislation which is behindhand, the problem of vocational training, the problem of migrant workers and that of workers participation in company management. But these are only a few examples and there are many others.

Of course progress has been achieved partly due, as we must recognize if we are objective, to the efforts of the Commission. But once more we would repeat that social policy has not proceeded at the same rate as economic policy. In fact if considerable and often spectacular progress has been recorded at economic level year by year since the setting up of the Community institutions—and we are glad to see this progress—that achieved at the social level, and particularly over the last few years, has been

Pètre

undeniably slow. We would therefore emphasize once more to both the Commission and the Council that Community social action should be reviewed seriously in the light of the new report being discussed and that vigorous action should be taken to achieve what was set out in the final communiqué of the Summit Conference of October 1972.

If we identify ourselves with the motion for a resolution by the Committee on Social Affairs and Employment it is because broadly speaking it expresses both our anxieties and our political aspirations in social matters whether in terms of aims of the programme or of priority social action.

Thus, like the Committee on Social Affairs and Employment and all here who are desirous of seeing a genuine Community social policy implemented, we hope and wish for the social renewal which began at the Paris Summit and is set out in the social action programme put before us.

We should very much like to see measures taken as soon as possible to implement the proposals giving new impetus to a genuine Community social policy.

The Christian-Democratic Group will thus, subject to the amendments tabled, approve the social action programme and the motion for a resolution and the report of the Committee on Social Affairs and Employment.

(Applause)

IN THE CHAIR: MR DEWULF

Vice-President

President. — I draw your attention to the fact that there are to be two speakers on behalf of the Socialist Group. I mention this in connection with keeping to one's speaking time.

I call Mr Wieldraaijer on behalf of the Socialist Group.

Mr Wieldraaijer. — *(NL)* Mr President, the Treaties forming the juridical basis for the integration of the European countries are not very explicit with regard to the social objectives that the governments wished to achieve. What views were held on this question at that time and why was it not resolved? In one of the debates in the German Parliament on the ratification of the Treaties the Federal Government said:

'The Treaty does not imply that it is intended to place all aspects of social policy in the hands of the Community and to relieve Member States of their social responsibilities.

In the rejection of social integration the consideration that prevailed was that it was very difficult to decide on a Community social policy in an area with so much diversity. The burden of those countries that were weakest from the social standpoint might hold back the raising of living standards in many others if social policy were to become Community policy at too early a date.'

These considerations still have their adherents. Some countries think that the time is not yet ripe for a fully-fledged social policy in the Community. It is still apparent that social policy, to a large extent, remains a matter for the Member States.

Admittedly the Treaty does recognize some social obligations:

- (a) free movement of workers;
- (b) setting up of the Social Fund;
- (c) equal pay for men and women.

When, however, we look at what has been achieved in practice with regard to these three points it is my opinion that criticism is justified.

The free movement of workers is now a fact but, at the same time, we all know the enormous problems of migrant workers. The Social Fund has been set up but time and again limitations are placed on its resources by the Council. Fifteen years after the setting up of the EEC the principle of equal pay still has to be included in the social action programme. No, there is no cause for jubilation.

At that time the basic notion was that the coming into being of the European Economic Community would at the same time serve the interests of social welfare. There is no doubt that the European Economic Community has had a favourable effect. The welfare of workers has improved but there has been no fair distribution of wealth. We know the social disparities that still exist in the Community. We know, too, how many regional inequalities there are and how economic growth aggravates these differences. We can list a whole series of shortcomings at social level in the present economies of Member States. There are still too few opportunities for workers to develop their talents, pensions are still too small, the housing situation is still bad for millions in this thriving Europe, workers' children still have few opportunities and the disparities in living conditions continue to give cause for concern.

This situation cannot be allowed to continue. Social problems just cannot be solved on a casual basis. More has to happen than has so

Wieldraaijer

far been done. Looking at document No 4081, which reviews the most prominent activities of the EEC in the social field, we are forced to the conclusion that what is wanted is more than an investigation or a study and that there is still too little being done about a purposeful policy following a well-defined plan and designed to solve social problems by tackling them at the root and to make social policy the focal centre of progress in Europe. What is required? Here I would like to quote the words of Federal Chancellor Willy Brandt, speaking recently in the European Parliament:

'Our Community should also prove itself as a social unit.'

Mr Brandt then went on:

'For too long we have allowed social policy to be a mere appendix to competition.'

Mr President, we now have to give our view of the social action programme. Against what background does the Socialist Group see this programme? At their ninth congress, the Socialist parties in the EEC deliberated on the social policy that should be followed by the EEC and on the situation at present. The position as they saw it is as follows. Geographical and qualitative differences in living standards and conditions have remained very considerable. The control of wealth and the income that arises from it is in the hands of the few. The gap between the industrialized and under-developed areas is substantial and has resulted in the employment of millions of workers from outside the Community and in the migration of hundreds of thousands within it. This is the standpoint we take in assessing the programme and from it we observe that if something is to be done about making good present inadequacies and building a society of which the hallmark is to be social equality among men then European solidarity is needed on an immense scale.

Mr President, our Group has always taken this solidarity among Europeans as its point of departure. Today I take the same stand, on the model of Dr Hillery who has just spoken. The implementation of the social action programme we are considering, however modest it may be and even though we emphasize that it must be regarded purely as a first step, is possible only on the basis of solidarity. In these months of restricted oil supplies this principle has even more validity. If we appeal to the citizens in our countries for solidarity in the implementation of social and regional policy and for the necessary financial resources to put it into effect, this will succeed only if the governments of Member States also decide upon solidarity as the basis for their energy policy.

If a living example is not given in that area, showing the EEC to be something more than an order-issuing machine based in Brussels, we might just as well forget any implementation of social policy.

This last point brings me to another that is also of importance in Mr Girardin's resolution. If the Community wishes to achieve the social objectives it cannot confine itself to the social action programme. On the contrary, these social objectives cannot be implemented unless the European Commission follows a coherent policy, with the assent of the Council. Economic, monetary and regional policy, and other forms of policy must be coordinated and directed towards the attainment of the social aims set out in the social action programme. In the future we need to closely scrutinize the different forms of policy for conformity with this principle. We hope that we shall have the promise of the Commissioner that the European Commission will act in the same spirit. Something of this is evident from document No 4081. It needs to become more and more patently the practice in future.

Mr President I now come to Mr Girardin's resolution. We would like to say something else with regard to the aims in the social action programme. The resolution speaks about equitable distribution of income and wealth, and recognition of the workers' right to participate in decisions. I would like it to be clearly understood that we condemn the present distribution of income and wealth. For us equitable distribution of income and wealth means greater equality in income and wealth. People cannot form a Community with each other if the fruits of production are as unequally distributed as is the case at present.

Hence also the fact that in the resolution we ask the European Commission for a document on a European incomes policy relating to all incomes and in which Community instruments are also involved, the purpose of which would be to achieve greater equality. The top or very high incomes in the EEC ought to be frozen—or increase more slowly—and the lowest or very low incomes should climb more steeply in the future. It is for this reason that we ask for action to be taken, between 1974 and 1976, with regard to minimum wages, pensions and asset-formation. Hence, too, the request for a study on the effect of the taxation system on income distribution. For the same reason more consideration needs to be given to the older workers.

Speaking as a Group on the question of equitable distribution of income and wealth, I would like to ask the other Groups whether they are in

Wieldraaijer

agreement with us that this is to be taken to mean greater equality in income and that we therefore need to reduce the differences between incomes.

Apart from the distribution of income, the distribution of power is also important. The Socialist Group would like to stress this point too. This applies particularly to business where the power of decision on mergers, relocation of firms, closures and investment lies in the hands of the few. We want the right to have power to be accessible to the workers as well, who are still powerless and have to stand by helplessly while the few, sometimes a long distance away, decide upon their fate and their security.

In that connection I would like to ask how quickly the present proposals regarding company law will become effective and what the Commission can do to have a better grasp of the policy of the multinational undertakings.

Mr President, a few moments ago I referred to the term 'investment'. If we are to achieve the full employment objective, social and regional policy is not sufficient. We hold the firm conviction that guidance must be given for investment policy in the sense that investment should be directed where it can produce the best results from the social viewpoint and that it should be examined for its social utility. Certainly, in a time of energy crisis and increasing scarcity of raw materials it will be increasingly necessary to put this principle into practice. The principle is set out in Mr Girardin's resolution and this aim was in our mind when we accepted the resolution.

In connection with the present situation I would like to ask the Commission what steps it is taking to coordinate the employment policies of Member States, which are now being reviewed as a result of the oil emergency. If they are proposing to act individually and separately then I am afraid there will be an accumulation of restrictions and a growth of unemployment.

I would like to make one comment regarding foreign workers. Once again we can see that in Europe we use foreign workers as a sort of store of reserve manpower. If things are looking up we recruit them, but if not we close our frontiers and they have to go back to their own countries. For this reason is it highly important that the Community should arrive at an investment policy, particularly in those countries where foreign labour is employed, for this is the only way to find some sort of fundamental solution.

Mr President, I have understood from Dr Hillery that the Permanent Committee for Employment is shortly to meet in order to discuss the

present situation. That has my full support. I also ask the Council to remove any obstacles impeding the functioning of this Committee.

I shall now leave unsaid a number of comments that I wished to bring up since otherwise I shall be unable to comply with your request to complete my remarks within the allotted time. I would like to add my weight to the remark made by Mr Bertrand regarding the failure to hold the tripartite conference and regarding the participation of the social partners.

In what I have said I have firstly stressed the need for a social action programme and secondly I have spoken about a number of main features in the social policy.

What, now, is our assessment of the work of the Commission?

We see the action programme as a first concrete step and from that viewpoint it is important. In addition a number of concrete measures are taken that are important for people in Europe. To that extent Dr Hillery has done good work in an area that has had little attention up to now.

We support him in the unquestionably difficult task facing him in the Council tomorrow. The Council must understand—and I am glad to be able to say this to its President—that, in our opinion, this is a minimum programme but that this minimum programme should be carried out in the framework of the Treaty. For this a common political determination is needed and needs to be shown. That same determination will also result in the required resources being made available.

In this connection I would like to ask the Commission, and Dr Hillery in particular, what the words mean that he used a few minutes ago. He said 'if we cannot implement this we are not fulfilling our mandate'. What does this mean from the political viewpoint? I very much hope that an answer will shortly be given to this question.

I now come to the end of my remarks. As well as appreciation I also have some criticism to make—criticism in that, in our view, there is no coherent vision. The programme is not complete in its aims. It is, in our view, too much a matter of incidental action and still too vague in a number of points.

I therefore invite the Commission and the Council to approve the resolution of the Committee on Social Affairs and Employment concerning the social action programme. In the resolution we have endeavoured to set out how further social progress may be made.

Wieldraaijer

I also invite the Commission to adopt the proposed amendments.

It will be our continuing task in the time that lies ahead to guide the Commission and the Council towards the further steps to be taken towards a social Europe in which solidarity between men will have become a reality.

(Applause)

President. — I call Mr Durieux on behalf of the Liberal and Allies Group.

Mr Durieux. — (F) Mr President, one of the reasons why public opinion is disenchanted with the European Economic Community is the delay in achieving European social policy. The Heads of State or Government are not unaware of this fact. Paragraph 6 of the Paris communiqué proves this when it states that they attached as much importance to vigorous action in the social field as to the achievement of economic and monetary union.

We must therefore hope that by recalling this undertaking of the Copenhagen Summit they are asking the competent Community authorities to implement the actions and programme laid down.

From now on we must show, as Mr Girardin suggests—and I should like at this point to congratulate him on his excellent report—that the social element no longer lags behind the economic one, by which I mean that it is not enough to make good subsequently the social damage caused by other policies but that social aims should be part and parcel of all Community action.

Every effort must thus be made in order to slow down emigration which is unfair and costly in order to harmonize social costs in all Community countries in order to create the necessary cultural infrastructures.

Unfortunately as far as implementation is concerned prospects continue to be bleak. The Council recently reaffirmed its determination to reduce the appropriations to the European Social Fund.

Unfortunately, the Liberals harbour few illusions as far as the acceptance by Parliament of the amendment to increase the allocation to the said fund by 143 million units of account is concerned.

However, present trends should be reversed so that the Community's image does not deteriorate any further. Do not let us forget that the man in the street already regards it as ideal territory for the operations of multinational companies.

The lack of cooperation and planning in regional, agricultural and social policy measures has resulted in congested industrialized areas and depopulation of regions which were formerly agricultural. This is initially to the disadvantage of the individual, and later to the environment as the steady increase in pollution and other nuisances goes to prove.

Are the guidelines for the Community action programme revolutionary in this context? The document does not put forward any very original ideas, and does not even go so far as to state what instruments and other means would be necessary.

In this field as in so many others the crucial point is no doubt the problem of authority and of finance. Let us hope that, following threats from without, Community solidarity will go on increasing, particularly in the social sphere. At present the pre-crisis situation is proving more of a negative influence since guaranteed employment and economic growth are directly threatened. We should also mention the galloping inflation which largely cancels out increases in salary.

With Mr Girardin we consider that the policy of housing migrant workers should be given priority just as in the days of the ECSC, but we are convinced that the tide of migration must be halted by means of the Regional Development Fund. Work must be created where there is a potential labour force to be used.

Costs of housing and social infrastructures (schools, hospitals, etc.) resulting from immigration would thus be saved.

Seen in the light of all these advantages the cost of creating new jobs in agricultural or underdeveloped regions would not seem excessive.

Moreover we regret that the Commission has not given greater consideration to certain preparatory studies which have the merit of giving equal rights to the demands of women workers. I refer particularly to the general spread of part-time working and to the abolishing of certain spheres hitherto the preserve of male workers.

The problem of young people seeking employment must also be satisfactorily solved. One might envisage providing adequate information and why not a suitable grant?

In the same way our attention is drawn to the problems of elderly people which are not always of an economic nature but often one of isolation.

As far as workers are concerned we must seek to relax the system of the assembly line working

Durieux

while not losing sight of such problems as prices and competition. We fully realize that a measure of this kind can only be taken at EEC level.

Flexible time should be adopted whenever possible.

Finally collective agreements should fix minimum salaries for the Community as a whole where social costs would be harmonized. This would place undertakings in all nine countries on an equal footing. But all this as we very well know can only be achieved in successive stages and will not be easy.

In conclusion I should like to comment on two points raised in Mr Girardin's report which do not fully meet with the approval of the Liberal Group. I will be less severe than he is on the subject of the Standing Committee on Employment and less generous, although just as well intentioned as regards the unions. The committee is a recently established body which has at least the merit of allowing for healthy confrontations between both sides of industry within the Community.

Turning to the role played by the trade unions on the European scene I must say that it is often the cynicism of trade union leaders which is at the root of the delay in unifying social policy in Europe. They are the ones who did not realize early enough that the destiny of the working classes would be worked out more and more in a context different from the traditional one of individual nations. I am aware that the trade unions recently had a meeting with the President of the Commission and that they made a statement on this subject. I consider the dialogue to have begun.

I trust that Mr Girardin will not take it ill if on behalf of my colleagues in the Liberal and Allies Group I say that in our opinion he leaned too much towards what was desirable—although we all desire these things as I must make quite clear—but very often to the detriment of what is at present feasible.

Moreover, he could have included more concrete ideas in his proposals. I must admit that our position is closer to that of the Commission than to that of the rapporteur. Fearing that the whole budget of the European Communities would not be sufficient to achieve the aims set, our group wishes priority to be given to a certain number of them such as the aim of improving working conditions for women, and that of assistance to elderly people. Other action in such matters as underemployment and emigration should be studied and if possible solved in a more suitable context such as that of the regional development policy.

I know, as someone said a short time ago—and I am speaking here to the Commission—that we must not hide behind the small budget allocation. But if tomorrow the Council were to adopt a programme which though limited is realistic we wish with Mr Girardin to go much further and the social union of Europe would really have got under way. This is what we in the Liberal and Allies Group would like to see, Mr President.

(Applause)

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

Lady Elles. — I wish to acknowledge on behalf of the European Conservative Group the excellent initial programme put before Parliament by the Commission. The Conservative Group has a long tradition of progressive social measures, contrary to what its name might imply to many Members of the Community. My group would support fully and willingly any action directed to the raising of the standard of living, the alleviation of suffering, the removal of unfair discrimination and the elimination of poverty. All these objectives we will work for and support in full.

I also wish on behalf of the group to thank Commissioner Hillery very profoundly for having been responsible for getting this programme off its feet and to this Parliament. Any criticism I make on this item will not be directed to him. I know that he knows we have full admiration for him. Anything we say is not directed to him but rather lays blame on the methods and procedures of the institutions from which the policy emanates. I refer in particular to the deadline given by the Paris Summit Conference; it is as though the deadline became a desirable objective in itself, without our looking behind the decision and showing the flexibility which is needed if we are to remain a democratic organization.

We were given the guidelines to discuss in April. Nothing more was heard, except that there were intermittent meetings of our parliamentary committee, until the final programme was put before us on 12 November. That gave our excellent rapporteur very little time in which to produce his very good document, on which we as a committee had to make decisions and amendments to the motion for a resolution. Indeed, the final document has been available to me only today, as it is dated 6 December.

Further, the debate we are holding in Parliament today is being followed by the Council meeting tomorrow, which has to take decisions on matters and policies which will affect the

Lady Elles

lives of 250 million people for at least three years ahead, according to the Commissioner. A matter of this importance should not have been delayed to the extent to which it has been delayed, unless some flexibility were shown by the institutions to delay the decision on this policy.

It was only this afternoon that we heard we have only one day in which to debate this important subject, which is certainly new to us as a new country entering the Communities and which I understand is also a new programme for all the Member States. Moreover, we were also told this afternoon that we must finish by 7 p.m. That is extraordinarily unreasonable if we wish to make this Parliament a democratic body. I well understand why it remains, as it always has been, a purely consultative body to whose decisions and deliberations no importance will be given. I voice this protest on behalf of my colleagues and hope that the point is taken by the institutions concerned.

I turn to some of the matters in the document. Because I have little time in which to make any comments, I will, as I am sure Commissioner Hillery will understand, direct my attention first to the problem of women. I must compliment him on his stated objectives. I very much hope that he will secure them where the United Nations, the ILO, the EEC and the Council of Europe have so far failed. I strongly support Mr Pêtre when he asks for the ratification by Member States of the European Social Charter, and I also ask for ratification of the United Nations instrument, particularly in relation to the relevant articles concerning discrimination against women. Whether in the Universal Declaration or within the Charter itself, as well as the Declaration on the Elimination of Discrimination Against Women, all these instruments should be ratified by Member States which are determined to remove discrimination among over 52 per cent of their populations.

I remind the Member States that Article 119 is the one mandatory article within the four articles referring to social policy that has not yet been achieved—equal remuneration. I wish Commissioner Hillery well in this stated objective.

I should also like to comment on the question of Article 4 of the European Social Fund, to which the Commissioner referred. An extraordinary reason why it should not be open to women was given. I understand that it is because of the wealth of the Member States concerned. I should have thought that that was a classic argument why migrant workers should

not be helped by the Community, because it is the Member States themselves which benefit from the wealth that the migrant workers bring. I say that in no way to detract from any measures that should be taken for migrant workers. Obviously they must not be discriminated against in any way, whether in economic, social or educational matters. It is a question of using money for the benefit of members of the Community where otherwise they will not receive material help.

I would ask the Commissioner to tell us how many women serving on the three committees he mentioned have taken this decision, in particular the Permanent Standing Conference on Employment. I appreciate that he may not have a figure in front of him, but perhaps I might have a written answer to that effect some time.

I would also like to refer to the question of migrant workers and ask for some clarification as to the use of the funds under Article 4 of the European Social Fund. Are these to be applied to migrant workers who come from within the Member States, or are they also to be applied to those coming from other countries? The migrant workers, we know, do unacceptable jobs in unacceptable conditions. Their families in the developing countries, in poorer countries than our own, rely on money provided by their earnings. It is equitable and just that they should have fair and reasonable conditions in which to work. From the point of view of the use of the Social Fund, I should like an answer to the question.

As to the European Foundation which I understand is being set up for the improvement of the environment and living and working conditions, I would draw attention to the existing European Cultural Foundation. I very much hope that a great many bodies will not be set up duplicating the work of established institutions which have undertaken and are undertaking similar research problems. Quite a lot can be done in working with existing bodies rather than wasting money setting up new bodies covering areas which are more than amply covered by people who are highly competent in this sphere.

As to full employment, I think we have all been aware of the urgent necessity for flexibility in the social action programme. A month ago we were cheerfully talking of full employment for many years to come and about the great influxes of migrant workers. We are now talking about unemployment in the Community and how we will deal with the very many problems before us. I therefore urge considerable flexibility in dealing with our social policies

Lady Elles

and for these to be considered in line with our economic, energy and other global policies. The reason for the creation of the European Social Fund, as I understood it, was to retrain and rehabilitate those whose jobs have fallen by the wayside. I also urge that this was an excellent reason for setting up the European Social Fund. We should perhaps more strictly try to maintain the reasons for which this fund was created, because we may be very much in need of it for these specific purposes within the near future.

No social policy can be successful unless it can provide what Winston Churchill described as a safety net below which no person or family should be allowed to fall. I am glad to see in the text of the Commission mention of the fact that the family must be the basis on which all our social policies are founded because, after all, Aristotle said centuries ago that it was the family which was the basis created by nature to provide for the daily needs of man. I think that definition is still true today.

It will therefore be the aim of the social policies of the Community that the poverty groups should be clearly identified. These poverty groups change from year to year. It is incumbent on us as members of the Community to identify these groups and to be able to meet their needs as and when they arise. For this reason I again beg the Commission to look at these problems with great flexibility and be ready to deal with new situations as and when they arise.

In this context I ask that considerable encouragement be given to, and indeed that there be consultation with, voluntary organizations which do such splendid work in this regard. In our own country we have the Child Poverty Action Group which deals with poverty of children and families and provides an immense amount of information and basis for research. I ask the Commission, if it has not already done so on a European scale, to look to some of the organizations which do so much good at what we in England call the 'grass roots' level.

Finally, the Conservative Group supports the necessity for the exchange of information on methods and procedures, because we are fully aware as members of this Community that all Western industrialized States share many of the same problems, and many of these problems can be solved by similar, if not identical, solutions. It will only be with the political will of the Member States that we shall arrive at these just solutions.

I make one final plea. In the speech which the Commissioner was gracious enough to give to

Parliament, he mentioned several times consultations with the trade unions and with the social partners. I think we do not need to be reminded that those who are really suffering in the Community are precisely not those who are working but those who are not working, those who are handicapped or disabled, women who cannot get jobs, the elderly, the underfed, the ones who are not able to take jobs because they are what we might call unemployable. It is to these sections of the Community that I ask the Commission in particular to turn its attention.

(Applause)

President. — I call Mr Laudrin on behalf of the Group of European Progressive Democrats.

Mr Laudrin. — *(F)* Mr President, ladies and gentlemen, the European Progressive Democrats are glad to see the excellent report by Mr Girardin submitted to Parliament for its judgement and assessment. We in the European Economic Community are obviously lagging behind in pursuing social objectives and we must increase our pace.

The Treaty of Rome sets out under Title III the social provisions and the main objectives which should have been attained. Moreover, everyone knows that there is an Economic and Social Council and that the ministers in agreement with the Commission and Parliament have set up a European Social Fund. We may thus say that the essential structure has already been created and that European legislation will now advance at a more rapid rate.

However, no doubt because of the great influence which social measure have on prices and on the economy in general, the Member States have been very slow to decide what joint action to take. Probably under the influence of certain political trends, each country preferred to carry out its own social policy with no regard for what was being done in the Community at large.

But for years—and those who have been in Parliament a long time will remember—the ministers of labour and social affairs hesitated to meet in order to pool their research and to take their decisions jointly.

It is to the great merit of the Commission and subsequently of our Parliament to have tackled this very real problem of our time. I should like here to say how much is owed to Mr Bertrand as chairman of the Committee on Social Affairs and Employment, who has helped us to shake off our apathy. The conference of the Heads of State or Government held in Paris in October 1972 finally decided to launch a genuine social

Laudrin

programme. It is this joint action which is important because of its scope that we must approve despite a few necessary criticisms.

As Dr Hillery recalled a few moments ago, there are only measures which will be implemented over 3 years but they have the merit of having to be formulated before 1 April 1974. Employment, living conditions and the involvement of both sides of industry are the three main axes of this vast undertaking aimed at improving the lot of the workers which we must carry out in the three years that lie before us. Needless to say, we shall all meet with great difficulties of a financial nature.

In one Member State, social costs amount to more than 50% of workers' monthly wages. We should not be unaware of the fact that the present economic situation is not designed to encourage progress, but we must not allow ourselves to slow down in this movement to improve the lot of the workers. There are difficulties of a legislative nature since the country I am referring to has in the matter of collective dismissal implemented measures which other countries hesitate to apply to their own territory. We must not however slow down but advance ever further towards improving the lot of the working population.

We know the difficulties and set-backs which have bedevilled consultations with both sides of industry. Indeed, the trade unions organize, sometimes divide up and even come into conflict with one another when a decision has to be reached as to how they are to be represented. But Dr Hillery finished his speech by emphasizing that we cannot achieve social unity in Europe at a stroke we shall have to do this gradually.

Mr Girardin stressed certain priorities and I would like to associate myself and my group with what he said in this regard. Employment is seriously threatened by the present energy crisis and the sometimes uncontrolled fluctuation in certain markets. Consequently the textile sector and the substantial amount of industry which depends upon it are in crisis throughout the Community while the credit squeeze in Europe is threatening to affect building and seriously restrict investment in industry. Jobs are therefore at risk. This is the question to which we should give the greatest consideration during the coming months.

There is no denying that we are faced with very serious social problems in this field. While work is a source of pride to man, it is also a necessity, and there are grounds for fearing that from this point of view progress is now being slowed down.

After many other groups and the rapporteur himself had done so, our group would like to underline the attention that should be devoted to the problems of handicapped people who suffer through no fault of their own and also the attention which we should give to those whom I shall refer to—because they are in a similar situation—as the socially handicapped, the migrant workers. Who would dare to say at present that their situation is not taking a dangerous turn?

I would also like to underline the urgent necessity of establishing the principle of equal pay for men and women. I recently pointed out that 23% of wage-earners in Luxembourg are women as compared with 25% in Italy, 29% in Belgium, 32% in Germany and 36% in France.

This equality in terms of basic salary has already been achieved but we wonder whether steps should not be taken to encourage the return of the mothers, who are the ideal people for bringing up children, to those homes where there are several children and whether as a consequence special social provisions should be made.

I will not go into detail on the other points requiring urgent consideration such as hours of work, holidays and the equalizing of social benefits. What a lot we still have to do! Our task is an important and difficult one and we are all in our various countries making a great effort. If I am not mistaken the French economic budget amounts to 220 000 million this year whereas the overall social budget is for 240 000 million. At European level, therefore, we are, as every speaker has emphasized, lagging behind considerably.

The document presented to us by Mr Girardin must therefore be approved so that we may subsequently harmonize our national regulations and so that we may ultimately create, in freedom, a genuine European social unity in which workers will finally enjoy a way of life worthy of our civilization.

We support the rapporteur in all his statements. We should like to see a more generous financing of the Social Fund and we would support most of the amendments made, particularly those aimed at improving the situation in the less favoured regions.

(Applause)

IN THE CHAIR: MR BERSANI

Vice-President

President. — I call Mr Marras on behalf of the Communist and Allies Group.

Mr Marras. — (1) Mr President and colleagues, certainly one favourable aspect of this discussion is that social problems are at last beginning to find their proper importance in the Community. Under the influence of the workers' struggles, of growing trade union initiative, and the left wing parties, people are becoming aware of the profound limits which exist in this field. And the Commission itself, moreover, has openly recognized it. We live in a Community in which goods circulate freely, profits know no frontiers and the monopoly groups have been able to extend their influence, but the great masses of workers pick up no more than the crumbs of this development. The social objectives, though they are defined in the Treaty, have not been achieved. The upward harmonization spoken of has not happened. Some attempts have been made to mitigate the more disastrous consequences of the type of development in operation, which fifteen years of the Community have not attenuated and have even in some respects (as you yourself have written) aggravated. Today, our Community, after fifteen years of existence, is faced with profound differences between regions, with the ruin of the environment. We include among our objectives the 40-hour week, which was an objective of the workers' movement in Europe at the beginning of the century.

Equality between men and women is spelt out in full in the Treaty and the failure to achieve it has just been denounced even by a Conservative such as Lady Elles. The situation of emigrant workers is intolerable, and a new slave trade—the traffic in manpower from third countries—is even operating within this Community.

For the first time we are faced with the phenomenon of hundreds of thousands of young people, technically and educationally well prepared, who have to wait years before finding a job. Over all hangs the spectre of inflation; and today, to sum up, alongside this spectre stand the adverse consequences of deflation.

These are, in the view of the Communists, the fruits of a Community constructed in the light of the dimensions and interests of the big economic concentrations. The Paris Summit tried, at any rate in words, to give social policy its proper importance and the Commission, it must be recognized, made a dashing start in preparing a document on the guide-lines of social policy, in which sound proposals are somewhat scarce.

It must, however be recognized that the Commission has made a serious effort to identify and characterize the shortcomings and to look for solutions. But what we have in front of us today

is far from being a social action programme. It does not contain what the Summit seems to have wanted, namely the definition of a Community social policy.

On the contrary, we find ourselves faced with a proposed resolution which contains a limited number of actions, chosen not on the basis of criteria of priority, but according to their state of advancement in the studies of the Community staff. It can be said that these actions are followed up by a document which seems intended to be an action programme. Although you are a newcomer to the Commission, Commissioner Hillery, you have had an opportunity of seeing the mountains of documents and drafts which have been drawn up in the field of social policy. It is all paper, and paper it will remain unless it is translated into actions and initiatives.

The path of social policy—make no mistake about it—has been like the path of a crab, moving sideways and backwards. We started off with grand proposals and we have finished by setting out a limited series of actions without any general framework. General dissatisfaction has been expressed in this debate, as already happened in the meetings of the committee, even if this dissatisfaction is often toned down.

But this dissatisfaction has been openly expressed by the trade unions which the Council has been unable to bring together in that tripartite conference which was promised. The trade unions were heard on the timely initiative of the Chairman of the Committee on Social Affairs and Employment: at this hearing we realized how critical the trade unions were.

I ask you, what social policy can be effective without the consent of the interested parties and the bodies which directly represent them? The rapporteur's statement undoubtedly discloses dissatisfaction. His document has been largely watered down by the Committee, but if we read the successive pages of the report we can see that Mr Girardin as rapporteur rightly identified the limits of this document. I am only sorry that this consistency has not been fully maintained in this resolution.

We are opposed to this piecemeal approach and emphasize the need for a programme, for a frame of reference, and I do not think that this is one of our claims of a generic or doctrinal character, as has been said.

If Comrade Marchais proposed to the central committee of his party a statute of labour law, how does this proposal differ from that for a European social charter which the European socialists put forward at their congress and of which no trace is to be found in this document.

Marras

And when we adopt as our own the proposal for a statute on emigration on the part of the interested organizations, we cannot be said to be proposing an empty nothing; we are proposing a programme, a guideline, fully conscious of the fact that from this framework there will flow a series of coordinated actions to be carried out gradually in the course of time. Because the Communists do not want everything at once, but understand that it is essential and unavoidable that the objectives should be achieved only gradually.

That is why we reject this appeal to a pragmatic realism which has dominated the judgement of so many elements in our Parliament and in the Committee on Social Affairs and Employment. We believe that, while asking for a social policy, for a frame of reference, we are more realistic than the rest when we complain that this programme has not enough financial resources to succeed and when we protest that the social funds are being gradually and proportionally reduced in relation to the needs, even if they are increasing in absolute quantity.

When we recall, together with the trade unions, that a social policy cannot be formulated without bearing in mind the concerns which today dominate the lives of the great working masses of Europe (the war on inflation, price stability) we are saying something which is claimed as a necessary basis by trade unionists from the CGIL and the CGT to the trade unionists who head up the ICFTV.

Again, there is no word in the resolution about multinational companies. You will tell me that all these requirements form part of other policies and other discussions. But it is impossible not to incorporate them in a general view of this programme.

Social policy cannot be implemented in a vacuum, without the appropriate references to and coordination with all the other Community policies, from agricultural policy to economic policy and, more generally, investment policy. Otherwise expressions such as 'capital must go to labour and not labour to capital' or 'there must be an end to forced emigration' (so frequently heard) will remain statements of principle and will not be reflected in concrete achievements.

That, Mr President, is what we wished to say, adding that our approach is based on a fundamental criticism of the construction of the Community and of the type of development which has predominated (which is why we are fighting for a radical change), but we also recognize that the Commission's proposals include measures which command our assent. We

undertake to give them their full value, and if necessary, to support them. We do not, however, consider that what is proposed here can be the Community's social action programme and we call upon all the forces of the left and in particular on the Socialist parties and those Christian social forces which together with us Communists represent such a large part of the public opinion of the Community, because at least on the ground of the defence of the workers' interests we can find a profitable consensus, ensuring that the Europe in which we operate has the social approach which we collectively desire.

(Applause from the Communist and Allies Group)

President. — I call Mr Della Briotta on behalf of the Socialist Group.

Mr Della Briotta. — (I) Mr President and colleagues, in speaking in this debate it is not easy to disregard the atmosphere which hangs over Europe. There are in fact many people who fear that an economic crisis may, among other things, block the way to the construction of a social Europe, a way which has always seemed uncertain and slow, even in more flourishing times. These considerations, however, do not change the terms of the problem. For us socialists the need remains unaltered to act coherently so as to give Europe a social identity, which, as I believe, is the essential prerequisite for political identity.

We have to judge the action programme in the light of this principle. So far as I am concerned, I am bound to say straight away that the individual points which make it up may well merit our assent but it is somewhat difficult to combine them in an overall design and to identify a global and coherent strategy. There are no references to the appropriate legal instruments to make the programme applicable in individual States. There is no provision for financial resources commensurate with the volume of the programme.

It is confirmed in the document that it is not desired to tackle the problems in a uniform manner, and that is right, but an approach to individual problems on a Community basis remains a thing of the future, even if the Committee professes its intention to operate along those lines. And yet we have behind us the experience of these years which should have convinced everybody that Community social policy has had much more advantageous concrete applications and results where there has been a Community legal basis. I would cite Community Regulations Nos 3 and 4, the regulations on free movement. It is not a very long list.

Della Briotta

On the other hand, the list of recommendations to Member States is much longer, and they have certainly played an important part in stimulating social legislation, though without appreciably changing the institutional framework. Here again, I would venture to cite the question of social security. I do not want to tackle the question of financing, which I think will have to remain the responsibility of individual States for a good many years yet. I merely want to say that the results achieved in these years have not been satisfactory, mainly because national States have continued to deal with the question on the basis of national political requirements, often of a conjunctural character. Italy, for example, has always provided a large part of the financing needed by the workers in the agricultural sector—an agricultural sector which is poor, even today—by means of intersectoral solidarity, thus imposing appreciable burdens on the industrial sector, workers in which have necessarily had to be satisfied with insufficient benefits.

If these are the results, we are bound to conclude that social policy has been regarded as a subsidiary part of the functioning of the customs union, as my honourable friend Mr Wieldraaijer has said in his speech, and that the economic expansion of the last fifteen years has improved the gross income of European citizens, but has not automatically settled the social problems.

It is essential to take vigorous action in the social field—the Paris Summit has confirmed this—with concrete measures and with the appropriate resources, particularly in the context of the Social Fund.

The Federal Chancellor expressed similar views in this place at the last sitting.

If we turn our attention to the document itself, it seems to me difficult to find any traces of the required vigour, in the absence of precise legal instruments. The Commission, for the rest, has expressly admitted this when it left the implementation of the programme to national policies without resorting, as it seems to have initially intended, to the procedure provided under Article 235 of the Treaty, even if Vice-President Hillery has entered into certain undertakings on this point.

Some comments should be made on the financial aspects to be borne by the Community. The Social Fund will have limited resources, about 240 million units of account, compared with 3 260 million for the agricultural fund. It will certainly be necessary to take account of the reasoning of other parties—I am speaking as a socialist, but also as an Italian—of those of the

States which foot the bill and which have solved a great part of their social problems.

This being postulated, we do not think that, without the establishment of solidarity within the Community, it will be possible to solve the problems of the less developed regions. To make emigration—an emigration brought about not by free choice but by the goading of necessity—the ultimate decisive factor in European economic development is not, in the long run, good business, either for those who reject surplus manpower from their productive cycle or for these who receive it. I am thinking not only of the sum of sacrifices and distress which accompanies the transfer of millions of workers from the South to the North, even though as a socialist I am obviously very sensitive to this aspect. I am also thinking of the social tensions which result, of the dangers involved for the maintenance of social peace and ordered development. In the long run the presence of millions of displaced persons may turn Europe into a powder magazine. We have already seen skirmishes of this kind in North Italy, an immigration zone, in the years 1967-1970 and in other States of the Community. And I am thinking of something else. We need—I am speaking as a socialist and as an Italian—a firm anchorage to the reality of the Community, because, in spite of everything, it is a democratic reality. Too many countries on the shores of the Mediterranean are not democratic. But we also need the workers to see in the reality of the Community a social reality as well in which the mercantile aspects do not prevail.

Community solidarity in the direction of classes and categories, entrusted to the Social Fund, is appreciable in principle, once its application is extended to migrant workers and the physically handicapped; but some people would like the limited resources available to be used for other actions as well, with the certain danger of dispersing them in a thousand streams and rivulets. The inadequacy of the financial resources to the magnitude of the problem is a second ground of criticism. I hope that the Council will have the strength to go ahead and tackle certain specific subjects, such as the unemployment fund.

On individual items in the specific programme, defining general objectives, it is difficult not to agree. As an Italian I am obviously interested in what is said about full employment, which, however, presupposes incentives for the creation of jobs and not merely declarations of principle. It is difficult to talk about quality of life and economic democracy when the problem of job security is still unsolved. I must say that in my country, once you reach the age of forty, you

Della Briotta

do not have to be a woman to have difficulties in finding a job.

From this point of view, the great novelty is regional policy and I hope that the Council will also fall in with the indications contained in the resolution proposed by my honourable friend, Mr Girardin.

We also share in the pledges in respect of migrant workers and the physically handicapped. Perhaps the funds are inadequate, but it is important in principle that it should be possible to tackle this essential problem. In my own country's Parliament I have been following this question for years and I know the difficulties. I know the inadequacy of financial resources, at national level as well. We shall be reverting to these problems and to the problems of schools in particular, which affect hundreds of young people, the future Europeans of tomorrow.

Some of the other pledges contained in the programme are also interesting, such as the 40-hour working week. It is true that I have no great confidence in victories obtained by statutory decrees. The trade unions are even less enthusiastic on the subject of mass dismissals.

Other minor initiatives, however, merit the appreciation of our Parliament, although the overall approach is lacking which would have introduced greater enthusiasm into the favourable vote which we are nevertheless prepared to give.

Mr President, before concluding, I should like to say a few words about the future outlook. I have spoken of the limits of Community solidarity, limited to the Social Fund, which I hope may have found a coherent development; I have stressed the value and soundness of regional policy, which seems to me to represent, after the unification of the executives, the major favourable element in the construction of Europe: I have spoken of the uncertainty of references to legal instruments.

All this is perhaps not very encouraging, but I believe that it should remain the political task of all Europeans and of us socialists in particular through our connection with the action of the workers and trade union movement.

These are chilly days for Europe: we are all aware of that, but we do not want that to be an excuse for not restoring a different climate, a more social climate, to Europe.

(Applause from the Socialist Group)

IN THE CHAIR: MR DEWULF*Vice-President*

President. — I call Mr Glinne, Member of the Council of the European Communities. We are grateful to him for coming to speak to the European Parliament.

Mr Glinne. — *(F)* Mr President, if the Belgian Government considers tomorrow's meeting of the Community ministers for social affairs to be of great importance, it also attributes great importance to the discussion within Parliament which it would like to see given more than consultative powers.

Europe is at present experiencing a time of crucial testing which it will only come through if it is given a new dimensions and cohesiveness. The implementation of a social action programme at Community level is one of the necessary means of achieving this.

The Belgian Government considers it very important that tomorrow's meeting should be both decisive and positive. It would be very sorry to see decisions postponed or left to the Heads of State or Government at their next meeting in Copenhagen.

We consider that tomorrow and no later a decision must be taken and that this must be a real decision.

It is the belief of the Belgian Government that the choice of instrument whereby the Council expresses its wishes must be in full accord with the ideas as expressed after the Paris Summit meeting and that one should therefore avoid leaving European social policy at the level of inter-state benevolence. Similarly, it would be deplorable were the undertakings of the Council to be postponed indefinitely and to disregard the means of action which would be required.

Because of these anxieties the Belgian Council of Ministers issued the following communiqué after last Friday's meeting: 'The government considers that the Council of Ministers of the EEC should reach a decision and not formulate a resolution on this subject although the priorities to be laid down should relate to the training and retraining of workers, immigration policy, equality of the sexes at work, the linking of social security provisions to rising incomes and the protecting of workers' interests, particularly in cases of mergers, concentrations and rationalization of companies and also the development of certain collective structures.'

As you see the Belgian Government wishes tomorrow's Council of Ministers to come to a

Glinne

positive and immediate decision on certain well-defined and specific objectives. The list I have just mentioned is by no means exhaustive.

I was very interested to hear what speakers so far have had to say.

Mr Bertrand and other speakers regretted that at the end of June last it was impossible to hold a tripartite conference with employers and workers. At the time I was President of the Council of Ministers and I would state before Parliament that the Council of Ministers at the time did not spare any effort to solve the problem of procedure raised by the trade unions. It was, in fact, because of a dispute concerning the distribution of seats among trade union representatives that the tripartite conference could not take place. The Council of Ministers had for its part put forward a compromise which was perfectly acceptable to all those present. Apart from this dispute concerning procedure and appearances it is, however, very probable that the real reason for this setback and for the refusal of the trade unions to compromise was the opposition of a major British trade union to its country joining the European Community. I am saying this in order to provide or offer a genuine explanation for the Council of Ministers and the Commission's failure to hold the tripartite conference with both sides of industry represented at the end of last June.

I would conclude by saying, as others have done before me, that today's parliamentary sitting and in particular tomorrow's meeting of the Council of Ministers will be decisive for the internal cohesion of the Communities, for the credibility of the European idea, and for the image of Europe in the world at large. Tomorrow's meeting *must* be successful.

(Applause)

President. — Thank you, Mr Glinne, for that important statement.

I would draw your attention to the fact that there are nine more speakers on the list and that there are thirteen amendments to be dealt with. I shall suspend the sitting at about 7 p.m. and it shall certainly be resumed at 9 p.m.

Lord O'Hagan, you have the floor for ten minutes.

Lord O'Hagan. — Mr President, I am very glad to speak after Mr Glinne, because I hope that I can speak for many members in saying that his positive note was extremely encouraging for those of us who want to see the social action programme go ahead and go into genuine action.

I think that the whole tone of today's debate has, with few exceptions, been very much an indication to the Council that not only the members of the Committee on Social Affairs and Employment but other Members of this Assembly look upon Dr Hillery's social action programme very much as a minimum, as the least that can be afforded, as the least we should allow the Council to give to Europe if it is to honour the commitment in the Paris communiqué last year.

I was intrigued by Mr Marras's likening of the social policy of the Community to a crab. I believe that his analogy had a great deal to be said for it. However, I would take it one stage further and say that this programme that Dr Hillery has put together may have some defects; it may be limited; there may be difficulties about the financing; there may be priorities in it that we would like to see lower down the list and others that we would like to see higher. But it provides the pincers for the crab for the first time and it means that the social policy for the Community turns into something positive rather than into some form of inter-State fund for baling out disaster.

Therefore, as a member of the Committee on Social Affairs and Employment I welcome this new positive tone to the Community's social policy, and I very much hope that the Council will now put it into action and ensure that the crab can bite.

There are some points that make me think a little. I shall mention only one, which is the question of migrant workers. I feel that there is a certain timidity about many governments, the Commission and the Council when they are looking at this problem; because they tend to blur the issue by refusing to acknowledge that there are radical and fundamental differences between the various types of migrant workers inside the Community. Even in the social action programme itself, I notice too little sense of urgency about this matter, not that I am a prophet of doom or of gloom. I do not feel that a social explosion is imminent, but I feel that, as we are coming into perhaps some years of slightly less prosperity and growth, we should start to think quickly about the economic and social consequences of recession on some of the least protected members of our work force.

Therefore, I was disappointed to see that the main action involving migrant workers — Action II 5 is only for the period 1974 to 1976. I ask Dr Hillery why he felt that this issue could be postponed and how in the meanwhile he thinks that the Social Fund in its new application to migrant workers will work. How

Lord O'Hagan

will it turn out in practice? What is a migrant worker? For example, in United Kingdom law there is no such thing as a migrant worker; we only have immigrants. How does the Commission face up to that? I do not expect an answer today. I cite that as a difficulty into which a blanket covering of migrant workers by the Social Fund may lead us.

I ask the Commission to stir the Council into positive action by driving home to the Council the fact that the tenth nation, which is what the European migrant workers are, will demand more and more urgent attention unless we are really to have a Europe with a social face, and a face which is not cosmetic. I do not want to interfere in anybody's internal governmental problems, but the social consequences of, as in my country, suddenly turning off the tap of immigrants or, as may have happened in Germany now, suddenly turning off the tap of parts of families, so that there is dislocation — these things cannot simply be regarded as mere casual by-products of economic ups and downs. They are things of real human concern and we cannot shrug them off merely as a part of economic policy.

I would ask the Commission to continue to exert influence on the Council to take a serious look at this problem, because the Community has always accepted people from Italy who have had to migrate because of a very bad availability of employment there. This is something that the Community has looked upon as its own problem for some time, although it has not got very far. Now there is an additional element, and it may be that the problems and the social strains that these migrant workers bring with them are not of the same nature as those from inside the Community.

Therefore, in conclusion, I would ask the Commission and the Council to look more closely, more carefully and more thoroughly at this problem, not to gloss it over by specious formulae that wrap the whole thing in a package, and say 'We worry about them *in toto*, in the global sense.' I ask the Commission to divide the problem up and to provide practical solutions.

President. — I call Miss Lulling.

Miss Lulling. — (F) Mr President, the social action programme submitted by the Commission to the Council has evoked disappointment in many quarters.

The most severe critics reproach the Commission with lack of new ideas in the proposal and its manifestly minimalist content.

Some consider that the social action programme is no more than a catalogue of current social problems, a list, a detailed—and admittedly up-to-date—paraphrase of the articles of the Treaty establishing the EEC dealing with social affairs, namely Articles 117 and 118.

To be objective, however, one must consider to what extent, in the light of the present institutional imbalance of our Community and the seeming inabilities of the Council of Ministers to take decisions, the Member States and the two sides of industry are prepared to cede their national sovereignty in social policy to Community institutions which would take over responsibility—acting through the medium of regulations, directives, decisions, recommendations or, in the case of the two sides of industry, collective European agreements—for achieving the aims of this programme, namely full and better employment, improvement in living and working conditions in such a way as to remove disparities, and increasing participation of the two sides of industry in the economic and social decisions of the Community.

The Commission proposes to achieve these objectives by a programme of action falling into four categories.

The first of these concerns immediate actions, which form the subject of proposals from the Commission to the Council in respect of which the normal Community institutional procedure has already been initiated.

These proposals take the form of a specifically Community legal instrument, and I think it important that the Council should firmly commit itself to prompt action on this category.

I am happy to see that these proposals include a directive on the approximation of Member States' legislations on the application of the principle of equal pay for men and women, stipulated in Article 119 of the Treaty.

Since Parliament will have an opportunity to deliver an opinion on the content of this proposed directive, I shall refrain from further comment for the time being. I did, however, want to quote it as a good example of a directive whose adoption will show whether the Community is living up to its obligations in its capacity of a social union.

It also provides an example of what I understand by 'concrete measure' and 'corresponding resources' needed to carry through the vigorous action called for in the social field over a year ago at the Paris Summit Conference of Heads of State or Government.

Lulling

This first category of immediate actions also includes a proposed regulation under which assistance from the European Social Fund is to be granted to migrant workers and handicapped persons.

In preparing the opinion under discussion, I had proposed that we should insert in our resolution a paragraph urging the Commission to arrange for assistance to be available from Article 4 of the European Social Fund to facilitate the re-employment of women over 35, in view of the inapplicability of the existing provisions based on Article 5 of the decision. Article 5 provides for assistance from the Fund for operations designed to help the absorption or re-absorption into active employment of women over 35 wishing to pursue professional activities for the first time or after an interruption in employment for such a time as to make their qualifications no longer suited to existing requirements.

During the discussion of my oral questions in this Chamber at the November part-session I explained the problem at length quoting a concrete example, and I had hoped that everyone, including the Commission, had understood.

I very much regret, therefore, that its intervention caused the Committee on Social Affairs and Employment to reject my proposal.

I re-submitted it today in the form of an amendment. The highly laudable intentions and fine phrases of the action programme relating to working women, progress towards equality between men and women on the Community market and the reconciliation of women's family responsibilities with their professional aspirations will remain a dead letter in the absence of action. Such action may begin on a small scale, but it must be concrete. Opening up of Article 4 of the Social Fund to measures intended to help re-absorption of women into active employment would be such an action. I am aware, gentlemen, that the moment is scarcely propitious to be calling for such action. We are threatened by recession, and it will again be women who will have to pay the price in terms of work and access to the restricted number of jobs available. The counsels of prudence which the Commission's representative felt obliged to utter in committee are merely a first indication of this old mentality, which would prefer to postpone action favouring women until the financial and economic situation improves. I am not convinced by the arguments put forward in support of this attitude to the opening of Article 4 for action to help women to get back into the employment market, which I was sorry to hear Dr Hillery repeat in today's

debate; indeed I am shocked by them. The financial implications of such an operation have been grossly exaggerated, with suggestions that millions of women and their employers in the well-off regions and industrial sectors and the richest countries of the Community would hurl themselves at this poor Social Fund, determined to bleed it white. Gentlemen, I ask you!

I would reply to Mr Hillery that his argument that the well-off countries would derive the greatest benefit from such opportunities can be turned against the Commission's own proposals. The same argument might well be advanced in connection with handicapped persons: it is the well-off countries, the buoyant regions which submitted to you these proposals for handicapped persons and it is they who have the most to gain.

If you take the view that the problem of the handicapped and the problem of the re-employment of women have nothing to do with the Social Fund, if you take the view that the Member States should pay, then say it, but let it apply to everyone, and not only to women.

Reference has been made to the hostility of the unions to aid restricted to certain special categories. There has even been talk of discrimination against male workers who would be denied the same opportunities. As regards this alleged discrimination, I do not know many men who have interrupted their careers to bring children into the world, look after them, and bring them up during the first few years of their lives. To refuse aid from the Social Fund for this extremely limited category of re-employment of women is a sign of either bad faith or hypocrisy. I hope that Parliament will adopt my amendment, which introduces nothing new, but merely seeks to enable the Social Fund to operate in sectors already approved by the Council, since they are already covered in the document, although these intentions cannot in fact be implemented because of the conditions of application of Article 5.

Mr President, I have spoken at considerable length on this first category of immediate actions because I regard it to be of special importance, since these are the only points in the resolution proposed to the Council embodying a commitment to implement concrete measures already having the form of Community instruments. As for the other points in the resolution proposed to the Council, on which the latter is to act tomorrow, I feel that a list of priorities should accompany the decision on this resolution in order to lend substance to the Council's commitment on a certain number of points.

Lulling

You will not be surprised if I request that this list of priorities should include reference to greater equality among men and women on the Community employment market by the adoption of legal instruments designed to bring about equal treatment as regards every aspect of working conditions, including access to jobs, equality of opportunity and elimination of discriminations. Our resolution lays particular stress on the harmonization of measures designed to protect maternity, the financial burden of which should be borne by the community as a whole and not by employers and workers, as is still the case in some of our Member States.

To enable us to move forward to the eradication of the grave social inequalities existing in the Community, the list of priorities must especially contain measures concerning minimum wages, minimum pensions, and inheritances, problems to which I attach the greatest importance. The Council should draw up a timetable for the adoption of legal instruments relating to immediate actions: Social Fund, Article 119, 40-hour week, 4-week holiday, mass dismissals, etc. If the decision on the resolution—which is to take place not later than tomorrow, as Mr Glinne has just emphasized—is accompanied by a list of priorities, we shall at last emerge from the era of benevolent inter-state action, of underdeveloped Community social policy and place the latter on a par with other Community policies. We shall thus comply with the instructions of the Paris Summit by embarking gradually but surely on vigorous action in the social field.

(Applause)

President. — I call Mr Bersani.

Mr Bersani. — (I) Mr President and colleagues, after the first document on 'Guidelines for a social action programme' we have this proposal for a 'Social Action Programme'. We are grateful, like all our colleagues, to Mr Girardin in particular and to the Committee on Social Affairs and Employment and its Chairman, Mr Bertrand, for the excellent work they have done in the attentive and responsible formulation of a proposal on the whole of the concrete indications through the medium of which Parliament is today put in a position to fulfil its role of critical cooperation.

What judgement should we pass on this action programme? I think that to answer that question properly in a political assembly such as ours, the programme must be looked at from two points of view.

First and foremost, we must ask what is the evolutionary effect of the programme as a whole, what is its significance for the future. The second angle of approach is to consider in concrete form how far the individual measures help to achieve these future prospects.

Having said this, I think that the rapporteur was right when he said in response to the first requirement that it was undeniable that this proposal had its own precise political value. In fact it emphasizes a genuine reversal of trend in the process of European integration. Up to now this process has not made adequate use of the possibilities of a fair distribution of the income created by the Community process, nor of the adequate participation of management and labour in the process of European integration. Nor has it had a specifically social character. And it is from this point of view that we can detect, as I have said, a reversal of trend, a policy shift in the construction of the Community. Such a shift is all the more important, since, as we all recognize, a genuine and veritable social policy is not defined in the Treaty of Rome. The Treaty contains a few fragmentary indications of certain social objectives (equality between men and women, etc.), even if the underlying significance of the Community concept contained in the Treaty is designed to place in the forefront man, the development of new relations of justice and the correction of the most serious disequilibria in structures and between the different areas and sectors, in the name of growing solidarity.

I agree that we must recognize that we are finally faced with a policy which is beginning to take shape. At this point I must say straight away that I join in many of the criticisms levelled by my colleagues against the proposed provisions as a whole. Each of them in itself seems useful and important, but taken together they give the impression of having been pragmatically thrown together rather than representing a coherent organic implementation of the policy approach of which I have already spoken. It certainly amounts to a vigorous set of actions, but, I say again, I find myself one of those who cannot see emerging from this set of proposals and the context in which they are relatively placed, that mighty leap forward which is now ripe after fifteen years of Community experience. There should now be a substantial shift of the Community's line of evolution from a predominantly economic domain to one in which real equilibrium can be attained between economic development and social and human development.

The legal instruments we have here are inadequate; the resources do not match the magnitude

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of the design; even though the proposals, in my opinion, try to use them in a reasonably satisfactory way.

Then that fundamental dialogue with management and labour is missing, with special emphasis on the workers' organizations, which should be constantly more and more regarded as the essential prerequisite if the hoped-for turn of events is to assume its full democratic and social significance. For these reasons, Dr Hillery, we cannot say that we are satisfied, while thanking you and the Commission for having taken a substantial step forward. A great effort will still have to be made to bring about an adequate turn of events in practice. You have emphasized that this is a first programme, and the distinguished rapporteur, Mr Girardin, to whom we are all very grateful for the considerable and excellent work he has done, has spoken of a first concrete approach to the problem, and my honourable friend Mr Pêtre, speaking on behalf of the Christian Democrat group, has described it as the first nucleus of a first programme. It is quite clear that the judgements tend to be along the same lines. The fundamental discrepancy nevertheless still remains between the policy design which can be detected in outline behind the programme and which this Parliament nevertheless regards as necessary and urgent and the present reality of the various proposals which characterize it at the present stage of thing.

Coming to some of the special characteristics of the programme, we can agree with many of the measures specifically proposed, if only because of their sectoral connections or the prospects they open up. I should like here to dwell particularly on some of the main priorities indicated in the programme. In addition to those which are rightly demanded here on more general grounds (particularly those in favour of the least favoured workers and those in support of women, who today represent more than 52 per cent of the Community's work force and are still subject to many discriminations) I should like to give particular consideration to two questions which the Commission has rightly coupled in first place on the scale of priority.

The first relates to the adequacy of our structures to cope with industrial accident, sickness and occupational diseases. On several occasions, in the course of earlier discussions on social policy, I have found myself urging the prime necessity for the Community to have at its disposal an adequate body for this purpose. And since the ECSC Mines Safety and Health Commission has, as we all know, proved its worth, I am very happy to see the proposal accepted which I have often put forward, that

it should become the instrument for a policy on the Community scale for all sectors of production.

Mr President and colleagues, every year about 100 000 workers die at work and several million are injured at work in the Community area. This is really a tragic aspect of our social life. The fact that the Community has so far not had its own body capable of following an active policy in this matter, has been one of its serious shortcomings. I hope that the priority affirmed today and, as it were, singled out among the operative instruments, will also be applied in practice so that the Mines Safety and Health Commission may be adapted under the most urgent conditions, in conjunction with the national institutions set up for this purpose, so that a start may be made on giving a concrete response to the most urgent and most serious social problems.

Another aspect with which I should like to deal briefly is that of migrant workers. I concur in many of the arguments so far put forward; I think we must tackle this problem more organically and more consistently, looking at it in all its social, human and moral aspects and extending it also to the other workers who, coming from countries outside the Community, make an equal contribution to the Community's economic and social life.

From this point of view, I should like to support here, for example, one of the amendments proposed, relating to housing projects. I think that after twenty years of pilot programmes and useful developments carried out in the ECSC, it would be a little out-of-date and backward to speak of 'pilot schemes'. I should prefer to speak purely and simply of schemes. I do not thereby wish to mobilize the resources of the Community alone, but rather to create at Community level an organism for the mobilization of the ample resources available both at national and Community level, and available, in my opinion, for an active response to this primary problem for workers' families.

With regard to the other amendments, I should like to confine myself here to briefly introducing the one which I have taken the liberty of proposing in my name together with some of my honourable friends. It relates to the need for action in definite cases of extensive unemployment. I cite one example only, where a sudden crisis in one of the Member countries leaves workless and abandoned to their own resources, tens of thousands of workers who have been away from their home country for many years and find themselves in this new country.

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It is obvious that this problem cannot be left to the sole responsibility either of the country of origin or of the host country. The problem inevitably has a Community aspect; I therefore do not believe that, at a moment when we have a social policy which is intended to be global and complete, we can completely overlook the subject of unemployment. It would in my opinion be inexcusable to deal with some other problem but not with the one which involves the first and most fundamental right of the worker, namely employment and guaranteed job security. For the rest, we invite the Commission to set about studying such measures.

Mr President, I should like to conclude, in the last minute I have left, by stressing the desirability of the measures proposed here for the more active involvement of the social partners in fundamental decisions. The proposed setting up of a European trade union institute, the trend towards collective bargaining, the promotion of more direct participation in the standing committees, and particularly the Standing Committee on Employment and the General Safety Committee and the European Foundation for the improvement of the environment, and the proposals for industrial job enrichment seem to me to be really useful indications, but they are partial indications only.

I am mainly interested in a central line which I would summarize as follows: if we do not succeed in bringing the social partners to a level of responsible participation as protagonists in all fundamental decisions, our social policy can hardly be a genuine one and can hardly have that popular and forward-looking democratic spirit which we regard as essential.

Mr President, those are some of the comments I should like to make, while paying tribute to the efforts which have been made. But I recognize that the criticisms levelled here on many sides must be interpreted as a clear invitation to the institutions of the Community, to the Council of Ministers, which has met too rarely in the past year until quite recently, to the Commission, to all these bodies, to find first of all in their own midst and then in the policy they intend to follow, those elements of coordination, of programming and of clear and rational orientation which are essential to the fulfilment of the prospects held out here. *(Applause)*

President. — I call Mr McDonald.

Mr McDonald. — The proposals which we have before us arise directly from the mandate given by the Heads of State or Government to the Commission in October 1972.

The communiqué which was issued emphasized that social policy and its achievement should receive as much emphasis as economic and monetary union and affirmed that economic expansion was not an end in itself but rather a means for bringing about an improvement in the quality of life of the people of Europe.

In making that commitment, the Heads of State or Government were not operating in a vacuum. It had already become clear at the time they met that neither the people of the original six countries nor those of the three new Member States were satisfied with a Community which had goals that were at best divorced from the needs of their everyday lives and at worst leading to developments which were hostile to their interest. It was obvious that a new dimension would have to be brought to the working of the Community and to the way in which it ordered its affairs if the people were to see any meaning in the concept of European unity.

This was the task which the Commission was set, the fruits of which we have before us today. It is against that requirement that we must judge the proposals which are to go before the Council of Ministers tomorrow. The proposals contain many worthwhile and important reforms at both national and Community level. These should be welcomed and supported by all Members of Parliament who are concerned with improving the lot of our people. Particularly for those who are at work, the implementation of proposals on working hours, holidays, safety, training and the protection of rights could have an important effect on the quality of the very large proportion of their lives which is spent in the place of work.

Secondly, I believe that we should welcome the trend which is obvious in the proposal to extend social policy beyond the limits set for it in Europe. Here I refer to the question of poverty, and in particular to the position of handicapped people. This gives us some indication that the Commission has begun to extend social policy beyond simply a policy to ameliorate the negative effect of modern industry.

All these are points to be welcomed and supported, but there remains the question of whether the proposals measure up to the aspirations of the people of Europe for a change in direction by the Community and to the mandate given in Paris last year. I believe that they are modest proposals when set against those standards.

We do not find in this document the same energy and commitment which was devoted to the question of economic and monetary policy. We do not find in this document mechanisms by

McDonald

which economic expansion can be translated into improved living standards. We do not find in this document an explanation of how social policy should be the yardstick and should influence other vital policy areas. Indeed, even within the document itself we find something of a contradiction between the main objectives of the policy — the attainment of full employment, the improving of living and working conditions, and the extension of participation — and the concrete proposals which are put forward under each of these heads.

Finally, one must express particular disappointment at the failure to enlarge the role of the resources of the European Social Fund. I do not think anyone would doubt that was the intention of the Paris summit or that anyone viewing the social problems of Europe believes that such a development is not necessary. Yet within this document the Social Fund, far from being the main resource of social policy, receives limited mention and this only in the most modest terms.

The programme to be discussed tomorrow by the Council of Ministers is, therefore, a worthwhile series of individual actions with which we all agree and to which we can all give our support. It is, however, disappointing that the proposals measure up so inadequately to the needs of Europe now when it is necessary to give cohesion and positive direction to our Community.

(Applause)

President. — I call Mr Bermani.

Mr Bermani. — *(I)* Mr President and colleagues, my speech will only be a short one in my personal capacity, since my honourable friends Mr Wieldraaijer and Mr Della Briotta have already spoken fully on behalf of the Socialist Group.

I wanted to speak in order to emphasize once again that the social programme proposed here, if it has not been the subject of more criticism than support has certainly been the subject of a great deal of criticism — though it has been constructive criticism — and is a long way from the original proposals, since it follows up only part of what was decided at the time of the Paris Summit.

The proposed resolution, in paragraph 3, describes the programme as 'insufficient'; this is a symptomatic adjective which expresses a disappointment which is all the more evident since, as the representative of the Commission has said, the rapporteur, Mr Girardin, has made a thorough study of the social programme and therefore must have carefully weighed up both the programme itself and the words.

The representative of the Commission has said that this is a good programme, only it must be looked at from a European point of view and not from individual national points of view.

This is perfectly true and fair, but it is also true and fair that if there is to be a European social programme, it cannot be divorced, from the point of view of priorities, from the different economic and social conditions of the various States.

It is admitted that we all substantially support the main objectives proposed by the programme; achieving full and better employment in the Community; improved living and working conditions; increased participation of labour and management in the economic and social decisions of the Community; equality between men and women at work. These are all principles which cannot be challenged.

Thus, the provision for action by the Social Fund in favour of maladjusted migrant workers is certainly something to be praised, but in concrete reality there are urgent situations to be tackled, such as that of the South of Italy and other backward or declining regions. Urgent situations which must be urgently tackled unless we want to postpone the cure until the patient is already dead.

What we regret therefore is specifically the absence of a greater financial commitment which is essential if we really want to solve the most harassing problems with the utmost possible care.

With regard to Italy, I would refer to all the problems which are already indicated in the memorandum which the Minister of Labour has submitted to the Community.

To sum up, greater resources are needed, and above all, it is necessary to fix a precise criterion for determining their allocation. I believe that, from this point of view, the amendments proposed by the rapporteur, Mr Girardin, are fair and appropriate. Of course I recognize that you cannot do everything at once, that is quite obvious and indeed a truism.

What is asked for in the amendments proposed by Mr Girardin and other honourable members certainly does not represent everything, but only the most urgent and what can be immediately put into practice. This at least should be incorporated in the programme.

We are invited to vote in favour of the programme on the ground that it is a first step. We have heard this expression of first step repeated several times, and first steps are important. They are important for us, too, in

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our own lives, but these first steps are destined by the nature of things to become steadily more certain and faster, whereas too often in politics, first steps are destined to remain first steps for a long time, as has already happened with other problems of the Community and not of the Community alone.

The Paris Summit, for the rest, spoke of 'vigorous action in the social field'. Those are its exact words. This expression is incompatible with the other expression of 'first steps' which has been used. It is therefore not surprising if, while appreciating all that merits appreciation in the programme, we are disappointed, as is quite clear and as the rapporteur is disappointed.

I hope, like Mr Girardin, that these first steps can immediately be made safer by the approval of the amendments which, in conjunction with the many comments made by Mr Girardin, are now submitted and which I support.

President. — I call Mr Dunne.

Mr Dunne. — I would like to comment briefly on those sections of the draft resolution and of the social action programme which refer to the question of EEC aid to handicapped people.

It is now clearly recognized in all the Member States that the Community has a definite responsibility to develop programmes to assist our handicapped people towards full integration into the working and social life of our society. Community action in favour of our handicapped people is to be welcomed, not only because it will have positive effects on the lives of our handicapped people but also because such action reflects concern at Community level for this seriously disadvantaged section of our population.

Against this background, I would like to make two general points. Firstly, since the Member States now recognize the need for Community action in the area of handicapped people, the Commission and the Council must take steps to ensure an adequate supply of funds for carrying out our task in this field. Handicapped people must be given a high priority in the allocation of Social Fund resources if real progress is to be made.

Secondly, the creation of an overall policy towards handicapped people is now an urgent necessity. It is necessary not only because of the need to establish clear priorities for action but also because, unless such a policy exists, individual Member States will not know what type of applications for Social Fund aid are likely to be successful. Rapid policy development therefore is essential.

As far as the motion for a resolution is concerned I, as a member of the Irish delegation, welcome the proposal to transfer aid from Article 5 to Article 4. In my view, this will have the effect of ensuring greater financial resources and of speeding up the development of a clearly defined European policy in this field.

I also welcome the proposal to adopt a Community action programme for handicapped workers in an open market economy. We welcome it because we see this action programme as the first element of an overall policy. It must be seen as the beginning of policy development and not the end. We accept it as such, recognizing that most immediate progress can be made in the area of training for open employment.

I wish to emphasize, however, that this action programme can only mark the beginning of progress towards a policy for handicapped people. In all of our countries many handicapped people are not now suitable, and may never be suitable, for training for open employment. In many cases sheltered or protected employment of a high calibre may be the best solution.

Because of this indisputable fact, the Commission must proceed as rapidly as possible to develop further action programmes, particularly in relation to sheltered employment. Well-developed sheltered workshops can and do play a vital role in the social integration of many handicapped people. Unless the needs of this type of handicapped person are recognized in practical terms, Community policy will be partial, fragmentary and inadequate.

Therefore, in welcoming that section of the draft resolution which calls for the initiation of a programme for the social integration of handicapped people, we add to our welcome a demand that immediate steps be taken to extend the aid into the field of sheltered employment. An action programme to this effect must be drawn up as quickly as possible.

Let us remember that handicapped people in all Member States who require sheltered employment are often more in need of Community assistance than those who benefit from training for open employment. The Community must reflect this fact in its policies.

In summary, therefore, I welcome the proposal to transfer aid to Article 4 and the proposed action programme on training for the open economy. I believe, however, that action in the field of sheltered employment is an urgent social and human necessity. I hope to see early progress in this direction.

(Applause)

President. — I call Mr Yeats.

Mr Yeats. — Mr President, I should like to start by joining other speakers in thanking the rapporteur, Mr Girardin, for the extremely clear and lucid manner in which he put this matter before us and also for the excellence of his motion for a resolution and his explanatory statement. All this has made the course of this debate much easier.

This social action programme that we are discussing today marks an important milestone in the progress of the European Community. In the years that have passed since the signing of the Treaty of Rome, there has been a great expansion in economic growth and in the prosperity of the peoples of the Community. But there has been no real solution to the problems of the unequal distribution of wealth, of unemployment, of worker participation in industry. We have seen the creation of a new and intractable problem that of the many millions of migrant workers in our midst.

There is no doubt that the creation of the single market and the removal of many of the obstacles to free competition have been beneficial and that our peoples as a whole have gained as a result. But they have gained unequally. Disparities in living conditions have not been eliminated. They have, on the contrary, tended to become still more pronounced. It was not before time that the Paris summit declared that economic expansion was not an end in itself but should result in an improvement of the quality of life as well as in standards of living.

This social action programme is important, not merely for what it can achieve in the coming years with regard to the well-being of all the peoples of the Community. It can also do a great deal to improve the image of the Community, to make it clear to the man in the street and in the field that this is not simply a rich man's club, not simply a means whereby can be exercised the full gamut of the activities of a self-seeking free-enterprise society.

In a programme of this kind it is easy to point to deficiencies, to suggest further matters that might have been included. I doubt, however, if anyone will deny that the problems set out in this social action programme do indeed call out for solution. The means proposed for solving them are on the whole realistic, and the list of priorities is a sensible one.

In this social action programme we have for the first time a practical list of actions that can be realized and implemented within a reasonable time. I only wish that we could be sure that there will not be a watering down of this list

at the Council of Ministers tomorrow. Already in fact certain governments have displayed a negative approach to the programme that suggests only too clearly what their attitude may be at the Council. They have pressed for the inclusion in the programme of new schemes administered and paid for at Community level while continuing to avoid their own responsibility for far more important social reforms that they themselves should be carrying out at the national level.

The social action programme proposes a number of important reforms to be carried out as an urgent priority for example, a directive to implement the principle of equal pay for equal work between men and women; the achievement of the 40-hour week by 1975; and the bringing in of the four weeks' holiday with pay by 1976. A further directive has already been drafted dealing with the urgent problem of mass dismissals. These basic principles have been accepted by trade union organizations and workers in every country. All of them are clearly just and fully in accordance with the needs and wishes of the ordinary people of the Community.

It is in the context of this situation that one must consider the criticism from some sources of the social action programme. It seems that there are those who are willing enough to support the programme when it calls for action and the spending of money at the Community level but who are much less willing to take any action themselves at the national level.

It would indeed be a great mistake were we to think of social policy as a means of shifting the burden of responsibility from a national level to a European level. There are many areas where action at a local and national level can be much more effective than at a Community level. It is only by means of national legislation, for example, that equal pay for men and women can be brought in. It is certainly one of the great failures of the EEC that now, 15 years after the signing of the Treaty of Rome, the provisions of Article 119 are still to a large extent ignored.

We must at all costs insist that the deadline laid down for the enforcement of equal pay throughout the entire Community will be adhered to. There will undoubtedly be efforts at still further delay. We should therefore make it quite clear through our voice in this Parliament that we will accept no further excuses and that the time has indeed come for the putting into action of the provisions of Article 119 of the Treaty.

One must welcome also the proposal for the increase in the scope of Article 4 of the Social Fund to enable it to be operated for the benefit

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also of migrant workers and handicapped workers. This will be of little value unless, as suggested in the resolution before us, the fund is endowed with sufficient financial resources. This of course is a matter for the Council and we must hope that it will agree with the opinion expressed by the rapporteur in his motion for a resolution.

The general application of the 40-hour week between now and 1975 is another very important part of the programme. One must regret that the Commission has not gone a stage further in this respect. The aim of the Community should be not only to establish 40 hours as an overall minimum standard but to ensure, in addition to this, that there is a reduction in the actual number of hours worked. The proposal will have little worth in social terms if it merely results in an increase of overtime rates.

All in all, this social action programme is one that we should support. If it is accepted in principle by the Council tomorrow, not merely as regards the various priority proposals, but also as regards the wide range of actions to be carried out in the coming years, then we can look forward to a new and more human aspect for the Community. It is only a start, and a great deal more detail remains to be filled in, but it is at any rate a realistic and practical approach to a goal on which we can all agree.

(Applause)

President. — I welcome the President-in-Office of the Council in our midst, and call him to speak.

Mr Dinesen, President-in-Office of the Council of the European Communities. — (DK) Mr President, just a short remark on the comments that have been made here today during the debate expressing a certain anxiety that the Council will not be able to take sufficient account of the observations put forward here, given that the Council is to deal with the social action programme tomorrow morning. I have simply taken the floor to provide some reassurance on this point. All arrangements have been made so that the resolution to be adopted here today will immediately be forwarded to the Council at the beginning of its deliberations early tomorrow morning. In conclusion may I say, Mr President, that I have followed today's debate with the greatest interest, and I am impressed by the well informed speeches here in Parliament.

President. — Mr Härzschel, could you make do with five minutes? If not, there are still a few announcements I should like to make.

I call Mr Härzschel.

Mr Härzschel. — (D) Mr President, ladies and gentlemen, I should like first to make a short statement of principle. It is my belief that it has long been recognized in our modern industrial society that economic, social and monetary policy cannot be divorced from one another. I therefore welcome the final statement of the Paris Summit because I believe that it realized the fact that social policy must now be given equal weight with economic and monetary policies. This has closed a gap and fulfilled an important condition for the attaining of an integrated policy in this field. This ultimately resulted in the social action programme. I am grateful for the last remarks. We can now be assured that at least what is set out in the programme will be realized. I should like to tone down some of the critical remarks made by stating that there would be no sense in only looking backwards but that we should seize the opportunity which this programme provides. Of course, as has been said many times, this is only a beginning. We shall have to define our priorities as regards the many tasks before us and devise solutions. I would therefore like merely to draw your attention to one point which seems to me of central importance—namely employment policy.

In my opinion one of the most important considerations is that we should abolish unemployment and achieve full employment. Which is a necessary condition if we are to achieve all our long-term desires and aims. Without full employment they will be impossible. Full employment will alleviate and partially solve the problems with which we are faced. Only thus can a long-term improvement in living conditions be achieved. It is also an aim of modern social policy to avoid need and distress. Modern social policy must be mainly preventive in its action. Of course we must remedy such needs as already exist and we will have to continue to provide systems which give some security against the general risks of life. But all these efforts will be useless without full employment.

I therefore consider cooperation between the Social Fund and the Regional Fund to be of decisive importance and the key to any successful future social policy. We must pursue in those areas which are structurally weak a policy of employment which makes it possible to establish industry with an eye to the future and ensures that these regions are given adequate opportunities.

Financial security must also be considered. I think we will all agree that this is by no means

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adequate. All our wishes are so much paper until there is some kind of financial guarantee. I would therefore ask the Commission to set out the financial requirements in detail as soon as possible. The Commission should be very careful not to disperse the funds available to us as this would help no-one. What we have to do is to decide where to concentrate our efforts.

We should also approach the Council again. It is not enough for the Council to say that it accepts what the Commission proposes if the finance is then not made available. I should therefore like to call upon the Council to include the necessary funds in the budget in the form considered necessary by both Parliament and the Commission. We must make these funds available. This will be an indication of how seriously the final communiqué of the Paris Summit is taken by the Council. The people in our countries are not helped by statements and resolutions but by action.

In conclusion I can only express the wish that the path we are taking will lead to greater social justice and security.

President. — I call Mr Kavanagh, who will be the last speaker.

Mr Kavanagh. — My comments on the Commission's proposals for a social action programme will be brief. I wish to concentrate on a most important aspect of the whole question of social policy—the need to ensure that social policy embraces all the citizens of the Community and is not restricted to the problems and concerns of those within the work force.

What is of real importance is that we identify the basic objectives of social policy as a continuing element in the overall policy of the Community. Then we can properly evaluate the various practical proposals submitted for our consideration by the Commission. The summit communiqué set the goals of the Community high, and this is as it should be.

In so far as the specific proposals of the Commission are practical and realizable in areas of such obvious importance and urgency, they are very welcome. I hope that it will prove possible to proceed to a working programme of actions in these areas within the time limits proposed.

Two major points must, however, be made. It is pointless to speak of social action, of a campaign against poverty, of improved social protection and of assistance for the handicapped unless adequate resources are made available. The Commission's proposals are of importance as a stimulus to national government effort. They must also stand in their own right as an expres-

sion of Community solidarity. This means expenditure of Community funds. It means also the transfer of resources to ensure that social justice is attainable throughout all the regions of this Community.

The sad experience in relation to the supplementary budget for this year's Social Fund must create misgivings among Members of this Assembly about the will of the Council to bring about the changes called for at the Paris summit. It is essential that the Commission, backed by Parliament and by the social partners, should make clear to the Ministers that the cost of social progress must be met.

Secondly, we must not permit our concern to see practical work started distract us from the long-term goals of social policy. The Commission's task, once its programme is accepted, is to commence work on the next stage of development in social policy. All that the present document can do is to open the door, to establish that social action is a true part of the Community's work, and to create an institutional framework—of consultation and implementation—capable of bringing about further progress.

In conclusion, I wish to repeat my views that what we are discussing today falls far short of the aspirations of the Paris Summit. The acceptance of the Commission's proposals is to be seen as a recognition of the need to get on with the job. The type and nature of the job must not be forgotten. It is to ensure that, in the goals fixed for the development of Europe, the younger generation can see the fulfilment of its expectations for a human society. It is to create a social community for all the peoples of Europe.

(Applause)

President. — We shall now adjourn the debate on the social action programme.

We shall resume it at 9 p.m. precisely, and we will hear Dr Hillery's answer to the questions he has been asked.

11. Order of business

President. — I now propose to Parliament that the agenda for the present part-session be fixed as follows:

Tuesday, 11 December 1973

11.30 a.m. and 3 p.m.:

In agreement with the rapporteur (and the chairman) of the Committee on Economic and Monetary Affairs of the Legal Affairs Committee respectively, it has been decided to postpone

President

the two reports by Mr Artzinger on competition policy (Doc. 264/73) and on concentrations between undertakings (Doc. 263/73) until the January part-session.

- Report by Mr Héger on agricultural prices in Italy;
- Report by Mr Artzinger on mutual assistance in the application of Community regulations;
- Oral Question No 117/73, with debate, put by the Liberal and Allies Group to the Commission, on the publicity given to suspected infringements of Articles 85 and 86;
- Report by Mr Memmel on the amendment of Rule 2 of the Rules of Procedure (motion of censure);
- Report by Mr Rossi on the estimates of revenue and expenditure for 1974, 1975 and 1976;
- Report by Mr Rossi on the reports of the ECSC Auditor for 1971 and 1972;
- Report by Mr Pisoni on the fixing of the ECSC levy;
- Report by Mr Spénale on the Sahel countries.

Wednesday, 12 December 1973

Until 10 a.m.—meetings of political groups.

10 a.m. and 3 p.m.:

- Question Time;
- Statement by the Commission on action taken on opinions delivered by the European Parliament.
- Statement by the President of the Council on the budget of the Communities for 1974;
- Oral Question No 99/73, with debate, put by Mr Ansart and others to the Council, on the Social Conference;
- Oral Questions No 139/73 and No 140/73, with debate, put to the Council and Commission by the Group of European Progressive Democrats, on the implementation of the decisions of the 1972 Summit Conference;
- Report by Mr Giraudo on the forthcoming Summit Conference in Copenhagen;
- Oral Questions No 141/73 and No 142/73, with debate, put to the Council and Commission by the Group of European Progressive Democrats, on the common agricultural policy;
- Motion for a resolution on the energy crisis in Europe;

- Oral Question No 137/73, without debate, put by Mr Blumenfeld to the Commission, on energy policy;
- Report by Mr Armengaud on the prospectus concerning securities issued by companies, States or local authorities.

Thursday, 13 December 1973

10 a.m., 3 p.m. and 9 p.m.:

- Motion for a resolution tabled by the Committee on Economic and Monetary Affairs on the proposals concerning economic and monetary union;
- Report by Mr Delmotte on regions and areas to be granted aid by the European Development Fund;
- Report by Mr Dewulf on generalized tariff preferences;
- Oral Question No 108/73, with debate, put by Mr Blumenfeld and others to the Commission, on credit aid to State-trading countries;
- Oral Question No 134/73, with debate, put by Mr Van der Hek and others to the Commission, on the extension of the system of generalized preferences to East European countries.

Also on the agenda was a debate on the report drawn up by Mr Rivierez on behalf of the Committee on Development and Cooperation on speedier negotiations for a commercial cooperation agreement between the EEC and India.

In the meantime, I learned that the Council was to sign this agreement on 19 December, and that on Wednesday it would make a statement on this subject under the Luns procedure.

I am pleased that our Committee on Development and Cooperation succeeded in speeding up this agreement.

As a result, there is no longer any need to debate the report by Mr Rivierez, and the report can be taken off the agenda.

Friday, 14 December 1973

9. 30 a.m. to 12 noon:

- Report by Mr Premoli on dangerous substances;
- Report by Mr Krall on cold-water meters (without debate);
- Report by Mr Kater on weighing machines (without debate);
- Report by Mr Bro on pressure vessels and gas cylinders;

President

- Report by Mr Durieux on minimum prices;
- Report by Mr Vetrone on frozen beef;
- Report by Mr Martens on the fat content of milk;
- Report by Mr Vals on the vegetative propagation material of the vine;
- Report by Miss Lulling on tobacco leaves;
- Report on fishery products from Norway;
- Report by Mr de Koning on wines from Portugal;
- Two reports by Mr Thornley on eels;
- Report by Mr Baas on currants and raisins;
- Report by Mr de la Maléne on the Association with Tunisia and Morocco;
- Report by Mr de la Maléne on olive oil from Tunisia and Morocco;
- Report on processed agricultural products and olive oil from Turkey;
- Report on the pollution of the sea;
- Report on bitter oranges;
- Report on wines from Spain;
- Report on wines from Cyprus;
- Report by Mr Walkhoff on legislation concerning bread.

Are there any objections?

That is agreed.

Ladies and gentlemen, as you can see, we have a very full agenda once more. I would point out that for technical reasons it is not possible to hold more than two evening sittings, nor to have two consecutive evening sittings.

We have arranged to have the first evening sitting today and the second on Thursday. We may not be able to deal with all the items on Wednesday's agenda.

I should therefore like to propose that those items on the agenda which still have not been completed by 7 p.m. on Wednesday shall be placed at the beginning of the agenda for Thursday.

Are there any objections?

That is agreed.

12. Time-limit for tabling amendments

President. — I should like to inform you that the time-limit for tabling amendments to Mr Delmotte's report on regional policy and to the motion for a resolution on transition to the second stage of Economic and Monetary Union has been set at 3 p.m. on Wednesday, 12 December.

The proceedings will now be suspended until 9 p.m.

The House will rise.

(The sitting was suspended at 7.05 p.m. and resumed at 9.05 p.m.)

IN THE CHAIR: MR BERSANI

Vice-President

President. — The sitting is resumed.

13. Social Action Programme (cont.)

President. — The next item is the resumption of the debate on the report drawn up Mr Girardin on behalf of the Committee on Social Affairs and Employment on the Social Action Programme submitted by the Commission of the European Communities to the Council (Doc. 256/73).

I call Dr Hillery.

Dr Hillery (*Vice-President of the Commission of the European Communities*). — I do not think it is necessary for me to cover all the points made in the debate, because when I intervened earlier I responded to the points in the resolution, many of which have been repeated.

I appreciated the interest of Parliament and the study that members have done of the Social Action Programme as projected.

It was pointed out that some things were dropped from the guidelines. I should have answered that when I spoke before. Nothing has been dropped from the Commission's programme, but some matters—for instance, the use of premiums for the creation of employment and infrastructure questions such as the creating of centres for vocational training—have found their way for implementation into the regional policy part of the Commission's proposals to the Council. They have therefore not been dropped, and the Social Action Programme is in no way retreating from the guidelines published in May.

I accept the point made by the speaker who said that Parliament was aware of the mass of paper already in existence in the Commission. My experience, meeting the social partners and others from the beginning of this year, has been that there is a certain scepticism because of the existence of perfectly good plans and programmes which have left everybody full of expectation and later grossly disappointed them because they were not implemented. This

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time we have drawn up what we think is a practical programme for the three years ahead, with the intention of having another programme after that. We have drawn up practical steps which can be implemented and which the Council could find little reason not to implement.

I was asked what it would mean if the Council did not implement the programme. I have said that we should not be fulfilling the mandate of the Summit if we did not do it. If the Council does not implement this beginning to a Social Action Programme, it will have to consider the mandate given to it by the Heads of State or Government. My judgement would be that the last possible chance for really making a forward step in Europe will have been missed. Other people can make their own judgements. Pressures must arise from such judgements—judgements of the Parliament, of the social partners and so on. It is not for me alone to say where the disappointment will be. It will be a widespread disappointment at the opportunity missed. I am sure that we shall not have to face a situation where the Council did not implement the programme.

Specific questions were asked about the size of the Social Fund. Our supplementary budget for this year was cut by two-thirds by the Council. This has been a cause of discouragement to many people, who felt that if the Heads of State or Government wanted a vigorous social action programme the vigour must come in the form of money as well as intentions. I believe that when the programme is presented in its different parts as it develops, the states will be willing to make adequate finance available.

It would be ridiculous and cynical of the states to think that they can have a social programme drawn out of a magician's hat by the Community to make up for any deficiencies in their own programmes at national level. One of the tasks ahead for the Community is to get rid of the pork-barrel idea that Europe is a place where there is money available to do social action on which national governments do not want to spend their own money. If we are to have a European social programme, it will have to be in the first instance European and in the second instance real and paid-for. It would be ridiculous for the Council to take any other line.

I was asked what action the Commission were taking to promote the implementation of the fifth directive on company law. A fifth draft directive has gone from the Commission to the Council, and I believe that the opinion of Parliament is being sought. There is nothing more the Commission can do in this matter. It is

now for the Council, as is the question of the Commission's proposals on multinational companies.

Lady Elles wondered how many women are on the three committees which take a decision. Her question resulted from my not having been clear. I said that I would ask three committees now in action to examine the matter.

Having later listened to Miss Lulling, I think that her arguments are very forceful and that what she wants is good. The doubts centre upon whether the prudence of using Article 4 has been put to me. Having listened to her arguments, I shall go back prejudiced in favour of what she says.

I think she is right, but the Commission made this proposal for the reform of the Social Fund, and it was turned down. However, I accept that what she wants to do is good. She has argued totally in favour of doing it the way she wants, even though I presented arguments against that.

The question of the use of the legal basis was raised again. I have already answered that, in that Article 235 will be used as required, but other articles of the Treaty will make it possible to implement different actions.

On finance, I remind Parliament again that from 1975 onwards the Community will be working on its own resources. From that time onwards, we should insist that a definite substantial proportion of the resources of the Community be made available for social policy.

I repeat how grateful I am for the depth of Parliament's study of our programme. I thank Mr Girardin and the chairman and members of the Committee on Social Affairs and Employment for the very helpful work they have done through the year. I regret that the later stages of their work had to be done in a hurry. Everything in the Community seems to take a lot of time but also has to be done in a hurry. I do not know the explanation. But even if the committee did not have adequate time, it did its work exceedingly well and I am grateful for it.

President. — I thank Dr Hillery for his detailed and very full reply.

Does anyone else wish to speak?

The general debate is closed.

We shall now consider the draft resolution of the Council on a Social Action Programme, and then the motion for a resolution.

The Commission's text is in three sections, which we shall consider one after another.

President

The first section concerns the achievement of full and better employment in the Community.

On the fifth paragraph, I have two amendments, Amendment No 1/rev., tabled by Lord O'Hagan, to re-establish the text of the Commission of the European Communities, and Amendment No 4, tabled by Mr Pisoni and Mr Vernaschi and worded as follows:

Add the following at the end of this paragraph:

'...with regard to third countries, and to draw up, as a matter of priority, pilot schemes for low cost housing for such workers based on the promotion of Community housing projects financed by the Member States, the employers concerned and the Community.'

I call Lord O'Hagan to move his amendment.

Lord O'Hagan. — Mr President, I should explain that my amendment is in no way intended to make it more difficult for migrant workers to have adequate housing. Housing is a fundamental need; and it is only in the means of providing this necessity that I wish to differ from the amendment to the Commission's text proposed by my own Committee on Social Affairs and Employment.

I have always rejected the idea that there should be ghettos or special restricted accommodation for socially disadvantaged groups, whether this be something intended by local or central government or has happened by accident.

It is in that spirit that I move my amendment; because I recognize that the Coal and Steel Community has done a wonderful job since its foundation in providing houses for those working in the industry. I understand that by 31 December 1972 Coal and Steel Community funds had helped to provide a total of 122 584 dwellings. I do nothing but applaud that. That is marvellous. It is in no spirit of criticism of the activities of the Coal and Steel Community that I move my amendment.

What I suggest to the Commission, the Council and the House is that the problem of migrant workers, be they intra-Community workers or extra-Community workers from third countries, are qualitatively different—in essence different—from those for whom the Coal and Steel Community has provided housing in the past, because these people have come to do specific jobs in specific industries and the migrants about whom we are talking, whether they be intra- or extra-Community, are of very widely varying types.

It is therefore a mistake to extrapolate from the experience—the very successful record—of the Coal and Steel Community to the very different problem posed by the migrant workers. I again stress that I move my amendment not in a

spirit of wishing to make it more difficult for migrants, of whatever type, to have housing. I want the process of providing housing for migrants to continue. I wish it to be more and more easy for migrants to achieve good housing, which is the centre of a reasonable social and economic life.

I am trying to remove something which I believe is going in the wrong direction in the way of providing houses for these migrant workers. I move my amendment, not in a negative, but in a constructive spirit, asking the Commission, the Council and the House to look at this problem and recognize that it is something that needs radical action, but not action of the type suggested in the text from my own committee. I am afraid this may be misunderstood, but I believe it is so important that we should start on the right basis with the Social Fund extended to migrant workers.

President. — I call Mr Pisoni to move Amendment No 4.

Mr Pisoni. — (I) I think the wording of the amendment standing in my name and in that of my honourable friend Mr Vernaschi is quite clear in itself.

We in Italy have considerable experience of low-cost housing, of dwellings which are not necessarily ghettos. We have a long experience of emigration and we know how much priority is attached to the question of the home which is in fact the first problem the worker has to face. We know, too, that thousands of workers are still living in huts and in apartments not worthy of the name, and if we look at the costs which these workers have to bear we find they are quite frightening; in one city which I will not name overcrowding is pushed to the extreme, while rents exceed even those asked for luxury flats.

We know what a long way we have to go to build housing for all migrant workers and to provide them with decent housing.

We do not dwell here on the aspect of alienation, because we recognize that already our culture and our capacity to think about these things in human terms has overcome the necessity to regard the ghetto as it has hitherto been regarded. We are therefore backing this amendment in the certainty that if the Community accepts our proposal it will be to the advantage of everybody, but above all, it will be the only way of making housing available.

We are fairly familiar with the legislation and facilities provided for migrants in the various States and we also know how much still has to be done to satisfy even a substantial part

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of the needs. We must recognize that up to now only a small part of these needs are satisfied. I therefore invite honourable members to be good enough to consider these important aspects and therefore to approve my amendment.

President. — What is the rapporteur's position?

Mr Girardin, rapporteur. — (I) On Lord O'Hagan's amendment, I think this is the result of a misunderstanding, since the Committee has fully supported the cause of the migrants. I therefore think that the reasons which induced Lord O'Hagan to present his amendment can be met, since in this Assembly we are discussing only the principle of Community action on the general question. The ways and means of applying this principle should be decided by Parliament in a second stage when we see the new investments under the Commission's programme.

I therefore invite Lord O'Hagan to withdraw his amendment so as not to create confusion in such a delicate matter.

With regard to Amendment No 4 tabled by Mr Pisoni and Mr Vernaschi, I think it expresses a principle which is already embodied in the wishes expressed by the Committee on Social Affairs. However, since the Committee has not dealt with this specific question, I leave the matter in the hands of this Assembly.

President. — I call Dr Hillery to state the Commission's position on this amendment.

Dr Hillery, Vice-President of the Commission of the European Communities. — In the Commission's programme, the provision of this service for migrants is not highlighted as a priority, but it is in the programme for the next three years. In our consultations we have had no reason to bring it forward as a priority. For that reason we have not selected it as a Commission priority, but it is in the programme.

President. — I call Lady Elles.

Lady Elles. — I wish to give an explanation of vote. I and my group wish to support Lord O'Hagan's amendment because we do not approve of the wording 'low-cost housing' with regard to migrant workers. It immediately introduces a note of discrimination against a category of people who should have equal treatment throughout the Community on the same basis and at the same level as any other workers in the Community. For this reason, we recognize the necessity of dealing with housing

problems for migrant workers, and not merely low-cost housing.

President. — I call Lord O'Hagan.

Lord O'Hagan. — In the light of what the rapporteur of my committee has said, I wish to withdraw my amendment, because I feel that it was based on a misunderstanding.

President. — Amendment No 1/rev. by Lord O'Hagan is withdrawn.

We shall therefore vote immediately on Amendment No 4.

I put to the vote Amendment No 4, tabled by Mr Pisoni and Mr Vernaschi.

The amendment is adopted.

I put to the vote the fifth paragraph so amended.

The fifth paragraph so amended is adopted.

Still on Section I, I have three amendments which can be considered jointly:

— Amendment No 5, tabled by Mr Galli and worded as follows:

At the end of this section insert the following new paragraph:

'...to take adequate measures, such as regular payment of employment premiums, to bring about the creation of new jobs in backward or declining regions.'

Amendment No 6, tabled by Mr Galli and worded as follows:

At the end of this section insert the following new paragraph:

'...to provide for Community aid for the organization of training centres in backward or declining regions.'

Amendment No 8, tabled by Mr Della Briotta and worded as follows:

At the end of this section add the following paragraph:

'...to promote the institution in the Member States of direct employment premiums for the creation of new posts, with a view to channelling investments towards those regions where labour is available, national measures and Community measures being coordinated.'

I call Mr Galli to move Amendments No 5 and No 6.

Mr Galli. — (I) Mr President, in briefly explaining the reasons which have induced me to present these amendments, Nos 5 and 6, I should like to say that it does not seem to me that

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these amendments and those proposed by Mr Della Briotta are mutually exclusive, although undoubtedly there are differences in drafting.

Turning to the merits of the amendments, I would say that in the document presented by the Commission on 18 April 1973, there were two fundamental and extremely characteristic points.

The first provided for common responsibility for direct employment grants for creating jobs in backward or declining regions, and the second provided for Community aid for the organization of training centres in the same regions.

These two important points found no place in the drafting of the committee's resolution. It is true that in his report Mr Girardin pointed out that it must be noted that these two points had been transferred to the heading of regional policy, although it seems to me that they have not retained their original precise and incisive form.

I do not wish to make an issue of the question of whether it is a matter for regional policy or social policy; the important thing is that the essential character of these two very fundamental points should be reaffirmed by the Commission, and, it is to be hoped, by the Council so far as it is concerned. I have listened with great interest to the statements of Dr Hillery and I have noted—if I have understood aright—that at least so far as vocational training is concerned, there are some signs of this.

Mr President, if I may, I would like to ask Dr Hillery to make clear once again the opinion of the Commission on these two points, namely Community responsibility for direct employment grants and Community aid for the organization of training centres. The fate of these two amendments depends on his statements.

President. — I call Mr Della Briotta to move Amendment No 8.

Mr Della Briotta. — (I) Very shortly, Mr President, my amendment is connected with point 21 of the motion for a resolution presented by my honourable friend Mr Girardin. A policy of full employment must find precise, correct and useful instruments.

The amendment is designed to deal with the structural problems which are infinitely more important than remedial action after the event, when the damage is done.

I believe that the aim of a social policy in the Community should be to create jobs. In other words, the instruments of action of our social policy should be the Social Fund for equality between category and category and the Regional

Development Fund for equality between region and region.

This is the context for premiums for the creation of new jobs which we would like to see studied and integrated in a general policy for the less favoured zones with manpower available. Also important is the reference in the amendment to the need to coordinate national measures and Community measures to ensure the maximum results. In fact we know that the available funds will always be what they are.

President. — Before we go any further, I think we should ask for the Commission's position on these amendments, since this could lead to the withdrawal of Mr Galli's amendments.

I call Dr Hillery.

Dr Hillery, Vice-President of the Commission of the European Communities. — Mr President, I have said it earlier, and I should like it to be quite clear that it is the intention of the Commission to implement the principle which we had in the guidelines for premiums for the creation of employment through the Regional Fund, and also to regard the training centres in vocational training as infrastructural problems, again to be dealt with through the Regional Fund and regional policy.

I understand that my colleague, Mr Thomson, has made this statement in Parliament already. However, I say it again because I am aware of the anxieties expressed by people who feel we have dropped something from the programme. As I say, it has not been dropped; it has been transferred and it will be administered through the regional policy.

President. — I call Mr Galli.

Mr Galli. — (I) I should like in the first place to thank the Vice-President of the Commission for his courtesy. From a rapid and rather tardy check I find that in the resolution proposed by the committee so far as it relates to regional policy, that contributions, which are, moreover quantified, will be either calculated as a percentage of investment or fixed in relation to the number of jobs created. This confirms what has been said and induces me to withdraw amendment number 5.

With regard to amendment number 6, I must say, that if one sticks to the common acceptance of this type of terminology, it is somewhat unusual for vocational training to be regarded as the necessary infrastructure for the development of a region in the context of regional development policy, because normally infra-

Galli

structure means something quite different. But because I think that no-one—and least of all myself—is entitled to doubt the word of a Vice-President of the Commission, and particularly in order to give weight to the statements made, I withdraw this amendment, too.

President. — I call Mr Della Briotta.

Mr Della Briotta. — (I) I have no difficulty in withdrawing my amendment, noting that these measures are provided for under the regional fund which thus becomes not merely a complementary element, but an extremely important element of social policy.

President. — Amendments No 5, No 6 and No 8 have been withdrawn.

We have now finished considering the amendments to Section I, on achieving full and better employment in the Community.

We shall now consider Section II on improving living and working conditions.

On the second paragraph I have Amendment No 11, tabled by Mr Marras on behalf of the Communist and Allies Group (SF - Ind. sin) and worded as follows:

The second paragraph should read as follows:

‘... to gradually extend social protection, particularly with regard to social security systems, to those persons not covered or inadequately provided for under existing schemes.’

I call Mr Marras to move his amendment.

Mr Marras. — (I) In amendment number 11 we bring to the notice of this Assembly a necessity which, for the rest, my honourable friends on the Committee for Social Affairs were able to appreciate for themselves in the course of the hearing we held of the social partners concerned. On this occasion, the representatives of self-employed workers, farmers, craftsmen, small shopkeepers, very numerous categories in the Community and which play an important role in the economy, pointed out that their conditions in the matter of social security, friendly societies and provident funds were still far behind those of other categories of workers, particularly wage-earners, and regretted that over the last fifteen years there had been a certain neglect of Community initiative in relation to these problems.

President. — I call Mr Girardin.

Mr Girardin, rapporteur. — (I) I shall accept the Assembly's decision.

President. — I call Dr Hillery.

Dr Hillery. — I am in agreement with the amendment.

President. — I put amendment No 11 to the vote. Amendment No 11 is adopted.

On Section II, I also have Amendment No 12, tabled by Mr Marras on behalf of the Communist and Allies Group (SF - Ind. sin) and worded as follows:

After the second paragraph insert a new paragraph worded as follows:

‘... to promote the institution in the Member States of systems to adapt remunerations to the cost of living in such a way as to protect them against inflation.’

I call Mr Marras to move his amendment.

Mr Marras. — (I) Mr President and colleagues, the idea embodied in this amendment is one of the questions which was discussed at the greatest length, and indeed with passion, in the Committee on Social Affairs and Employment and at the hearing we had with the trade union representatives. I recall expressly putting the question to the trade union representatives; while some of them were firmly in favour of the adoption of a sliding wage scale to combat inflation and the rising cost of living, others expressed some reservations.

Recently, however, on considering the document which the European Confederation of trade unions affiliated to the I.C.F.T.U. has published on these questions of social policy, it seemed to me that this organization too—which represents the majority of trade unions in the Community—proved to be fairly favourable to a solution of this type.

It is well known that this mechanism exists in various Community countries and fulfils a useful function, as Italian Parliamentarians are well aware. Without any doubt, at a moment when inflation is becoming a constantly greater burden on workers' incomes, a mechanism of this kind, if it cannot solve all the problems involved in the rising cost of living, constitutes an element of defence and guarantee for workers with fixed incomes, as well as for wage-earners.

That is our opinion, and we therefore urge that this criterion should be included among the actions which the Commission is to work out in the immediate future.

President. — What is the rapporteur's position?

Mr Girardin, rapporteur. — (I) On this amendment, too, I shall leave it to the Assembly to decide.

President. — I call Mr Laudrin.

Mr Laudrin. — (F) Does Mr Marras not realize that his amendment is rather restrictive?

In fact, in some countries the indexing method he is calling for—for that is what he is referring to—is not authorized. In general it has no mathematical use in economic and social problems.

Moreover, the author of the amendment simply wishes remunerations to be adapted to the cost of living, whereas the text submitted to us proposed taking income growth into consideration. A fundamental problem is at issue here: should one fix salaries according to income growth or to the cost of living?

This is a serious matter and I wonder if Mr Marras has considered it deeply. If, when we raise salaries, we simply consider the rise in the cost of living, I am much afraid that we will not achieve social justice. The workers deserve better than that, they deserve a share in incomes according to the rate of growth.

I call for thorough consideration of this problem.

President. — I call Mr Pêtre.

Mr Pêtre. — (F) Mr President, I should like to draw Mr Marras' attention to the consequences of his amendments, for I consider the Commission text much stronger.

The Commission text approved by the Committee of Social Affairs says that it is necessary to 'gradually extend social protection to those persons not covered or inadequately provided for under existing schemes to gradually introduce machinery with a view to adapting social security benefits to income growth.

Mr Marras proposes replacing the gradual introduction of such machinery by 'to promote the institution in the Member States of systems...' This is a very vague and empty statement! I find the Commission text much more positive. Personally I would support it.

President. — I call Mr Bertrand.

Mr Bertrand. — (NL) Mr President, after Mr Pêtre's statement, I withdraw my request to speak in view of the excellent manner in which he has expressed what I wanted to say.

President. — I call Mr Frehsee.

Mr Frehsee. — (D) Mr President, I would like to add to what the previous two speakers have said by saying that to adopt the proposal would in no sense be in the interest of the trade unions. The unions want to bring wages and salaries into line not only with the increased cost of living; they also want the workers to share in productivity increases and in the development of the gross national product.

I therefore ask for this proposal to be rejected.

President. — I call Dr Hillery.

Dr Hillery, Vice-President of the Commission of the European Communities. — The Commission's position is that we have commenced to deal with inflation. A document was recently submitted with proposals, and this has been adopted by the Council of Ministers. We believe that the effects of inflation on wages should be studied. We intend to do that. I believe that the adjustment of wages to the rate of inflation is, in many countries anyway, accepted by the trade unions as their prerogative. For that reason, I would not recommend that this proposal be written into the document.

President. — I call Mr Vals.

Mr Vals. — (F) Mr President, at second reading I feel that the fears expressed by some of our colleagues are justified. That at least is my interpretation of the French translation '... to promote the institution in the Member States of systems to adapt remunerations to the cost of living in such a way as to protect them against inflation'.

So it is not simply a question of an increase in remunerations to correct the effects of inflation, but of an adjustment. In other words, salary raises should not just take account of the increase in productivity or other factors but also of the problem of inflation which is so important at this moment.

I would, therefore, like to know what the author of the amendment means by 'adapt' before deciding about this amendment.

President. — I call Mr Lange.

Mr Lange. — (D) Mr President, I would just like to draw your attention once again to a possible consequence. Wages and salaries have, until now, been worked out in negotiations between the two sides, that is between the trade unions and the employers. What I would like to find out is just what sort of mechanisms these are which, without reference to wage agreements, are to

Lange

bring wages into line. This text is much more dangerous than its wording would suggest. It is indeed clearly opposed to autonomy in negotiating wage rates.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, in discussing this proposal I believe that we must consider a question of procedure. The debate has shown that not one of the political groups of this House was in a position to discuss the political content of this important proposal. May I point out that the German version of this text was distributed only 20 minutes ago. I do not believe that this Parliament can accept a procedure which involves a decision on such a vital question when the text concerned is distributed during the actual debate. I am simply not able—and I admit it publicly—to make up my mind about such a significant question immediately. I therefore believe, Mr President, that a procedural decision should be made not to allow this proposal to be put to the vote for reasons of procedural inadequacy.

Certain members, such as Mr Marras, could have handed in such a proposal on behalf of the political group concerned in committee. In that way the basic question could have been discussed thoroughly in the committee and the political groups could then have considered it. But if proposals constituting far-reaching interference in the freedom of employers' organizations and trade unions to arrange wage settlements are only introduced during the plenary sitting itself. I for one am not prepared to accept such a procedure. I would therefore like to ask you, Mr President, to have the procedural legitimacy of this matter looked into.

President. — I call Mr Laudrin.

Mr Laudrin. — (F) Mr President, after Mr Vals' remarks, and allowing that Mr Marras' amendment does cover a topical issue, I wonder whether it would not be better simply to add to the Commission text '... to gradually introduce machinery with a view to adapting social security benefits to income growth'—which is a fundamental matter—in such a way as to protect them against inflation'.

This is a topical issue and is of interest, but I think the Commission's idea is more long-term than Mr Marras' proposal. I therefore propose a sub-amendment to his amendment, and would feel honoured by this collaboration.

President. — I call Mr Bertrand.

Mr Bertrand. — Mr President, after the discussion that we have just had on Mr Marras' amendment I think Parliament can readily see that at the moment it is not clear what the correct and complete interpretation of this text is. I support Mr Fellermaier's request that, should the amendment be maintained, it should not be adopted lest insuperable difficulties be created in our relations with both sides of industry. There is a clear-cut difference between the text proposed by the Commission, which uses the words 'adapting social security benefits', and that of Mr Marras, which refers to remuneration. Up to now remuneration has always been a province reserved to the social partners. Legislation has never intervened beyond the laying down of a minimum wage. I therefore propose, in order to prevent confusion, that we do not adopt the amendment of Mr Marras and that we retain the Commission's original text. It is clear and refers to the need to correlate pensions, overtime allowances and family allowances to income growth. This is the intention of the Commission, and the text is therefore concerned with correcting situations where arrears have been accumulated. In the area of remuneration, however, some countries are known to have an indexation mechanism and others a system for measuring productivity and adjusting remuneration accordingly. In yet other countries these indexation and productivity-calculation mechanisms are applied in relation to collective labour agreements.

For these reasons I urge that the amendment of Mr Marras be rejected.

(Applause)

President. — I call Miss Lulling.

Miss Lulling. — (F) Mr President, the discussion about this amendment proves that we are facing a question which has not yet been resolved at Community level. Some countries, such as Belgium and my own, apply in an extreme form the system of adjusting salaries and pensions; we even adjust the tax tariff to the index of the cost of living. Moreover, our unions have never complained of loss of autonomy, and now they are in the process of wresting a 12 to 13 % increase in real salaries, in addition to the 7 % based on the adjustment to the cost of living.

Both methods, therefore, have some justification, and I do not understand why the Community is now saying that all countries must take the same road to happiness. Those who have been working with the unions for twenty years know that our German friends do not wish to know about the 'sliding wage scale'; they were right

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as far as they are concerned. We in Luxembourg have achieved good results by this system. But, Mr President, why standardize this at Community level? Let us leave each country to settle these problems its own way; the main question is to ensure adjustment, by one means or another, of wages, salaries, pensions and benefits to the cost of living.

If we really wanted to create uniform machinery at Community level, I believe we should have to fulfil a prior condition, namely, Mr President, to know how the indices of the cost of living are established. What is the principle underlying the index in the various countries? It is difficult to assess. You know how different the customs, eating habits, living accommodation etc. are in the different parts of the Community. If one could establish a kind of overall principle of European consumption, then perhaps one could introduce Community machinery. I wish to stress this because it is an idea current in many countries, but it is not something to which we can give priority in our social action programme at this stage.

President. — Before we proceed any further with the debate, we should consider the procedural points raised by Mr Fellermaier and Mr Bertrand.

I call Mr Bertrand.

Mr Bertrand. — (F) Mr President, I have asked for the Commission's text to be maintained and for the amendment by Mr Marras to be rejected.

The Commission upholds its text; there is no serious reason why it should be changed.

I therefore maintain my request.

President. — This point is therefore clear. There is no longer any need to refer it back to committee.

As to the point raised by Mr Fellermaier, Amendment No 12 is quite admissible under the Rules of Procedure.

Having settled the procedural questions, we shall proceed with the debate.

I call Mr Vals.

Mr Vals. — (F) Mr President, I listened to the foregoing statements with great attention, particularly to Miss Lulling, who said that several Community countries provide measures for adjusting remunerations to the cost of living, quite apart from the rise in salaries obtained by the unions.

Whatever one feels about the unions — and I respect them — I do not think that the spirit of the Treaty of Rome, Article 1, gives the workers of the Community the best possible conditions in respect of income growth.

I should like the author of the amendment to support my proposal, which is as follows: after the paragraph proposed by the Commission, which provides for the 'gradual' introduction — i.e. not immediate — 'of machinery with a view to adapting social security benefits to income growth', I propose adding the phrase '...in such a way as to protect them against inflation'.

I do not think this proposal affects anyone's union rights and I believe this amendment is in the interests of the workers.

President. — Mr Marras, what is your opinion regarding these proposals?

Mr Marras. — (I) I owe some brief explanations to honourable Members who have spoken in such large numbers on this question. First of all, I must point out that our amendment is not a substitute for the committee's text, but an addition to it. That is to say, we accept the mechanisms for the adjustment of social security benefits and we propose another heading under which we ask for the introduction of similar mechanisms to adjust remuneration to the cost of living. We say mechanisms, without wishing to specify which, and, in particular, leaving Member States free to study the experience gained in this field and to adapt it to their own special situation.

I must say to Mr Vals, who asked in his first speech for a fuller explanation of the purport of this amendment, that, in my opinion, the purport has emerged fairly clearly from a number of speeches. In my bad French, however, I will try to tell him in his own language. This amendment is intended to suggest *l'introduction de l'échelle mobile des salaires* — the introduction of sliding scale wages. Miss Lulling has spoken fully on this requirement, which does not seem to me to prejudice in the slightest degree the contractual autonomy of the trade unions. In Italy the trade unions are waging major battles, very often successfully, both for the renewal of contracts on their expiration, and at enterprise level for further improvements. All this does not in fact prejudice their freedom of contract, while protection against inflation exists through what is called the sliding scale system which, with reference to a certain number of products, precisely safeguards the worker, within certain limits, against the continuous rise in the

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cost of living. We do not think that a mechanism of this kind should be compulsorily introduced into the Community, particularly since it relates to results which cannot be obtained by concessions from above, but through continuous struggles on the part of the workers. Ours is a valuable indication in this period of galloping inflation and comes from large sectors of the European labour movement. We therefore hope that it will be favourably received.

President. — The text of Amendment No 12 is maintained.

I put it to the vote.

Amendment No 12 is not adopted.

I call Mr Vals.

Mr Vals. — (F) Taking into account the vote just taken by Parliament, I propose an amendment to supplement this paragraph as follows: 'in such a way as to protect them against inflation'.

I ask you, Mr President, for a decision on this amendment which repeats, in another form, the idea—approved by a certain number of members of this Parliament—of protecting salaried workers against inflation.

President. — Pursuant to the Rules of Procedure, the Assembly must first of all decide whether the amendment by Mr Vals can be considered, since it has not been printed and distributed in the usual way.

I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — I do not object at all to what Mr Vals put forward in substance, but I must enter a protest to you, Mr President, about this procedure of accepting manuscript or oral amendments in one language or another on top of having to accept amendments which arrived only this afternoon to a document which we saw only today for the first time. It is in my view intolerable, for this House will not be taken seriously outside the purlieu of the *Maison de l'Europe* in Strasbourg. If we continue to behave like this, we shall not warrant the serious attention which we all wish to have. Therefore I ask you, purely as a matter of principle, to agree that the business of accepting oral amendments to amendments which we have seen only this afternoon to a document we have seen only today is not acceptable.

President. — The procedural question which you raise is answered in Rule 29, in which it is stated that Parliament has the right to decide

whether or not to consider an amendment tabled in the same way as that proposed by Mr Vals.

I therefore put to the vote the request by Mr Vals that we consider his amendment.

Are there any objections?

The amendment may therefore be considered and possibly put to the vote.

I call Mr Bertrand.

Mr Bertrand. — I would to urge Mr Vals not to have his amendment put to the vote. My reasons are follows. The point at issue is a mechanism for adapting social security benefits to income growth. This would mean linking all social security benefits to changes in remuneration. This is a normal mechanism, whereas finding a system to protect social insurance benefits against inflation, in addition to linking them to wages, is quite a different thing. This would create impossible conditions in a number of Community countries that are not so far advanced as others. If we are to have an effective social policy with the possibility of upward harmonization, then the first stage is to establish a basis in the Member States of the Community in the form of a minimum social security system. Once this is secured we can then look at the problem of upward harmonization.

At the moment we are putting the cart before the horse and I therefore ask Mr Vals to withdraw his amendment in view of the confusion that has arisen because of it. The Commission's wording provides that social security benefits should be tied to income growth. They would therefore have to keep in step with growth in wages. In general that is what has so far happened. I therefore urge that we keep to the text of the Commission. We have discussed this matter for hours and I am not in favour of adopting this or that system in the confusion of the moment.

President. — I call Mr Laudrin.

Mr Laudrin. — (F) Mr President, I would like to make two comments.

Firstly, I would like to ask Mr Vals, very simply in what way the sub-amendment he proposes is different from the one I had put before Parliament. It is more or less the same and inspired by the same idea. It would be good not to forget this.

The chairman of the Committee on Social Affairs and Employment now requests that this sub-amendment be deleted. Being obedient by nature, I bow to his request and withdraw my first sub-amendment.

President. — I call Mr Vals.

Mr Vals. — (F) In that case, Mr President, it is easier to discover the author since only one person now declares himself responsible for this sub-amendment.

I share the view of the chairman of the Committee on Social Affairs and Employment regarding the principles he stated. Yet I would like to state that the idea proposed in my amendment is a principle; it is not, therefore, something that will be applied tomorrow; the text uses the term 'gradual', which is satisfactory here, since the machinery for adjusting social security benefits to income growth will only be applied when the situation within the Community permits it. They will be gradually protected against inflation.

I see no difficulty in introducing this principle in an important resolution on social policy in the Community. That is why, regretfully, Mr President, I sustain my amendment.

President. — I call Mr Bertrand.

Mr Bertrand. — (F) Mr President, after listening to Mr Vals, I note that he accepts the principle of recognizing the existence of inflation. I take the opposite view, for inflation must be combated by every possible means. So I insist on the need to withdraw Mr Vals' amendment, in order to avoid serious difficulties between the various States at the social level.

President. — I call Mr Marras.

Mr Marras. — (I) Mr President, we shall vote for this amendment presented by Mr Vals, but it should be quite clear that this is not in any way a substitute for what we proposed. We proposed the application of the sliding wage scale, whereas Mr Vals is extending the idea to social security benefits to protect them from inflation.

This idea strengthens that already contained in this paragraph and we regard that as a good thing, but it should be clear that it is not the same thing as our proposal for a sliding wage scale.

President. — I call Dr Hillery.

Dr Hillery, Vice-President of the Commission of the European Communities. — I have already spoken of our attitude to the adjustment of wages in relation to inflation. When we were developing the idea of having dynamic social benefits, I tried to think of how one could

ensure that social benefit income would be able to contend with inflation and with changes in the economic conditions of a country. I thought that to link them to income was the safest way, because incomes have their own instruments. I think that this is the best method of protecting incomes against inflation, through free negotiation, and that the best method of making sure social benefits are protected against inflation and other matters is to link them to income, which has these instruments for its own advancement.

President. — Does anyone else wish to speak?

Before we vote on the oral amendment by Mr Vals, I shall read it out:

'to gradually introduce machinery with a view to adapting social security benefits to income growth, thus protecting them from inflation.'

I put the amendment to the vote.

The amendment is adopted.

On Section II, I also have Amendment No 3/rev., tabled by Mr Bersani, Mr Vernaschi and Mr McDonald and worded as follows:

At the end of this section insert a new paragraph worded as follows:

'... to examine, within the framework of a more complete social security system, the advisability and the possibility of Community action in definite cases of extensive unemployment.'

I call Mr Vernaschi to move the amendment.

Mr Vernaschi — (I) Mr President, a few very short comments, since the amendment has already been commented upon during the general discussion. We are convinced that the social programme and the regional programme are intended to establish a system of social security based on the full employment of manpower, but we are well aware that the attainment of this objective comes up against situations of serious unemployment, even where it has already been established.

For this reason we ask for the approval of an amendment designed to ensure that, within the framework of a social security system, concrete proposals are studied for Community action in definite cases of extensive unemployment.

I think my Parliamentary colleagues will agree that there can be no social security where jobs are lacking; the result is a series of social consequences which are so grave that they seriously endanger the attainment of any of the objectives intended to be achieved through the medium of the Social Fund.

President. — What is the rapporteur's position?

Mr Girardin, rapporteur. — (I) Mr President, I believe that a request to the Commission to carry out this examination should not be rejected. I am therefore in favour.

President. — I call Dr Hillery.

Dr Hillery. — Yes. I see no objection to that.

President. — I put Amendment No 3/rev. to the vote.

Amendment No 3/rev. is adopted.

We have therefore dealt with all the amendments to Section II.

We shall now consider Section III on increasing the involvement of the Social Partners.

On this section I have Amendment No 10, tabled by Mr Marras on behalf of the Communist and Allies Group (SF-Ind-Sin) and worded as follows:

Insert the following text as first paragraph:

'... to introduce suitable instruments and procedures for a more systematic involvement of the social partners in the problem dealt with by the committees on economic policy, budgetary policy, medium-term economic policy, monetary, agricultural and regional policy.'

I call Mr Marras to move his amendment.

Mr Marras. — (I) We can also agree to withdrawing Amendment No 10, although our text contains a more exact specification. But the idea of this amendment is already contained in a heading of the Girardin resolution. We shall therefore vote for the corresponding heading of Mr Girardin's resolution.

President. — Amendment No 10 is withdrawn.

We have now finished dealing with the amendments to the draft resolution of the Council.

We shall now consider the amendments to Parliament's motion for a resolution.

On the preamble and paragraphs 1 to 10, I have no amendments or speakers listed.

Does anyone wish to speak?

I put these texts to the vote.

The preamble and paragraphs 1 to 10 are adopted.

After paragraph 10, I have Amendment No 2, tabled by Mr Vernaschi and worded as follows:

After paragraph 10, insert a new paragraph worded as follows:

'10a. Emphasizes that it is in the interest of the Communities' Institutions to recommend the

ratification of the European Social Charter and to promote its application as an effective contribution to the implementation of the social action programme of the Communities.'

What is the rapporteur's position?

Mr Girardin, rapporteur. — (I) As rapporteur, I think that this amendment should be accepted, since it includes a request which has also been put forward in the Council of Europe, which has asked that this recommendation should be included.

President. — I call Dr Hillery.

Dr Hillery, Vice-President of the Commission of the European Communities. — This has been examined by the Commission from time to time and not put into the programme by a definite decision of the Commission. At the same time, it asks for an examination of the advisability. I could, I think, support the idea of such a study, and I accept the thought in the amendment.

President. — I put Amendment No 2 to the vote.

Amendment No 2 is adopted.

On paragraphs 11 and 12, I have no amendments or speakers listed.

I put them to the vote.

Paragraphs 11 and 12 are adopted.

On paragraph 13, I have Amendment No 7, tabled by Miss Lulling on behalf of the Socialist Group and worded as follows:

Re-word this paragraph to read as follows:

'13. Urges the Commission also to propose action by the European Social Fund (Article 4) to help women over 35 years of age to re-enter the labour market, on the grounds that the current provisions of paragraph 2 c) of Article 1 of Regulation No 2396/71 on the application of the Council decision concerning the new European Social Fund are inapplicable.'

I call Miss Lulling to move her amendment.

Miss Lulling. — (F) Mr President, I made a long statement earlier on the scope of this amendment, and during the November part-session, replying to the oral question on the Social Fund, I gave a practical example of the inapplicability of existing provisions of the Social Fund in respect of the reinstatement of women. The machinery is inadequate, Article 4 should be extended to cover women.

Since Mr Hillery stated that he agreed with my amendment, I hope the Parliament will adopt it.

President. — What is the rapporteur's position?

Mr Girardin, rapporteur. — (I) I should tell the Assembly that this amendment by Miss Lulling was unanimously rejected by the Committee on Social Affairs, at least by the members present. The committee considered that extending Article 4 to cover women, as proposed in the amendment, would have meant diluting the already scant possibilities of the Social Fund in relation to a category which should be borne in mind but which it is not considered possible to include in the provisions of Article 4. The resolution in fact still urges that the problem be solved, but the committee was against extending this Article 4 to cover women.

I am therefore against the amendment.

President. — I call Dr Hillery.

Dr Hillery, Vice-President of the Commission of the European Communities. — I have already spoken on this twice. At the beginning I said that what Miss Lulling wanted to achieve was good, but I doubted the prudence of doing it through expenditure under Article 4 of the Social Fund, and gave reasons which had been marshalled for my benefit. Having listened to Miss Lulling arguing again, I still maintain that what she wanted to achieve was good and I thought that the arguments she used for the methods would have to be better answered by the services available to me before I could reject them. I undertook, therefore, to be prejudiced in favour of what she wanted. I pointed out, however, that it had already been presented to the Council—when the Social Fund was being reformed and rejected by the Council—and that must remain in our minds when considering this matter. I do not think the considerations that were in the minds of members of the Council at that time have changed.

President. — I put Amendment No 7 to the vote.

The amendment is adopted.

On paragraphs 14 to 16, I have no amendments or speakers listed.

Does anyone wish to speak?

I put them to the vote.

Paragraphs 14 to 16 are adopted.

On paragraph 17, I have two amendments which can be considered jointly.

We shall therefore vote item by item.

I put to the vote paragraph 17 up to the second indent, inclusive.

Paragraph 17 up to the second indent inclusive is adopted.

On the third indent, I have Amendment No 9, tabled by Mr Wioldraaijer and worded as follows:

Replace 'the aged' by 'aged employees'.

I call Mr Wioldraaijer to move his amendment.

Mr Wioldraaijer. — (NL) Mr President, in my view a misunderstanding has arisen in the Committee on Social Affairs and Employment. The word 'aged' has been used instead of the phrase 'aged employees'. We would like this term to be included in the resolution in order to support the action that the European Commission wishes to undertake to remove the difficulties experienced by older workers returning to work. The Commission wishes to allocate specific resources to this end. Among other things it wants to provide assistance via the Social Fund. In this context we have asked for more attention to be paid to elderly workers in order to lend the policy greater force. This is therefore a specific action in favour of elderly workers. All this is set out in the Social Action Programme (III, 2).

President. — What is the rapporteur's position?

Mr Girardin, rapporteur. — (I) I think there is an ambiguity which should be cleared up. When the proposed resolution speaks of 'the aged' it is obviously meant to refer to the needy aged. Furthermore, I think that it would be too restrictive to refer specifically to employees only.

I formally propose that the word 'needy' should be added before the word 'aged'.

President. — Mr Wioldraaijer, do you accept the rapporteur's suggestion?

Mr Wioldraaijer. — (NL) I accept it, Mr President.

President. — I take note of the text proposed by the rapporteur, with which the author of the amendment has expressed his agreement.

I call Dr Hillery.

Dr Hillery, Vice-President of the Commission of the European Communities. — Yes. I think that aged workers are what is meant, but I can accept either meaning.

President. — I call Mr Laudrin.

Mr Laudrin. — (F) Mr President, I would point out that in French the word *indigent* is no longer used, because it is thought too severe. I would therefore ask for another word to be used, in the French translation at least.

President. — The author of Amendment No 9 accepts the rapporteur's wording.

Amendment No 9 is therefore withdrawn.

The third indent of paragraph 17 would therefore read as follows:

'to conduct a more vigorous policy of aid to the needy aged;'

I put this text to the vote.

This text is adopted.

On the fourth indent, I have Amendment No 13, tabled by Mr Marras on behalf of the Communist and Allies Group (SF-Ind. sin) and worded as follows:

After the words 'minimum wages and pensions' insert the words 'as regards the raising of the level of pensions and the fixing of retirement age at 60...'

I call Mr Marras to move his amendment.

Mr Marras. — (I) I should be curious to know from those who fought so energetically in defence of the contractual autonomy of the trade unions, how they reconcile their position with the request for minimum wages. In this case, too, the trade unions could say we will look after our own wages!

With this amendment, we seek to add two other actions which in our opinion are of the utmost importance for attaining the main ends indicated by the Commission and the Summit as the central objectives of social policy. We therefore raise the problem of pensions and the disparity in pension matters which exists in all the States of the Community.

In this case too we do not propose overnight solutions, but we do ask that the actions which might be adopted between now and 1976 should include action designed to make pensionable age uniform throughout the Community. We propose the age of 60 and we propose that the level of pensions should be raised. The situation differs from State to State. In my country, for example, we have probably the lowest rate of pension, but we have a pensionable age of 60 for men and 55 for women. Some people have objected that it is not so much a question of age as of the level of pensions. In our country after 40 years contribution at the age of 60 you reach the maximum level allowed for social security pensions.

The question of age also directly affects the question of employment. Nearly half the unemployed in the Community are young people between 18 and 24 looking for their first job. This is a complex problem, which I do not want to solve at a single stroke, but which is certainly closely connected with pensionable age. I would add that, in Member States in general, pensionable age is well above 60. I hope that this question of pensions can be included among the actions which the Community proposes to take in the next three years.

President. — I call Mr Laudrin.

Mr Laudrin. — (F) Mr President, I understand and respect Mr Marras' wish to devote particular attention to social problems.

When he says that salaries are fixed by the unions, this is true of most of the contracts concluded today between undertakings and employees. Nevertheless, in some countries which I know, the government itself fixes the 'minimum salary growth'. It is not the unions but the State which demands that a minimum salary should be fixed for all employees, even those in the lowest-paid jobs. I must say that today the growth rate is so great, and has accelerated so fast in the last few months, that anyone employing workers, such as a mayor, soon notices that finances are eroded by the surcharges that are imposed, and I repeat this, by the State and not the unions. I tell you this so that you may at least revise your statements, if not your text.

Moreover, when you ask for retirement at age 60, I think this would displease all our officials, many of whom retire at 55, with full rights. You must also think of the widows, the farmers' widows, peasants' widows, craftsmans' widows, who are unable to perform the arduous work demanded of them at age 55 and are therefore entitled to retire at that age.

I do not think one should set limits, Mr Marras; progress will allow everyone to advance their retirement age at will. Earlier you spoke of a question that interests me greatly, that of leaving room for the young people. I would say, do not kill the old people too soon by condemning them to inactivity. Retirement is a right not an obligation. It must be realized that some people can only survive if they work; as long as one is in good health, I think life can remain good and one should continue to live it in the same way as before.

(Applause)

President. — I call Mr Wieldraaijer.

Mr Wieldraaijer. — (NL) Mr President, we shall not be voting against the amendment, but I would like to make the following remarks.

I believe that the first priority in the EEC ought, indeed to be to achieve a raising of minimum pension levels because, from the figures, I have observed that there are still appreciable differences between minimum pensions in the various countries and that minimum pensions are still very low. This is therefore the first priority. If Member States have resources they should be used in the first place to raise the minimum pension level.

Secondly I consider that it is then necessary to ensure that pensions should be tied to the standard of living so that they increase with rising living standards, if such is in fact the case.

Thirdly I do not believe the question to be only that of the minimum age for retirement on pension—views may vary on this point—since individuals should have the right to decide for themselves the age at which they wish to retire.

Have made these points I shall not vote against the proposal. But this should be seen in the light of the explanation that I have given.

President. — I call Mr Ansart.

Mr Ansart. — (F) Mr President, my friend Mr Marras has proposed retirement at age 60. I admire the sudden ardour with which Mr Laudrin rejects this, on the pretext that we would be punishing a great number of officials.

But since he is raising a question concerning my country and our national Parliament, I could ask him why the ministers he represents here have obstinately refused, for more more than 15 years, retirement at 60 for our parliament.

That is why I firmly approve the statement and amendment by my colleague Mr Marras.

President. — I call Mr Vals.

Mr Vals. — (F) Mr President, I wish to make a statement of voting intentions following that made by my friend Mr Wieldraaijer. To speak of retirement at 60 does not prohibit one or other Member State of the Community to fix the retirement age at 55 for some of its officials. That should relieve Mr Laudrin's worries.

May I add that this idea of fixing the standard minimum retirement age at 60 means, as far as I can see, that one can enjoy paid retirement from 60 but that it is not compulsory at that

age and one could go on working until 65 for instance; although, of course, if for various reasons one wished to retire at 60, one might do so with all the attendant benefits.

That is why I shall support the amendment.

President. — I put Amendment No 13 to the vote.

The amendment is adopted.

I put paragraph 17 so amended to the vote.

Paragraph 17 so amended is adopted.

On paragraphs 18 to 31, I have no amendments or speakers listed.

Does anyone wish to speak?

I put them to the vote.

Paragraphs 18 to 31 are adopted.

I put to the vote the motion for a resolution as a whole, having regard to the amendments adopted.

The resolution as a whole so amended is adopted.¹

Mr Schwabe, did you wish to speak?

Mr Schwabe. — (D) Mr President, at the time of the vote I raised my hand because I wished to make a short statement. Perhaps you did not notice, Mr President.

President. — I am sorry, Mr Schwabe. I did not notice. Please go on.

Mr Schwabe. — (D) Ladies and gentlemen, this debate has shown us, not I believe, for the first time, that during a vote on such important things a great many interesting ideas emerge, which would be worth discussing in the committees. Now, as I have done in the past—and I believe that other members share this view—I would like to voice the opinion that such matters should be decided, to a greater extent than has so far been the case, in daylight in Brussels instead of at night in Strasbourg.

(scattered applause)

President. — I call Mr Ansart.

Mr Schwabe had already asked to speak, but you, Mr Lemoine, have just asked now.

Mr Ansart. — (F) Excuse me, Mr President, Mr Lemoine had raised his hand. I would therefore ask you to give him a few minutes to explain our voting.

¹ OJ No C 2, 9. 1. 1974.

President. — As you wish.

Mr Ansart. — (F) Thank you, Mr President.

Mr Lemoine. — (F) I shall only say a few words at the end of a discussion, which could have shown that this Parliament had taken genuine social decisions in the interests of the workers, greater justice and social progress.

Clearly this has not happened.

The discussion and statements have clearly shown the inadequacy of the Commission's proposals.

During the afternoon, my friend Mr Marras gave a detailed picture of our point of view, and again this evening, when he supported the idea of introducing a sliding scale to protect incomes against inflation. Incidentally, we regret that this amendment was rejected, but I will not return to that matter.

We merely wish to stress a few points.

Firstly, it is clear that it is the fighting action of the working class and the small- and medium-income peasants that has demonstrated...

Mr Fellermaier. — (D) Mr President, what is happening here is absolutely unacceptable. The vote has been taken, and now the discussion is starting all over again. This sort of thing never takes place in any Parliament—except this one. Apparently there are some kind of special privileges here...

President. — We must not interrupt the speaker.

Mr Lemoine. — ...the absence of any Community social policy.

Secondly, if it is true that Mr Girardin's report contains good and praiseworthy intentions, it is equally true that no instruments exist to implement them. Since the Council of Ministers of the Community today rejected the amendments unanimously approved by our Parliament last month...

Mr Kirk. — Point of order, Mr President!

Mr Fellermaier. — (D) On a point of order, Mr President! That is an abuse of parliamentary privilege.

Mr Lemoine. — (F) ...thus refusing to increase the appropriations of the Social Fund...

Mr Kirk. — Point of order, Mr President!

Mr Lemoine. — (F) ...at a time when threats to secure employment and the cost of living are becoming more and more apparent, confirms the equivocal and ambiguous nature of the Commission's proposals.

Mr Fellermaier. — (D) It seems that Communists have special rights in this House!

President. — I should like to inform the House that there have been similar cases in the past when the voting procedure has been quite detailed, as it has been this time, and a brief explanation of vote has, under exceptional circumstances, been permitted after the vote.

I agree with my colleagues that this involves giving a broad interpretation to the Rules of Procedure. But since precedents do exist (and I have checked that they do) I think that with a little patience we should be able to get to the end of this debate without disruption.

Mr Lemoine, please try to be brief.

Mr Fellermaier. — (D) Then we shall leave the Chamber.

Mr Lemoine. — (F) ...The intentions of the Council of Ministers concerning this matter show a political preoccupation with spreading illusion and hindering the workers of the Community in their fight for justice and progress, rather than any concern to pursue a genuine social policy for their benefit.

We are always eager to support steps forward, as long as they are realistic and serious. We must, therefore, view with caution a project whose inadequacies are too great. That is why the Communist Group abstained in the vote.
(Applause from the Communist and Allies Group benches)

President. — I call Mr Kirk.

Mr Kirk. — Mr President, I do not think I have ever heard, in any parliamentary assembly I have ever sat in, such an intolerable abuse of the rules of order as that to which we have just listened.

The Member who has just spoken had a prepared speech. He was not speaking as some of us do when we wish to explain our vote. He spoke after the vote had taken place. He spoke on the principle of the resolution, not on the details of the vote.

I ask you, Mr President, with the Bureau, to examine the principle of explanations of vote

Kirk

after the vote has taken place when speeches are made which should have been made in the general debate. It is about this that I personally complain.

I appreciate the anxiety of my colleague, Mr Fellermaier; indeed, I share it. I have more patience than he has. I was prepared to stay and listen. I did not learn much by listening, and I hope we shall not have to suffer this sort of thing again.

President. — Mr Kirk, I should like to explain to you that on this occasion my line of action has been based on a practice which, though it may be reviewed by the Bureau, has been adhered to in the past by this House. The fact that on this particular occasion our colleague had a brief written speech already prepared proves that he intended to speak.

Therefore, although there may be disagreement as to the merits of this speech, one cannot formally deny that the existence of a written text proves that only the speed with which we proceeded to the vote prevented our colleague from asking to speak even if he made no obvious attempts to attract the President's attention.

In any case, as I have already explained, I felt that it was both fair and courteous to follow the practice previously adhered to. I shall, however, note Mr Kirk's request and take responsibility for forwarding it to the President.

Mr Laudrin. — Mr President, on behalf of the group I represent this evening, I wish to protest against this abuse of procedure. I do not hold you responsible, but if I remember correctly, in the twelve years I have attended this Parliament, I have never come across such an outcry at the time of voting, when everyone has the right to leave. Therefore, Mr President, I refer this procedure to your judgement, for it is really not customary in our Parliament and, moreover, is prejudicial.

If you permit me to speak to the Communists through your intermediary, I should like to tell them that we are able to look them in the face, in the eyes, when we speak of our devotion to the workers. They seem to believe they have a monopoly. Having heard such things said here, Mr President...

President. — Please, Mr Laudrin, you must not say that. You may only speak on a point of order.

Mr Laudrin. (F) ... I must dispute that the Communists have a monopoly of defending workers in this Assembly.

President. — This item is closed.

14. Oral Question No 152/73, with debate: rights of seasonal workers from the Community operating in Switzerland

President. — The next item is Oral Question No 152/73 with debate by Mr Della Briotta on behalf of the Socialist Group to the Commission of the European Communities.

The question is worded as follows:

Subject: Rights of seasonal workers from the Community employed in Switzerland

It is a well-known fact that both in statements made to the Community during last year's negotiations between Switzerland and the EEC and in the minutes of the Italian-Swiss Conference of 22 June 1972, Switzerland pledged itself, in almost identically worded statements, to 'the gradual establishment of the most homogeneous possible labour market, that is to say, a labour market in which all workers, Swiss and Italian, will be able to enjoy substantially the same rights and advantages...'

It is also known that the Swiss authorities have introduced, initially by administrative action and subsequently by a decree of the Federal Council on 6 July last, provisions designed to keep to a minimum the number of seasonal work permits changed to annual ones, by limiting to 8½ months the validity of new seasonal work permits for the building industry. These provisions will make it impossible for many workers to have their seasonal work permits changed into annual ones and perpetuate a discriminatory situation at variance with the policy of homogeneity to which the Swiss have pledged themselves.

In the light of these facts, the authors of the question ask the Commission of the European Communities for information on the following points:

- (1) Can this new decree of the Swiss Federal Council, limiting and even excluding altogether a change to annual work permits, even after three years, for fictitious seasonal workers who work for 8½ months in Switzerland and thus can never reach the statutory minimum continuous working period of 9 months, be considered compatible with the commitments devolving on Switzerland from its Agreement with the EEC, to which a specific 'declaration on workers' is annexed, or, more generally, with international labour regulations?
- (2) What is the Commission's view of the serious distortion of competition in favour of the Swiss economy, caused by the savings accruing to Switzerland from the fact that it is spared the burden of heavy social costs incurred for seasonal workers from the Community and workers from parts of Community countries bordering on Switzerland, particularly in the matter of medical benefits but also in the matter of housing, aid to education from public funds, etc.? As far as workers from border areas are concerned, it has been learned that the French and Swiss governments have recently concluded an agreement giving financial compensation to municipalities in the strip of French territory bordering on the Canton of Geneva, from

President

which 22 000 residents cross the border to work, whereas nothing similar seems to have been planned as yet by the Swiss in favour of the more than 30 000 workers similarly situated on the Swiss-Italian border.

I would remind the House that pursuant to Rule 47(3) of the Rules of Procedure the questioner is allowed twenty minutes to speak to the question, and that after the institution concerned has answered Members may speak for not more than ten minutes and only once. Finally the questioner may, at his request, briefly comment on the answer given.

I call Mr Della Briotta to speak to the question.

Mr Della Briotta. — (I) Mr Chairman and colleagues, my question is designed to call the attention of the Commission to the problems of Italian emigrant workers in Switzerland, a country which has an agreement with the EEC. It seems to me that these problems do not affect Italy and Switzerland alone and therefore cannot be looked at purely from the point of view of bilateral relations between the two countries, in which event I should be on the wrong track in putting my question to the Commission. Negotiations are in fact under way for the association of Switzerland with the EEC. Undertakings have already been entered into by the Swiss to make the labour market homogeneous by guaranteeing equality of rights and privileges to all workers, Swiss and Italian. That is why I have felt able to put this question.

The Swiss government has always sought to regulate the flow of foreign manpower, including Italian manpower, which is today predominant, in the light of the needs of its technological and industrial development and allowing for its political situation, which is made so difficult by the existence of basically xenophobic tendencies and by the large autonomy enjoyed by the local cantonal and communal authorities. This requirement should be respected because every State has the right to decide what to do on its own territory and therefore the number of foreign workers to be allowed to work, so long as it has not fully accepted the standards established by the right of free movement. What, on the other hand, is not acceptable is that the provisions for limitation should be applied on stop-and-go lines, opening or closing the frontier, using foreign manpower, and particularly manpower from a country belonging to the Community with which Switzerland intends to associate itself, as a stabilizing element for its economy and its development, by introducing measures which, whatever their intention, can be and in fact are reflected in discrimination against the workers, by virtue of the different legal conditions to which the

workers are subjected, designed to prevent them from reaching genuine equality with Swiss workers, as well as by off-loading onto the zones where emigration originates, the poor and backward zones, social burdens in the matter of housing, educational assistance, health and vocational training.

Italian workers in Switzerland fall into two categories, residents with a final residence permit granted after ten years' residence and enjoying full rights, and workers subject to control, who may be either yearly workers, seasonal workers or frontier workers.

Membership of the second category confers fewer rights and therefore imposes a lesser burden on Switzerland, except to some extent for yearly workers. The frontier workers who number about 30 000 to 35 000 and come from the Italian border zones of Lombardy and Piedmont, work in the Cantons of Ticino, Grisons and Valais. They set off in the morning and return home at night, or sometimes set off on Monday and return home on Friday evening. Seasonal workers number more than 100 000; they come from the whole of Italy and are spread all over Switzerland in all sectors of production and not only in those which have a seasonal labour cycle, such as the hotel industry and part of the building industry.

Under bilateral agreements coming gradually into force seasonal workers (that is to say genuine seasonal workers, in jobs which do not necessarily have a seasonal cycle) should become yearly workers, thus acquiring full rights. The essential requirement for this changeover is that the seasonal worker should have aggregated 36 months' residence in Switzerland in four consecutive years. This agreement, the fruit of long and exhausting bilateral negotiations, in which Italy's position was certainly weakened by the state of its labour market which even today is still marked by shortages of jobs in the South and in well-defined areas of the Alpine belt, provided that the conversion from seasonal workers to annual workers should be effected gradually. It has, however, happened that the Swiss authorities, first of all through administrative police regulations and then through a Federal Government decree, have reduced the length of residence of seasonal workers in Switzerland to the period from 1st April to the last Saturday before Christmas, or, on the best assumption, eight months and twenty days, thus making it mathematically impossible to acquire the length of residence necessary for the changeover from seasonal worker to yearly worker, which is nine months a year for a certain number of years.

Della Briotta

This is a first question of a general character. How can one speak of a homogeneous labour market when measures of this kind govern the flow of Italian migrants, regarded as a spare wheel for the productive system.

In fact a measure of this kind enables the Swiss Confederation to take on able-bodied workers and them alone and to restore them to the Italian national community, which has the problems which everyone knows, when they are sick or disabled. And, into the bargain, the tax deductions at source, effected in Switzerland, go to swell the coffers of the Swiss Federation, the Cantons or the Communes, while the Italian State has to provide from the taxation of the other citizens for the social needs of the seasonal and frontier workers and their families.

I ask the representative of the Commission whether he does not regard this state of affairs as a distortion of competition in favour of the Swiss economy, at the cost not only of the Italian economy, but of the whole of Europe. That is the second question which completes the first.

Then there is the need to make the labour market as homogeneous as possible, which is not mentioned in the bilateral Italian-Swiss agreement, since it is a matter of a protocol annexed to the agreement between the EEC and Switzerland.

Then there is a second question: an agreement has recently been made between France and Switzerland for financial compensation affecting the communes in the Ain and the Haute-Savoie, the homes of about 22 000 frontier workers who travel to the Canton of Geneva. This agreement provides for the return of part of the tax on wages deducted in Switzerland. Does the Commission not think that this provision for reparation, or partial reparation, is a model for regularizing the situation by correcting manifest and unjust inequalities? The establishment of the most homogeneous possible labour market depends on removing the limiting conditions on the conversion of seasonal to yearly workers, on the reuniting of families, and on financial compensation in the case of workers who continue to leave their families in Italy for practical reasons, because of the precarious nature of earnings or the nearness of their homes.

Those, Mr President, are the reasons for the question I put to the Commission and to which I hope a satisfactory reply will be given.

(Applause)

President. — I call Mr Marras.

Mr. Marras. — *(I)* Mr President, my group has also presented, over my signature, an oral question to the Commission of the Community, on the basis of Article 47, which is on the agenda for next Wednesday's sitting on the same subject as that raised by Mr Della Briotta.

In this question we ask, in substance, that the Commission should make known what action it has taken or intends to take to ensure that the Swiss Government respects the undertakings entered into in the agreement of association with regard to the treatment of Italian emigrant workers, and in particular the conversion of seasonal residence permits into yearly residence permits.

Mr Della Briotta's full and effective speech enables me to limit myself to a very short statement, in which, for the rest, I can fully associate myself with my honourable friend's lucid denunciation of a state of affairs which he knows directly probably even better than I do. The fact is that, in consequence of these regulations by the Swiss authorities, foreign immigration into that country is constantly tending to become more seasonal or frontier in character, while the yearly immigrants—who are entitled to facilities such as bringing their families with them into Switzerland—tend to fall steadily as a percentage of total immigrant workers into that country.

The problem is a serious one, but it is possible for the Community to intervene by adding its own initiatives to those which will certainly be taken by the Italian Government. I am convinced that the Commission of the Community, on the strength of its responsibilities in this field and of the competence it derives from the agreements of association can say a few words of encouragement this evening for the actions which will be undertaken at national level.

President. — I call Dr Hillery.

Dr Hillery — The Commission has been informed of the memoranda which the Italian and Swiss governments have exchanged this year on measures taken by the Swiss Government, particularly on 6 July 1973 relating to the situation of Italian workers in Switzerland. The Commission hopes that these questions will in the first instance and as soon as possible be the subject of direct talks between Italy and Switzerland with a view to resolving the differences of opinion which exist in their respective interpretations of the commitments arising from the minutes of the meeting of the Italo-Swiss joint committee signed on 22 July 1972.

Hillery

The Commission departments are, however, at present examining the question in order to assess the significance of the decree of the Swiss Federal Council of 6 July 1973 limiting the number of foreign workers in Switzerland in the light of the commitment undertaken by the Swiss Government to implement the policy designed to introduce progressively as uniform a labour market as possible, which was stated in the declaration concerning workers annexed to the Final Act of the EEC/Switzerland Free Trade Agreement of 22 July 1972.

Should any doubts or difficulties arise, the Commission would propose a joint examination with the Swiss Government of the problems which could occur. Assessment of the possible distortion of competition in favour of the Swiss economy due to the distribution of responsibility for social costs for seasonal and frontier workers requires long and complex calculations because of the multiple factors to be taken into consideration. French financial compensation, which has been alluded to, is only a very limited aspect of this general question.

President. — I call Mr Pisoni.

Mr Pisoni. — (I) I only want to say that we, too, have submitted a question under this heading for a written answer and I think that even if Dr Hillery's answer is to some extent satisfactory, the written answer may perhaps provide further particulars.

President. — I call Mr Della Briotta.

Mr Della Briotta. — (I) I wish to thank Commissioner Hillery for his prompt reply; a promptitude in which I think I can see proof of an interest on the part of the Commission not only from the point of view of safeguarding the interests of a State but also from the point of view of the whole Community.

On the merits, I would emphasize that it is a favourable fact that the Commission, notwithstanding its restraint (which, however, seems to me excessive) hopes for a resumption of direct contacts between Italy and Switzerland so as to arrive at an unambiguous interpretation of the minutes of the Italo-Swiss committee meeting of 22 July 1972 as well as of the Statement on workers annexed to the Final Act and forming an integral part of the EEC/Switzerland Free Trade Agreement, thus confirming the fact that the parties attach great importance to the application of the provisions of the said minutes.

In reality, I should like to hope that the Commission will also voice its express opinion

on the decree of the Swiss Federal Council of 6 July 1973, which makes it difficult, if not impossible, for workers to change from the seasonal category to the yearly category.

The Commission is following the problem: is that enough? I am greatly concerned when I read the unofficial figures on the trend of Italian employment in Switzerland. I refer to the data provided by the Commission in reply to a question by Mr Vredeling and others which appeared subsequently, according to which the number of frontier workers is increasing considerably while that of yearly workers is falling.

How are we to interpret the words in the Commissioner's reply: 'the Commission would propose a joint examination with the Swiss Government of the problems which could occur'? Does this represent full availability or only contingent availability?

Another fact on which I should like a precise answer is that of financial compensation; it is true that this is a question which can be settled bilaterally, although, for example, the question of the homogeneity of labour certainly does not affect Italy and Switzerland alone. Has the Commission in fact made — or does it intend to make — a calculation of social burdens in order to assess, for example, the distortion of competition arising out of workers paying taxes in Switzerland and receiving social services in Italy? Has the labour cost of a worker been calculated at Stuttgart and at Zurich?

I should therefore like to ask the Commission if it can add the undertaking to ensure that the negotiations are resumed. An active undertaking, I mean, under which the Commission would make itself a diligent party and prevent this question from being dealt with solely in the context of bilateral negotiations between Italy and Switzerland. I do not know whether Commissioner Hillery can answer these points, but in any event, I thank him so far.

President. — Mr Marras, I cannot allow you to speak because the Rules of Procedure only allow the questioner to speak twice.

Mr Marras. — (I) I merely want to say that we withdraw our question on the agenda for next Wednesday's sitting in view of the fact that Dr Hillery's answer to some extent also satisfies our requests.

President. — I call Dr Hillery.

Dr Hillery, Vice-President of the Commission of the European Communities. — The position,

Hillery

which I think will be clear when Members read what I said, is that a decree has been promulgated which has caused reaction from the Italian Government. Up to this time the Commission has been kept informed by the two governments concerned, but there has been no request to become involved in opinions on the situation.

The Commission has begun to examine what has happened, but I could not at this time say that our examination has been extensive enough or deep enough to warrant the giving of an opinion at this time. If, when this examination is completed, there are doubts in the minds of the Commission about the decree, then we would seek joint meetings with the Swiss Government, but only after such a full examination would we go into the position of making a statement on it.

The present position is that bilateral dealings on the matter seem to be the option taken by the Italian Government. I do not think that I could usefully add anything to that. The agreement itself points out the complexity of the matters involved, and it is written into the *procès-verbal* of the meetings that both governments regarded this as something which needs the constant consultation of experts. In the second part, therefore, what seems to be clear to some members of the House is a much more complex subject and is agreed to be such by the two governments concerned.

President. — I have no motion for a resolution on this debate.

Does anyone else wish to speak?

The debate is closed.

15. *Agenda for next sitting*

President. — The next sitting will be held tomorrow, Tuesday, 11 December 1973 at 11.30 a.m. and 3 p.m., with the following agenda:

- Report by Mr Heger on agricultural prices in Italy;
- Report by Mr Artzinger on the application of Community customs and agriculture regulations;
- Oral question No 117/73, with debate: publicity given to infringements of competition regulations;
- Report by Mr Memmel on the amendment of Rule 21 of the Rules of Procedure;
- Report by Mr Rossi on the estimates of the European Communities for 1974, 1975, and 1976;
- Report by Mr Rossi on the reports of the ECSC Auditor for 1971 and 1972;
- Report by Mr Pisoni on the ECSC levy and operating budget for 1974;
- Report by Mr Spénale on the Sahel countries.

The sitting is closed.

(The sitting was closed at 11.20 p.m.)

SITTING OF TUESDAY, 11 DECEMBER 1973

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IN THE CHAIR : MR BERKHOUWER

President

(The sitting was opened at 11.35 a.m.)

President. — The sitting is open.

1. *Approval of minutes*

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

Are there any comments?

The minutes of proceedings are approved.

2. *Documents received*

President. — I have received from the Council of the European Communities requests for opinions on the following proposals from the Commission of the European Communities:

— Proposal for a regulation on imports of olive oil from Turkey (Doc. 274/73).

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;

— Proposal for a Council decision on the accession of the European Economic Community to an agreement for the prevention of marine pollution of telluric origin (Doc. 280/73),

This document has been referred to the Committee on Public Health and the Environment;

— Proposals for regulations (EEC) of the Council extending Council Regulations No 227/73 and No 228/73 of 31 January 1972 on imports into the Community of certain fishery products originating in Tunisia and Morocco (Doc. 281/73),

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;

— Proposal for a regulation (EEC) of the Council extending the import arrangements laid down in Regulation (EEC) No 1253/73 in respect of the viticultural product originating in and coming from Cyprus and exported under the designation 'Cyprus sherry', as well as the aid arrangements for similar viticultural products manufactured in the Community as originally constituted and exported to Ireland and the United Kingdom (Doc. 282/73),

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

President

— Proposals for

- I. a regulation (EEC) of the Council opening, allocating and providing for the administration of a Community tariff quota for dried figs, in immediate containers of a net capacity of 15 kg or less, falling under sub-heading ex 08.03 B of the Common Customs Tariff, originating in Spain;
- II. a regulation (EEC) of the Council opening, allocating and providing for the administration of a Community tariff quota for dried grapes in immediate containers of a net capacity of 15 kg or less, falling under sub-heading 08.04 B I of the Common Customs Tariff, originating in Spain;
- III. a regulation (EEC) of the Council opening, allocating and providing for the administration of Community tariff quotas for sherry wines falling under sub-heading ex 22.05 of the Common Customs Tariff, originating in Spain;
- IV. a regulation (EEC) of the Council opening, allocating and providing for the administration of a Community tariff quota for Malaga wines falling under sub-heading ex 22.05 of the Common Customs Tariff, originating in Spain;
- V. a regulation (EEC) of the Council opening, allocating and providing for the administration of a Community tariff quota for Jumilla, Priorato, Rioja and Valdepenas wines, falling under sub-heading ex 22.05 of the Common Customs Tariff, originating in Spain (Doc. 283/73).

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.

In view of the fact that all the above proposals concern extremely urgent matters, the Council had requested Parliament to deliver its opinions on these documents during the current part-session.

3. *Regulation on the price level of agricultural products in Italy*

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 amending Regulation (EEC) No 974/71 on the price level of agricultural products in Italy as a result of monetary developments (Doc. 275/73).

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

Mr Héger. — (F) Mr President, the executive Commission's proposal arises from a new twist, a new fluctuation, if you like, in the monetary problems. It is, in fact, concerned with alleviating certain difficulties in the agricultural sector in Italy.

This House will remember the widely different or diversified measures which had to be taken in certain situations. When the mark was revalued, it was necessary to grant a subsidy of about 400 million u.a. to compensate to some extent the losses which farmers in the Federal Republic of Germany might suffer. When, in contrast, the French franc was devalued, the French Government was authorized to readjust French prices to the Community levels over a period of two years. Then there was another, more generalized, system, of export and import compensatory amounts, the details of which I am obviously not going to describe. And finally, when we had the good fortune to welcome new partners into the Community, we came to know accession compensatory amounts.

The problem we are dealing with now is of a more specific nature. The central rate for the Italian lira was in effect devalued by 1 per cent after the Washington agreement of 18 December 1971. Thereafter, it had a two-tier exchange rate and was eventually 'floated' — to use the current term, which is not perhaps strictly correct. Today the parity of the lira is somewhere between 18 and 20 per cent below the rate for the unit of account, as it was envisaged at the beginning of Community settlement operations, so that, logically, the compensatory amounts ought really to be adjusted to allow for this 18 to 20 per cent.

As far as prices are concerned, in Italy they are, of course, expressed in the national currency, the lira, and they are below the Community level, with the additional peculiar result that when world market prices reach the level of Community prices, there is no more levy. This is the case in Italy particularly for cereals; for dairy produce, on the other hand, compensatory amounts still apply. The consequence is that in Italy dairy produce prices are 20 per cent below the Community level and that an imbalance exists between agricultural sectors, leading to a certain amount of political difficulties.

To obviate these difficulties, at least partially, the compensatory amounts would have to be reduced. To this end the executive Commission proposes for the lira a representative exchange

Héger

rate different from the earlier representative rate and closer to the real rate obtaining in practice. This lowering of the value of the lira would result in higher joint prices when expressed in lira and in reduced compensatory amounts.

To avoid too sudden a readjustment, however, the Commission proposes that it should be effected in two stages. At present a unit of account represents 625 lire. From 1 November 1973 to 1 January 1974 a unit of account would be equivalent to 650 lire, and after 1 January 1974 — to 678 lire.

Prices would therefore be raised twice and it is necessary to predict the economic effects of these new representative rates, that is to say, of the compensatory amounts applicable from 1 January 1974.

This is where we come up against the problem of the date of entry into force of the new arrangements in the various agricultural sectors. Products for which marketing years apply must be identified, and for such products the start of the marketing year must be determined.

Thus, for example, there is no provision for marketing years for eggs, poultry, fruit and vegetables. On the other hand, a marketing year begins on 1 January 1974 for fishery products. Variable systems apply for other products.

Now, when there is no marketing year for a product, the compensatory amounts can come into effect at once. But when there is provision for marketing years, the second stage can begin only with the commencement of the marketing year.

You will see, therefore, that an interim period will have to intervene, lasting from 1 January 1974 until the start of the marketing year. To avoid the detrimental effects of such a situation which might affect Italian farmers, the Commission proposes that during this interim period the compensatory amounts should be calculated on the basis of the old prices.

These, in very brief outline, are the technical aspects of the problem which the Committee on Agriculture had to consider. In view of certain advantages presented by the scheme, particularly a contribution towards the unification of the market and the reduction of the overall burden on EAGGF, the Committee pronounced unanimously, less one vote, in favour of adopting the Commission's proposal.

It is this proposal that I have the honour to submit to you today. I would add that the Committee on Budgets also examined the

problem and unanimously approved the report drafted by our colleague, Mr Durand.

In the circumstances I have the honour to invite Parliament to confirm the view taken by the Committee on Agriculture.

(Applause)

President. — I call Mr Premoli on behalf of the Liberal and Allies Group.

Mr Premoli. — *(I)* Mr President, I should like to thank Mr Héger for his lucid report, with which I find myself in substantial agreement and for which I am very grateful.

I will rapidly summarize our point of view.

I would recall that this is the second consecutive session in which Parliament has had to concern itself with the effects of the foreign exchange market on the common agricultural policy. Yesterday the revaluation of the guilder and today, alas!; the devaluation—in fact, if not in form—of the lira, lead us to give consideration to a fundamental question, namely the need for the construction of the Community to represent an organic whole, without this or that sector running away ahead of the others.

It has been said and written that the common agricultural policy had reached the point of no return.

It has been thought that it could go ahead on its own, regardless of contiguous sectors.

Now, the reappearance of compensatory amounts and refunds, both within our own frontiers, has demonstrated the fragility of this reasoning.

Hence the need for other policies to be got under way and effectively implemented, starting with the economic and monetary union, which directly interests us here, then going on to regional policy, which I hope will be launched as soon as possible and to the creation of a genuine social fund, on which all the efforts of the Council have so far come to grief.

Turning to the question more directly under consideration, I would recall that the devaluation of the green lira had already become a requirement which could not be postponed, because, in my opinion, Italy will not so easily rejoin the Community snake, especially since the pooling of part of the reserves has been postponed, perhaps until the Greek Calends. In any event, without Community monetary support, I do not think that my country will be in a position to meet this obligation.

Premoli

This devaluation will not touch the housewife's purse, but it will allow a better internal organization of the milk and beef markets, which are no longer able to stand up to competition, when account is also taken of the rocketing of fodder prices. For milk, in particular, the compensatory amounts paid to foreign, especially French, producers, place our farmers in a serious position of inferiority.

By making the exchange rate of the lira more realistic—as Mr Liogier has already said—at least in its agricultural aspects, that is to say, by separating it from the corresponding rate of parity declared to the International Monetary Fund, the compensatory amounts can be reduced by about 8 per cent, which will assist not only the transparency of the 'Green Europe' but also the funds of the EAGGF, since—as Commissioner Lardinois has pointed out, like a good Dutchman—any reduction in the compensatory amounts represents a saving for the Community budget.

In conclusion, I would observe that the lira has been devalued, in the course of the last year by about 20 per cent; its real ratio to the unit of account is therefore 1 to 740. Thanks to the proposals today under consideration, it is approaching that ideal; the ratio will in fact be, as just reported, 1 to 678 as from 1 January. The situation will not be revolutionary or radically changed, but there will be a breathing space for Italian agriculture, which is constantly more and more asphyxiated.

Finally, we must all ask, in my judgement, if the moment has not come to give effect to the proposals presented by the Commission in April designed to arrive at a selectivity and differentiation in the increases of agricultural prices so as to do away with that modern reincarnation of leviathan represented by compensatory amounts in agriculture.

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

Mr Pounder. — Like Mr Premoli, I on behalf of the European Conservative Group should like to express our appreciation to Mr Héger for the work he has undertaken in the preparation of his report and for his very cogent presentation to the House today.

Basically, my group has only one point of concern to make. Of course, the effect of the revaluation of the Italian lira will be inflationary. That is inevitable. Obviously, in a period of general inflation one is uneasy about any measure which contributes to an upward twist of the inflationary spiral.

The action taken to meet the Italian needs shows a welcome flexibility in dealing with the problems created by currency changes. But the group on whose behalf I speak in this debate is adamant that the Commission must not be permitted to come forward with proposals for currency conversion adjustments on its own initiative. I hope it will be clearly understood that currency exchange rates in relation to their unit of account conversion levels can be adjusted only when there has been an express request from the national government which may wish to pursue that course of action.

I realize, of course, that in its budgetary forecasts for 1974 to 1976 the Commission has taken account of the devalued lira and has assumed certain rates of depreciation or appreciation of the currencies of the Member States of the Community. That is evident when one sees the manner in which the rates to be adopted for the purposes of the common agricultural policy have been calculated.

Of course, the Commission is entitled to make whatever notional calculations it wishes, but it must be clearly understood that those calculations are essentially of a forecasting nature, therefore of a forecasting interest, and therefore of a forecasting value. As such they provide a useful guideline, but under no circumstances must those rates assume any meaningful purpose unless and until a Member State makes a specific request for an adjustment in the exchange rate of its own currency.

That is the point which is concerning my group and which I hope I have expressed clearly to the House.

President. — I call Mr Cipolla on behalf of the Communist and Allies Group.

Mr Cipolla. — (I) Mr President and colleagues, I think that this proposal should make Parliament reflect on the gravity of the situation. When, some years ago, we discussed in this assembly the measures taken by France and Germany on the occasion of the devaluation of the franc and the revaluation of the Deutschmark to prevent France, which had devalued and which held large agricultural surpluses, from pouring large quantities of products on to the German market in competition with German products (and also to guard against the fraud, denounced in this assembly, constituted by placing in the Community shops, in strong currency areas, agricultural products from countries with a weak currency), we thought we were dealing with an isolated episode and that, sooner or later, everything

Cipolla

would be as it was. On the contrary, we are only just beginning, and today we read in the *Lardinois* report that the agricultural common market consists of five sectors, not uniform with each other, which are again divided by another line which separates the six old Member States from the other three.

In the same document we further read that between Germany, the top, and Italy, the bottom, there is a gap in monetary value of 30 per cent. In some cases the differences between the various countries are greater than they were in 1967. These problems cannot be solved by palliatives, if only because we are in a shifting situation. No-one can say today what the tendency will be; the Dutch guilder, for example, which six weeks ago was quoted at 248 lire has now fallen to 230 lire. And all the European currencies are fluctuating under the economic and monetary cyclone which has burst on the capitalist world. Trying to tackle this situation with compensatory amounts is like trying to drain the sea with a bucket. We find ourselves here in a fundamental structural situation and we must also free agriculture from another grave difficulty which it is experiencing because of this policy of compensatory amounts.

Why, in fact, does a country devalue its own currency, as for example mine has done? Because there is a general situation of economic weakness. Devaluation has served, if only artificially, to invigorate industrial and service activity since imports are discouraged and exports of industrial products are encouraged while, in the case of Italy, tourism is encouraged.

Now, agriculture does not live in a vacuum, in Italy or in any other country, but in the context of the general economy. It therefore suffers the effects of the increased costs of services and industrial products involved in inflation. At the very moment when agriculture is suffering from the increased costs of industrial products and services, it is penalized, in so far as its market is concerned, by the fact that it is forced by compensatory amounts into the position it was in before devaluation, just as if there had been no devaluation. The remedy is therefore worse than the evil because it aggravates the harmful effects of inflation with the harmful effects of an inflexible market such as the agricultural market. In these conditions, it is impossible to go on producing. In fact, the reality of the Italian agricultural situation is characterized by the closing down of cattle-sheds, the slaughter of cattle and the desertion of the soil, for causes partly due to this very situation. The Commission cannot profess to pursue this policy. This is the demonstration of the failure

of a certain agricultural policy based on single guaranteed prices, because any branch of industry would fail or would be enormously inflated if it were subject to the rules of the common market for all sectors of production.

And yet—I put it as a general question—if we are faced with a period not of the restriction of the margins of currency fluctuations but of the widening of such margins, or at least with a period of uncertainty, in respect of which no one can say how it will end, we cannot then force agriculture or given sectors of agriculture into a shirt of Nessus and limit ourselves to a policy of intervention in the dairy sector or in the cereals sector, as was decided in 1962 up to 1967, without providing for other correctives. From 1962 to 1974, Europe has had twelve years to establish an agricultural common market.

It has not succeeded. The Commission itself denounces price differences, of a structural and not of a monetary character, between one country and another, greater than those which existed before the introduction of the agricultural common market.

The problem, therefore, is to find, all together, new forms of intervention. We need to intervene in favour of farmers by means of measures for the integration of incomes, by measures differentiated from country to country, to allow all States to maintain a certain agricultural activity in the fundamental sectors. We also need to abolish compensatory amounts on all commodities and agricultural products for which they are not necessary (such as wine, certain processed products, certain cereals) just as certain products (motor cars, refrigerators, textiles, etc.) can operate on a single market without compensatory amounts.

The Commission should have the courage to abandon the defence of preconstituted positions and should have the courage to propose, in a difficult moment such as the present, something different from the present measures, which are, in the best of cases, only palliatives.

Mr President, I will conclude by saying that it is not only for these reasons of a general character that we shall vote against this proposal, but also because it is unjust. It is unjust for two reasons.

Mr Premoli can be very satisfied that EAGGF will make a saving, but he should realize that when someone gains something someone else pays for it. The EAGGF saves because expenditure in Italy falls, as the Committee on Budgets has pointed out in its report, in so far as there is expected to be an increase in the yield of import charges on products which

Cipolla

Italy is constrained to import not from the Community, but from the rest of the world. It will be they who pay; this saving will therefore be paid for by countries which are, at the present moment, economically weaker than the Community.

But I should like to say that the Commission and the Council of Ministers have graduated this variation in the so-called 'green lira' in such a way that the benefit of the 'green lira' goes not so much to the producers as to those who have acquired the products at their present prices. Honourable members will recall—and this has also been criticized in the Committee on Agriculture—that the same thing happened with tobacco growers. It is also true of olive oil and other products.

It does not even amount to a palliative, but to one of the customary proofs of what may emerge from the Community institutions when it comes to defending particular interests which are not those of the farmers or the workers or of the consumers.

For this reason, Mr President and colleagues, in the name of my group, I cast our vote against this proposal and ask the Commission to think again over the whole question and to put forward proposals worthy of Europe, which tackle the problem in general terms, in a situation of grave monetary disturbances such as the present.

President. — I call Mr Borschette.

Mr Borschette, Member of the Commission of the European Communities. — (F) Mr President, I should like first of all to thank Mr Héger for his excellent report and for his very clear and accurate exposition of such a sensitive and difficult matter.

I shall reply briefly to some questions put to the Commission.

First, as to the merits of the compensatory amounts system: the Commission itself recognizes that it is an evil, but it also believes that, for the moment, it is the lesser evil as far as the need to maintain at least some unity of the common agricultural market is concerned. Besides, measures such as those proposed by the Commission prove precisely that it is possible to recover this unity gradually.

If, Mr Cipolla, the common agricultural policy is going at present through a difficult time, it is not because the policy is bad, but because it is more far-reaching than the other common policies. Were we as advanced on the road to economic and monetary union, and in regional policy, we should not be experiencing these

difficulties today. This is why the Commission, in its latest proposals on economic and monetary union, suggested a leap forward, particularly by pooling the Member States' reserves. Unfortunately its proposals have found very little favour with the Council. My colleague, Mr Haferkamp, will be reporting to you on the results of the latest Council meeting.

Undoubtedly, it can be said that the measures proposed by the Commission could have an inflationary effect. This is the reason why the Commission proposed introducing them in two stages, over a period of eighteen months, and applying them individually to products, according to the harvest periods and to their seasonal characteristics. Already for cereals, the effect of world price movements has been to bring prices in Italy back to the common level. If, therefore, the inflationary effect cannot be denied, it is also certain that the Commission in its proposals has sought to reduce it as much as possible.

Finally, in reply to Mr Pounder's question, the Commission, acting on its own is not able to change exchange rates; I believe, incidentally, that it is right that it should be so. But the Commission can, on its own initiative, or, as in this instance, at the request of a Government, propose to the Council an adjustment of the exchange rates.

President. — I am grateful to Mr Borschette for having been so kind as to stand in for Mr Lardinois in this debate.

Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

4. Regulation on mutual assistance in the application of Community regulations

President. — The next item is a debate on the report drawn up by Mr Artzinger on behalf of the Committee on Economic and Monetary Affairs on the proposal from the Commission of the European Communities to the Council for a regulation on mutual assistance between competent authorities of the Member States and between the latter and the Commission for ensuring the correct application of Community customs and agriculture regulations (Doc. 265/73).

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

¹ OJ No C 2, 9. 1. 1974

Mr Artzinger, rapporteur. — (D) Mr President, thank you for allowing me to speak on a report which I can only present orally. The Committee on Economic and Monetary Affairs felt that following the excellent views expressed by Miss Lulling on behalf of the Committee on Agriculture and by Mr Pounder on behalf of the Committee on Budgets it would be superfluous for it to draw up its own report.

You have not, however, quoted the whole of the title of the proposed regulation we are now discussing. The title is very much longer. I will not read it out because I might then exceed the time allotted to me. I would just like to say that the object of the proposal is to ensure the application of the common rules of the agricultural policy, the Common Customs Tariff and the other community customs provisions by creating a system of mutual assistance between national authorities and between these national authorities and the Commission.

It is clear to anybody who is at all familiar with the situation that things have happened in the last few years which we cannot tolerate. The object of the proposed regulation is to provide for closer cooperation between authorities in order to prevent frauds of this kind. And this is necessary because present provisions are based on an inter-governmental agreement signed in 1967 which is no longer a match for the very substantial increase in movements between the Member States that has meanwhile taken place. I do not intend to go into detail on the regulations. I do not think that is necessary. I should just like to say that the committee considers this regulation necessary to improve cooperation between the authorities and also to create the possibility of obtaining an authoritative decision on items subject to dispute from the European Court of Justice.

I feel therefore that the purpose of and reasoning behind this regulation cannot be questioned. What can, however, be questioned is whether it goes far enough. Thus, paragraph 4 of the motion for a resolution tabled here states that the regulation is viewed as the minimum action, and to this we can add the reproach that it has taken a great deal of time for it to be proposed. We feel that the Commission could have taken this step somewhat sooner. We also feel that it should have been somewhat bolder in taking a step forward in cooperation in this field. It should possibly be very emphatic in bringing it home to the Member States that it is the custodian of the Treaty. Otherwise we might see the common customs area collapsing, just as we are forced to admit that there has

been no progress towards monetary union. As custodian, the Commission has a duty to fulfil in this respect.

Despite our reservations with regard to the tardiness of this initiative and the fact that the proposed regulation does not go far enough, we do feel that it should be approved by this House. We would ask the Commission to report to Parliament every year on its experience with the application of the regulation. Parliament may then have to ask the Commission to take another step forward.

Mr President, our committee recommends that Parliament adopt the proposed regulation, as also suggested by the committees asked for their opinions.

President. — I call Mr Pounder, draftsman of the opinion of the Committee on Budgets.

Mr Pounder, draftsman of the opinion. — May I preface my few remarks by expressing my congratulations to Mr Artzinger on his report and the very helpful way in which he has presented it to us today. Let us make no mistake about it, the subject matter of Mr Artzinger's report is extremely important and, as is well known by every Member of this Parliament, the Committee on Budgets is and for a very long time has been deeply concerned at the form and level of irregularities which unfortunately continue to occur in the Community.

It is a matter for gratification that the Commission has decided at long last to act in an endeavour to reduce the number of frauds and irregularities which unfortunately still occur in connection with the numerous and complex Community customs and agriculture regulations. The proposals aim to do this by developing co-operation between Member States, with, of course, the help of the Commission itself. The Committee on Budgets is well aware of the sorry history of irregularities which have been to the detriment of the Community's budget and, indeed, to the public regard in which the Community as a whole is held. Therefore, action is most warmly to be welcomed.

I do not propose to go through the various articles which comprise this most important report. Suffice is to say that the proposals are welcome, although, of course, it must be acknowledged that some of the aspects of the proposals touch on a very sensitive and delicate subject, namely, the infringements which continue to exist among Member States. Quite frankly, the Committee on Budgets unanimously takes the view that the action to be taken by the Commis-

Pounder

sion is absolutely vital if Community policies are not to be brought into further disrepute. Indeed, the view of the Committee on Budgets was that the main element for criticism of the Commission would seem to be the delay in introducing such proposals, particularly in view of the fact that this proposal for a regulation arises from agreements on mutual assistance between the Member States' customs administrations made as long ago as 1967. Nevertheless, as I have said, some of the aspects of the proposals are particularly welcome, notably those envisaging information meetings at Community level, and, of course, there can be no doubt that great benefit will be derived from cooperation between the authorities in the Member States.

I have just one point to make, and I hope that it will not be misconstrued. It was the view of the Committee on Budgets that, while it had been consulted for its opinion, the subject matter under discussion nevertheless appeared to that committee to fall directly within its sphere of responsibilities in the light of the current allocation of competences between the various committees. I do not wish to labour this point at all, and neither does the committee; suffice it to say that the Committee on Budgets felt that it should be recognized as the committee responsible.

With those few words, I hope that the Commission will not waste any time in implementing these proposals, which are urgently needed and widely acknowledged to be long overdue. I end as I began by congratulating Mr Artzinger on his report.

President. — I call Mr Lange.

Mr Lange. — (D) Mr President, I should just like to refer to one point which we should clarify here. In the opinion drafted for the Committee on Budgets by Mr Pounder, there is in the second paragraph of the introduction a remark on which committee should have been responsible. Mr Pounder clearly says that the Committee on Budgets should really have been made responsible.

Well, Mr Pounder, we should have a talk some time on whether the Committee on Budgets should be the responsible committee whenever the word 'customs' crops up. In any case, this regulation concerns economic processes and not some source of revenue or other which the Committee on Budgets would have had to discuss. Of primary importance in this context then are economic processes. I should therefore like to suggest that you and I discuss the question of responsibility some time.

President. — Before calling Mr Pounder to speak again, I must say that I did not know that we were discussing customs regulations.

I call Mr Lange.

Mr Lange. — (D) Mr President, far be it from me to correct you. Of course, it is for this reason that the Committee on Budgets has been asked for its opinion, but we are primarily concerned with economic matters.

President. — I call Mr Pounder.

Mr Pounder. — Mr President, I think that the most encouraging aspect of the brief intervention of Mr Lange, and indeed of yourself, is that all three of us are smiling broadly at each other and that a spirit of cordiality exists, even though I have been taken somewhat lightheartedly to task.

I am not sheltering behind the fact that I am a relative newcomer to the procedures of the House. Nevertheless, I can assure Mr Lange and indeed you, Mr President, that I would not for one moment have taken it upon myself as an individual to suggest the respective competences of any two committees. I merely made the point that the committee felt rather strongly about this, and I felt that as draftsman of the committee's opinion I must faithfully present its view, whether I shared it or not. I hope that there is no misunderstanding, and I take Mr Lange's point.

President. — I call Mr Artzinger.

Mr Artzinger, rapporteur. — (D) Mr President, thank you for allowing me to speak once more. I find myself in a strange position in this argument since I belong to both committees and like Balaam's ass standing between the two bundles of hay, find it very difficult to decide which way to go. I am inclined, to agree with the Chairman of the Committee on Economic and Monetary Affairs. In my view, the contents of the regulation are fundamentally of an economic nature, and I therefore feel that this committee was rightly made responsible—which is not meant as a slight of any kind on the excellent opinion by Mr Pounder on behalf of the Committee on Budgets.

President. — I call Mr Borschette.

Mr Borschette, Member of the Commission of the European Communities. — (F) Mr President, I, too, wish first of all to thank Mr Artzinger. I am doing it on behalf of Mr Gundelach. I

Borschette

should have preferred to thank him twice again today, in my capacity of Member of the Commission responsible for matters of competition, for the two reports which have been postponed until January. Having said that, I must also say that Parliament's favourable reception of the draft regulation is of great importance and value to the Commission. For our first contacts with Member States have brought to light many reservations, hesitations, even hostility to this proposal.

Besides, this regulation should be seen as one among many others that the Commission hopes to propose to the Council for more effective combating of infringements, frauds and irregularities. My colleague, Mr Cheyssou, has already informed you of some of the Commission's proposals and of some decisions which it intends to take or has already taken.

In conclusion I would say that, broadly speaking, this system of information exchange has been based until now on a convention agreed by the Governments in 1967. The improvements proposed by us would make it into a Community system, would extend it to agriculture, which is one of the sensitive areas in this respect, and would bring the Commission into the system.

President. — Thank you, Mr Borschette.

Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

5. *Change in agenda*

President. — I propose that we deal next with the report by Mr Memmel and defer Oral Question No 117/73.

Are there any objections?

That is agreed.

6. *Amendment of Rule 21 of the Rules of Procedure of the European Parliament*

President. — The next item is a debate on the report drawn up by Mr Memmel on behalf of the Legal Affairs Committee on the motion for a resolution tabled by Mr Jean Durieux on behalf of the Liberal and Allies Group on the

amendment of Rule 21 of the Rules of Procedure of the European Parliament concerning the tabling of a motion of censure (Doc. 278/73).

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

Mr Memmel, rapporteur. — (D) Mr President, ladies and gentlemen, under Rule 150 of the Rules of Procedure of the French National Assembly a motion of censure must be tabled and signed by one-tenth of the members of that Parliament, i.e. by 49 persons because the French National Assembly has 490 Members. Under Rule 115 of the Rules of Procedure of the Italian Chamber of Deputies at least one-tenth or 63 members must introduce a motion of censure. Under Rule 161 of the Rules of Procedure of the Italian Senate at least one-tenth or 32 Senators must table a motion of censure.

Most stringent of all are the provisions of the Rules of Procedure of the German Bundestag, Rule 98 (2) of which stipulates that one-quarter or 124 of the Members must be in favour.

But we of this Parliament, Mr President, have—I should almost like to say—an absurd ruling. Under Rule 21 of our Rules of Procedure any one Member may table a motion of censure and thus set in motion the official machinery which is governed by Article 144 of the ECC Treaty and which naturally introduces a certain atmosphere of unrest into any Parliament.

It was clear to the committee that this must be changed, i.e. that a situation in which one member on his own can introduce a motion of this kind cannot be allowed to continue. For one thing, we have seen fit in our Rules of Procedure to insist on a higher number for quite different and far less important matters. Rule 33 (4), for example, requires 30 Members of Parliament to be present for a quorum to exist or for a vote by roll call to be valid. In so important a matter as a motion of censure we must therefore at all costs get away from the number one.

On behalf of his group, Mr Durieux has tabled a motion for a resolution stipulating that a political group, a committee or at least ten Members should have the right to introduce a motion of censure. My committee, whose rapporteur I am on this subject, agreed that a committee should not be given this right. It also agreed that one member is not enough. The only debatable point in the Legal Affairs Committee was whether the ruling should be not a fixed number, namely, ten, as Mr Durieux proposes, but a certain fraction of the total

¹ OJ No C 2, 9. 1. 1974.

Mummel

number of Members, as the Rules of Procedure of the national parliaments stipulate. The Committee decided by a majority that one-tenth of the Members of Parliament, or rather one-tenth 'of Parliament's current members', should be entitled to introduce a motion of censure. I hope you will not take exception to the expression 'Parliament's current members' because it is already firmly anchored in Rule 33 of the Rules of Procedure, the reason being that our Parliament has a statutory and an actual number of Members. We do not, for example, at present have any Members from the British Labour Party.

A second point discussed by the committee was whether a political group should be granted the right to table a motion of censure, since there are political groups whose members make up less than one-tenth of the Members of Parliament. In this Parliament, a mere 10 Members may form a political group as long as they come from 3 different Member States.

The Committee decided by a majority—13 votes for and 7 against—that, as a departure from Mr Durieux's motion, Rule 21 should be amended to read that 'a political group or one-tenth of Parliament's current members' may introduce a motion of censure. As rapporteur I uphold this decision by my committee. Rule 33 must be changed because it is quite possible, although it has not yet happened, for lone wolves to feed Parliament with motions of censure. It may also happen in the future; you need only think of the splintering into ten parties that has occurred in Denmark and which will of course be reflected in the European Parliament, too. Where parties splinter in other national parliaments, there will of course also be an increase in the number of non-attached lone wolves in our Parliament. A non-attached member who is not subject to group discipline and has no responsibilities towards constituents—we have such members in our Parliament—can keep us occupied with motions of censure every week for the publicity or for other reasons. That is why this Rule must be changed.

On behalf of my committee I would therefore ask you to vote in favour of this motion for a resolution and thus amend Rule 21 to read that a motion for censure may only be introduced by one-tenth of the members or by a political group and no longer by any one member.

President. — I call Mr Durieux on behalf of the Liberal and Allies Group.

Mr Durieux. — (F) Mr President, I should like to begin by thanking Mr Mummel for having

prepared a report on the proposal which I have submitted on behalf of our Group. I shall very briefly explain the reasons which lay behind this initiative.

As Mr Mummel has pointed out, it has been possible until now for a single member to table a censure motion. To ensure that such a motion—if it should be tabled—is treated more seriously, it is essential that a number of members be associated with it, and I am happy to see that the various committees have accepted this principle.

I also support the rapporteur's proposal that a censure motion should be tabled by a political group or in the name of ten members and I am perfectly willing to modify my own proposal in this sense.

I believe that Mr Mummel goes even further along the lines that I envisaged.

The merit of this proposal is to improve the status of the censure motion; Rule 21 of the Rules of Procedure was in need of modification.

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

Mr Broeks. — (NL) Mr President, I feel that, after what has been said by Mr Mummel and Mr Durieux, I can be brief. My Group also agrees that it is undesirable for a Member of Parliament to be entitled to table a motion of censure. Such a right could indeed lead to abuse. Fortunately, I agree, such a thing has not yet happened. It is a question of prevention rather than cure. Nevertheless the problem is how far we should go if we do away with the right of a Member of Parliament to table a motion of censure. A number of Representatives took the view that one-tenth of Parliament's current Members would be the right figure.

In the Legal Affairs Committee, however, we had the feeling that this would detract from the right of minorities. The introduction of a motion of censure is primarily a means of political control. It could be argued that this political right should be given at least to each Group. Our Groups may consist of a minimum of ten or thirteen members—depending on the number of nationalities involved. Opting for one-tenth of the number of Members of Parliament would mean that the smaller Groups would not have the right to introduce a motion of censure. We feel this to be wrong. In the Legal Affairs Committee we have therefore looked for a compromise between the two extremes, namely giving the right to one Representative or to 18, 19 or 20 Representatives, the latter figure

Broeks

depending on how Members of Parliament are counted. We have taken the number of current Members of Parliament, which I consider to be the right approach in the circumstances.

In the end the Legal Affairs Committee reached agreement on the proposal that the right to introduce a motion of censure should be given not only to one-tenth the number of Members of Parliament but also to each political Group.

Mr President, Mr Durieux has raised the interesting question of whether it would be correct to give a committee the same right.

In view of the composition of the committees in our Parliament it must be concluded that they cannot be regarded as primarily political organs of the Parliament. They are technical and not political working groups. In these circumstances, it was our view that the idea of Mr Durieux should not be entertained.

I am glad that Mr Durieux is able to agree with this. It seems to me that we should continue to regard the motion of censure as a political instrument—and one that can be wielded—but of which the use should, in the interests of the European Parliament and of democracy in general, continue to be restricted.

Our Group is able to agree with Mr Memmel's proposals.

President. — I call Sir Derek Walker-Smith on behalf of the European Conservative Group.

Sir Derek Walker-Smith. — I will seek to emulate the brevity, if not the lucidity and eloquence, of Mr Broeks in recording the support of the European Conservative Group for the proposed amendment of Article 21 as set out in the terms of the motion for resolution.

It is a paradox of our present procedures under the existing rules that the chief weapon in the armoury of this Parliament—the weapon of a censure motion upon the Commission—can be presented by a single Member of Parliament and consequently can be debated on his sole initiative.

Such a provision must involve some danger of devaluing this unique and formidable instrument. Certainly it is out of keeping with the practice of parliaments, as I know them at any rate. For example, in the United Kingdom a motion of censure on the Government can be tabled or debated only at the instance of the official Opposition. When it is so tabled it is accorded the right to a very early debate and ranks as a major parliamentary occasion. The

proposed amendment is therefore in keeping with both parliamentary practice and the importance of the censure motion.

I agree with Mr Broeks that it would have been going too far to restrict the right arithmetically and absolutely to a minimum of one-tenth of the current Members. That might have had the effect of denying to all except one or two of the largest groups in this Parliament the right of initiating such a motion. In our view, such a right should be inherent in a duly constituted and recognized political group, though obviously it should only be exercised in a responsible way and after full consideration.

The amendment will remove one paradox in regard to motions of censure on the Commission. But another paradox will remain, and cannot be corrected merely by a change in the Rules of Procedure in this Parliament. I refer of course to the fact that, although Parliament has a right to censure the Commission, and in certain circumstances ensure its collective dismissal, it has no say in the filling of the resulting void which follows from such action. The censure motion passed by this Parliament must to that extent be a *brutum fulmen*, an empty thunderbolt, an academic sanction. That is no doubt why, in the whole history of this Parliament, only one motion of censure has, I believe, so far been adopted.

This Parliament is on record over the years, right back to the Furler Report of 1961, as claiming the right to appoint a new Commission following upon the successful passage of a censure motion and the collective dismissal of an existing Commission. That is perhaps an unrealistic claim, but although Parliament could hardly expect the sole right of appointment it could reasonably expect to be accorded a voice in the appointment of any new Commission following on a successful motion of censure.

I hasten to say that I hope that the discussion of motions of censure and replacement of the Commission are essentially academic matters. I hope that we will continue to evolve less drastic methods of exercising interrogation, supervision and control by the development of our Question Time procedure, topicality debates and so on. But as long as this ultimate sanction remains, it should be an effective sanction. I think it is right that if Parliament shows goodwill on its side by accepting this amendment and thereby limiting its own powers, there should be reciprocity in this matter by some amendment of the Treaty to secure a more effective voice for Parliament in the consequential appointment of a new Commission or Members thereof.

Walker-Smith

May I say a last word on what is said at the end of the explanatory statement about revisions of our Rules of Procedure? There are two requisites in rules of procedure. They should be precise and easily understood and they should have a reasonable degree, if not of permanence, at least of stability. Neither of those two requisites is fully satisfied in our Rules of Procedure at the present time. We are, as has been recorded, subject to frequent and spasmodic revision of the Rules of Procedure, which is unsatisfactory in itself and puts an undue burden on the already over-burdened Legal Affairs Committee.

I therefore hope that consideration can be given to the suggestion for an early and comprehensive review of the whole of our Rules of Procedure with a view to tightening up and clarifying their drafting and ensuring that they serve the real and immediate purposes of Parliament. That could best be done, I think, either by a specially constituted procedure committee or a sub-committee of the existing Legal Affairs Committee. If this is done, I think we can avoid the multiplicity of *ad hoc* amendments which is rightly deprecated in the explanatory statement in this valuable report.

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

Mr Cousté. — (F) I should like to congratulate Mr Durieux, President of the Liberal and Allies Group, on presenting this motion for a resolution. However, I cannot help but wonder why we have waited so long before taking such a desirable step!

I think that the reason is that, as our Parliament's tasks increase in importance and the European construction increases in complexity, it becomes indispensable for us to impose a numerical qualification for a measure capable of destroying the Commission of the European Communities, even if only for a short time.

Of all the Community institutions, the Commission is, in truth, as we have often said in this Chamber, the moving force behind the European construction and consequently carries more responsibility than the other bodies. That is one reason it is responsible to us.

I also think that, because the consequences of any motion of censure are so serious, as Mr Memmel rightly proposed on behalf of the Legal Affairs Committee, we should extend the initial idea of ten members to a tenth of all members or one political group. I found the speech of Mr Broekszy most telling.

I am speaking on behalf of the Group of European Progressive Democrats which, at present, numbers less than a tenth of all members of this Parliament; therefore we clearly are not thinking of our own interests but are concerned about the working of this institution. This is why I think that, irrespective of the circumstances or who we are, the text presented by the Legal Affairs Committee should propose a rule which corresponds more closely to the responsibilities which we and the Commission must assume. I therefore welcome Mr Durieux's suggestion and hope that the amendment to Rule 21 of the Rules of Procedure will be unanimously adopted.

President. — I call Lord O'Hagan.

Lord O'Hagan. — At first when I listened to this discussion I thought I was under a misunderstanding. Although during my very brief time here I have observed Members of this Parliament to be very serious and industrious and perfectly responsible in carrying out their functions, I thought that in the past there must have been a whole cornucopia, a whole series of frivolous motions of censure put forward by Members every day of the week whenever they felt like it. But what do we hear from Mr Broekszy? We hear that frivolous motions of censure have never been handed in and that this procedure has been carried out by Members in a perfectly constitutional and proper way.

I am therefore somewhat surprised that we should be asked here today to shackle the rights of this Parliament without having any *quid pro quo* from the Commission already agreed. If there were a proposal that we should agree to limit ourselves in this way on condition that the Commission would give us some increased control over it, this would be perfectly understandable. I must, however, confess that I was shocked to hear a loyal defender of constitutional and parliamentary rights like Sir Derek Walker-Smith offering to give away powers within the control of this Parliament on the mere supposition that somebody in the Commission might at some future date generously hand something over to us.

There is a further aspect of this matter. As I said before, from my brief experience here it seems to me that all Members of this Parliament take their jobs very seriously indeed. I am, however, worried by a factor which I have also observed, and that is the growing and increasingly domineering and dominating influence of the groups over the rights of individual Members. The proposal which is before us today is a further extension of that process—not that

Lord O'Hagan

I have anything against the groups; I think that Parliament should be run by them to a very large extent—but from the point of view that the individual back-bench Member of Parliament should be as much a member of this institution as anybody else. For this reason and for the other reasons I have mentioned, I shall vote against this proposal.

President. — I call Mr Brugger.

Mr Brugger. — (D) Mr President, I should like to thank Mr Memmel for his report on this proposed amendment to the Rules of Procedure. The Legal Affairs Committee spent almost two hours discussing this small amendment because deciding how Rule 21 should be changed was extremely difficult. I agreed with those who were in favour of extending the possibilities of introducing a motion of censure even further than provided for in this motion for a resolution. But I realize that what is concerned here is a fundamental improvement of Rule 21 of the present Rules of Procedure and I shall therefore vote in favour of this amendment.

However, I should particularly like to underline what Sir Derek said at the end of his speech. At practically every one of our part-sessions we have had to discuss some amendment to the Rules of Procedure. But the Rules of Procedure should form a stable basis for our work, and I should therefore like to agree with Sir Derek's suggestion that a committee be appointed—perhaps a sub-committee of the Legal Affairs Committee—to review all the Rules of Procedure. We could then discuss the results of this review at one of our part-sessions.

The composition and perhaps the tasks of this Parliament undoubtedly change more frequently than is the case in the parliaments of the Member States. We are not yet a real Parliament and the Rules of Procedure are likely to be amended in the future as well. But these amendments should be discussed, say, once a year and not at almost every part-session of Parliament. I feel that we would give a better and more serious impression if we put amendments to the Rules of Procedure that arise from time to time on our agenda only once a year.

I should like to make this suggestion to the Bureau of Parliament in particular and thank Mr Memmel once again for his report and say to him that I share the view he has advanced here.

President. — I call Mr Schuijt.

Mr Schuijt, Chairman of the Legal Affairs Committee. — (NL) Mr President, I intend to refer the problem raised by Mr Memmel and the idea supported by Mr Kirk and brought to your notice by Mr Brugger back to the Bureau once again in the very near future. The Legal Affairs Committee is, indeed, concerned that too many minor amendments to the Rules of Procedure have to be dealt with.

Next week, the Bureau is expected to be dealing, among other things, with questions of the working methods of this Parliament. Would it not be a good thing for this point to be included in its deliberations? The Bureau should consider what measures might be taken to prevent the never-ending introduction of amendments to the Rules of Procedure. It would be preferable for such amendments to be tabled only once a year or once every two years.

President. — I call the rapporteur, Mr Memmel.

Mr Memmel, rapporteur. — (D) Mr President, ladies and gentlemen, I should first like to thank the British Member for stating here publicly the idea that there should be an extension of the motion of censure. But I must point out that that would naturally require an amendment of the Treaty: Article 144 of the EEC Treaty specifically states that a motion of censure can only be tabled on the activities of the Commission and cannot therefore be regarded as a kind of vote of confidence in a newly appointed Commission. It would, however—though not in the present context—be an interesting experience to give this some thought.

The second thing for which I should like to thank my British colleague—and also Mr Brugger and the Chairman of the Legal Affairs Committee—is this: we are today making the eighth amendment to the Rules of Procedure this year; seven of them we already have behind us. The printers can no longer keep up with the printing of the loose leaves for the Rules of Procedure. Of the seven amendments to the Rules of Procedure which we have made this year only two have so far been printed. If then a Member of this House wants to know how the Rules of Procedure really read, he has to read the reports or consult the *vademecum*.

I at any rate welcome the suggestion that the present amendment to the Rules of Procedure should be the last for the time being and that there should be a review of all the Rules of Procedure at some set time next year. This should include editorial work because we have too many loose leaves at the moment.

Memmel

I should just like to say a few words on Lord O'Hagan's suggestion. We find in our Rules of Procedure various stipulations that a motion by one Member is not sufficient in certain cases and that it must be introduced by a larger number of Members. Under Rule 33 (3) of the Rules of Procedure, for example, it used to be necessary for at least ten Members of the House to be present for a quorum to exist and for a vote by role call to be valid, whereas at least 30 members must now be present. There are therefore provisions in our Rules of Procedure which stipulate more than one Member in certain cases. Rule 41, for example, speaks of one-sixth of the members of a committee.

It is therefore by no means devious to choose a larger number for certain cases in which at present one Member is enough.

I therefore recommend that we leave it at the proposal for 'one-tenth or a political group'—or the other way around if you prefer, 'a political group or one-tenth'—'may introduce a motion of censure.'

President. — Does anyone else wish to speak?
The general debate is closed.

We shall now consider the motion for a resolution.

I call Mr Dewulf for a statement of voting intentions.

Mr Dewulf. — (NL) Mr President, in my view this is not the time to depart, all at once, from a procedure that we have been following for years and that allows any individual Member of this Parliament to introduce a motion of censure. I am not in favour of bringing in the extremely important restriction that is now proposed and would prefer that we give ourselves time for further calm reflection about the whole matter. For this reason I shall vote against the motion for a resolution.

President. — I call Mr Romualdi.

Mr Romualdi. — (I) I should like to express my agreement with what Lord O'Hagan has said about this new measure raising the number of those tabling a motion of censure to one-tenth which is a further aggravation of the domination of groups over individual Members of Parliament.

I should also like to take advantage of this opportunity to express to Mr Memmel my surprise at hearing him say that non-attached members represented their electors less directly and less legitimately. I desire to repudiate that suggestion. We represent our electorate with at

least as much responsibility as all the Members organized in the different groups. Thus, with regard to certain Members of the Italian Parliament, I must say that we carry out our duties with greater diligence, representing as we do three million electors to whom we answer daily for our doings.

I should also like to add that it seems to me a little hard to maintain in this Parliament that the Commission is a technical body and not a political body and that the only political bodies are the party groups. But do we want to make a Europe of parties, or do we want to make a Europe of peoples, represented at this moment very worthily by each one of us. The committees of the European Parliament are frankly political bodies which deal with technical questions, as is their duty, but on the political plane and from the political point of view, as it is the political duty of each one of us to represent his own electorate.

President. — I call Mr Duval.

Mr Duval. — (F) Mr President, ladies and gentlemen, in the Legal Affairs Committee I voted for the proposal presented by our colleague, Mr Durieux, amended as the rapporteur, Mr Memmel, explained. This is why, together with the Group of European Progressive Democrats, I intend voting in favour of Mr Memmel's report.

I have heard many anxious speculations whether this measure is designed to eliminate an abuse or to safeguard the Commission's prerogatives. Rule 21 allows a motion of censure to be tabled and leaves the matter wide open. One normally tries to prevent abuse but I wonder whether, in depriving each individual member of our Assembly of a right which he has previously held under this Rule, we should not stress that, at no single moment, have we have to reproach any member for abusing this prerogative. This fact clearly illustrates the responsible attitude and sense of duty shared by members of this Parliament.

(Applause).

President. — Does anyone else wish to speak?
I put the motion for a resolution to the vote.
The resolution is adopted ¹.

I call Mr Memmel.

Mr Memmel. — (D) Mr President, at the end of this debate I ask leave to make a personal statement, pursuant to Rule 31 (2) of the Rules of Procedure.

¹ OJ No C 2, 9. 1. 1974.

President. — I call Mr Memmel to make a personal statement.

Mr Memmel, rapporteur. — (D) Mr Romualdi, I should like to make it quite clear before this House that I was not insinuating that none of the non-attached members of Parliament had constituents behind them or a sense of responsibility. My remarks about lone wolves and non-attached members were merely directed at Members of this House who do not have a seat in their national parliament and have not been elected anywhere else, but owe the fact that they sit in this House to birth alone. I think I have made myself sufficiently clear.

President. — The proceedings will now be suspended until 3 p.m.

The House will rise.

(The sitting was suspended at 1.05 p.m. and resumed at 3.05 p.m.)

IN THE CHAIR: MR BERKHOUWER

President

President. — The sitting is resumed.

7. Oral Question No 117/73 with debate :
publicity given to infringements prior
to the Commission handing down its decision

President. — The next item is Oral Question No 117/73, with debate, by Mr Hougardy, to the Commission of the European Communities on behalf of the Liberal and Allies Group.

The question is worded as follows :

Subject: Publicity given to certain suspected infringements of Articles 85 and 86 prior to the Commission handing down its decision

With all due respect to the text of Article 89 of the EEC Treaty which makes the Commission the body empowered to investigate cases of infringements of Articles 85 and 86, said infringements to be recorded in a reasoned decision,

— will the Commission state whether it does not consider that, as the body empowered to conduct investigations and deliver judgement in the first instance, it should refrain from giving any publicity to investigations in progress before delivering its judgement?

I would remind the House that pursuant to Rule 47 (3) of the Rules of Procedure the questioner is allowed twenty minutes to speak

to the question, and that after the institution concerned has answered Members may speak for no more than ten minutes and only once. Finally the questioner may, at his request, briefly comment on the answer given.

I call Mr Hougardy to speak to the question.

Mr Hougardy. — (F) Mr President, ladies and gentlemen, I tabled this question because I believe that it is directly relevant for establishing a Community procedure.

I am sure, Mr President, that the importance, in an integrated economic area in which all tariff barriers have been removed, such as the Common Market, or Articles 85 and 86 of the Treaty of Rome, placing the important field of competition policy under the direct control of the Commission and Court of Justice, and the powers granted by them is clear to those of us who approved them. The means of applying the rules of competition within the EEC directly affect the rights and interests of undertakings and have significant repercussions on legal stability.

This is why it would be advisable to specify the exact means of applying Articles 85 and 86, designed to guarantee the legal stability indispensable to undertakings while complying with the EEC's system of competition. I think it is worth going over the gist of the provisions for the procedure to be applied in the field of competition which, I believe, were formulated several years ago.

They embody the following principles: the role of investigator into possible infringements of Articles 85 and 86 must be separated from the role of judge;

- the authorities with whom judgement lies must give proof of legal responsibility;
- at every stage of proceedings, the rights of the defendant must be respected, i.e. the counsel representing the undertaking must have free access to all documents and proof produced against the firm;
- the possibility of a negotiated solution must be provided for at every stage of the proceedings.

I ask myself, Mr President, whether, when the Community was enlarged, it would not have been a good idea, in the light of past experience, to review the procedure applying in the field of competition.

The Rules of Procedure established for Articles 85 and 86 tend, on one hand, to give the Commission the necessary powers to investigate,

Hougardy

ascertain and follow up violations of the rules of competition and, on the other hand, to protect the rights guaranteed to undertakings by the Treaty, the common law of the EEC Member States and Council and Commission regulations.

The fact that the Commission simultaneously carries out the roles of investigator, examiner, prosecutor and judge of the first instance arouses anxieties about its publicity policy.

Whatever may have been the reasons for originally placing all these four roles within the Commission's terms of reference, experience has shown the grave inconveniences of this system. In all states with a developed legal system, the judge is strictly forbidden, on pain of impugment, to give any publicity to affairs that are *sub judice*. The fact that the Commission performs an administrative rather than a legalistic role should not exempt it from strict adherence to this rule. One of the fundamental principles of legal systems in modern states is that the accused is presumed innocent until found guilty. But, though principle should be equally valid in the field of competition, the Commission, which is the judge of the first instances, has published information before passing judgement.

It is unfortunate that the act of opening proceedings is likely to suggest that the undertaking has committed an infringement, given that in many cases it emerges, at the end of the proceedings, that all the complaints were unfounded.

Despite the recourse provided for by the Treaty of Rome, there is no doubt that, as a result of its special nature, the damage caused by premature publication can hardly ever be repaired. For these reasons, I urge the Commission to refrain from giving any publicity to any case on which final decision or judgement has not been reached.

I conclude by pointing out that we have no intention of analysing the actual substance of the Commission's decisions over the last years when dealing with firms which have violated the rules of competition. That is the Court of Justice's job, and it does it very well. We merely wish to remind you of the fact that certain formal rules, which ensure stability and fair judgements, must be respected.

In this perspective, we hope that the Commission will in the future simply reach final judgement without preceding it by a Press statement or statements of intent which risk prejudging the case and, as a result, damaging the accused.

These are the comments which I have to make and I thank the Commission in advance for its reply.

President. — I call Mr Borschette.

Mr Borschette, Member of the Commission of the European Communities. — (F) Mr President, the committee has carefully considered the oral question tabled by Mr Hougardy and the Liberal and Allies Group.

I should like, for a start to point out that, in general, the Commission has not merely the 'right to provide information' on all Community activities but is obliged to do so. It is similarly obliged to keep public opinion and the Parliament informed about competition policy. In this last field it has greater decision-making powers than in others, and I therefore feel that the obligation to provide information, on both competition policy or practical cases, is correspondingly greater.

This said, I shall now describe the decision-making process which implements Articles 85 and 86 right from the beginning up to the moment when the Commission makes its decision. I should like to point out to Mr Hougardy that his comparison between a national legal system and the Treaty of Rome, which is unique, is not relevant. The Commission is certainly empowered to make decisions as well as investigate but it is not judge of the first instance. It decides and, in the final analysis, only the Court of Justice has the last word.

The proceedings begin when the Commission decides to open investigations. I can assure the Parliament that, in the past, there has never been any publicity about the opening of investigations and there will never be any. It is only at the second stage, when the complaints are communicated to the undertaking in question that the Commission has not only the right but the obligation to make known and publish (in certain cases in the *Official Journal*), the complaints against the undertaking in question. The purpose of this is, in particular, to make them known to others. It is therefore obliged to provide information at this stage.

I believe, and Mr Hougardy himself agrees, that there is no doubt that all the Commission's decisions, against which the undertakings in question may appeal to the Court of Justice, must be published and made known to the Parliament.

I should like to make two further comments *à propos* of Mr Hougardy's remarks.

I believe that the interests of the accused are well safeguarded by Community regulations. A hearing is always held with the enterprises in question, their lawyers and their counsels and there are sometimes even two or three hearings.

Borschette

I regret to say that the Treaty does not provide for negotiated solutions. Like Anglo-Saxon law, it does not provide for 'consent decree' but often, and this is perhaps why Mr Hougardy has obtained the impression that sometimes proceedings are broken off because the Commission's charges are unconvincing even in the majority of cases, the accused themselves change their behaviour so that the Commission can do nothing but close the proceedings.

This said, Mr President, I believe that, under these circumstances, the Commission makes its decisions calmly and fairly in the light of objective information. Fragmentary and incomplete publicity, often intended to force the Commission's hand, which creates a climate of uncertainty for firms, is much more likely to lead the Commission to make incomplete or imperfect decisions than objective press conferences and press statements by members of the Commission. *(Applause)*

President. — Thank you, Mr Borschette.

I call Mr Cousté on behalf of the Group of European Progressive Democrats.

Mr Cousté. — *(F)* Mr President, this question leads us on to extremely dangerous ground since we are dealing with the actual provisions of the Treaty more than current practice.

I do not think that we can levy any complaints against the Commissioner responsible. On the contrary, he has always conducted his investigations with great care and correctly recognized a need for secrecy. We, Mr President, are dealing instead with the question of publicity.

I wonder if we could not discuss all the inter-linked fields concerning European Economic unification and not the problem of competition (covered by Articles 85 and 86 of the Treaty) in isolation. In my opinion, this question raises a general problem. Journalists from the printed press or television need to be kept informed about the activities of the Commission and, I shall add, the Commission's departments.

The importance of your question, Mr Hougardy, lies, I think, in the fact that it faces the Commission as a whole (i.e. as a European college) with the problems of the relations of its members, departments and officials with the Press.

This, then, is my reading of the problem which you have so clearly presented.

I am satisfied with the Commissioner's remarks about the means of implementing Articles 85 and 86.

President. — Does anyone else wish to speak?

I have no motion for a resolution on this debate.

This item is closed.

8. *Estimates of expenditure and revenue of the Budget of the Communities for 1974, 1975 and 1976*

President. — The next item is a debate on the report drawn up by Mr Rossi on behalf of the Committee on Budgets on the estimates of expenditure and revenue of the Budget of the European Communities for the financial years 1974, 1975 and 1976 (Doc. 270/73).

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

Mr Rossi, rapporteur. — *(F)* Mr President, the Committee on Budgets has given careful attention to the Commission's estimates and notes that the way in which these proposals have been formulated represents a definite improvement over last year.

Moreover, the Commission has given certain information on these estimates, which I shall quickly review. First of all, however, I should like to say how important these estimates are at a time when we are approaching the 'own resources' period and when it is particularly important, in view of the Community's fiscal power, for the Executive to carry out checks both on expenditure and on revenue.

I said the Committee on Budgets was satisfied except for a few points of doubt relating first and foremost to administrative expenditure. We wondered whether the anticipated overall rate of increase was in fact fully realistic. The same applied to expenditure on research and investment, where the maximum of 80 million units of account seemed a little low in view of the recent problems posed by the world crisis. We wonder too whether the Community contracts in respect of industrial innovation and development are not also unrealistic.

As regards social policy, we noted that the increases were based on 500 m u.a. for 1974, 750 m u.a. for 1975 and 1 000 m u.a. for 1976. We cannot take issue with the Commission on this point either, since we know the difficulties involved in making precise estimates when it is not possible to say in advance exactly what measures will be taken within the Community.

Our questions to the Commission with regard to the EAGGF section were slightly more clear cut inasmuch as the entire working hypothesis is based on the 1973/74 prices, without wishing

Rossi

to make estimates, it is to be assumed that these prices will have to be modified in the course of the three years concerned.

There were also doubts about the development fund but the Committee on Budgets had to take into account the fact that it is difficult for the Commission to be more exact in its estimates since estimates, by definition, are always open to error. The Committee on Budgets therefore asks you to adopt this motion for a resolution since, apart from the few reservations expressed above, it recognizes that the Commission has made considerable progress this year, at the time when we are entering the period in which the Community will have its own resources.

President. — I call Mr Cheysson.

Mr Cheysson, Member of the Commission of the European Communities. — (F) Mr President, the Commission would like to take this opportunity to thank Mr Rossi for his work and to make a few comments on the motion for a resolution submitted to Parliament.

I propose now to comment quickly on the various points raised by Mr Rossi's report.

In paragraph 6 the rapporteur states that the increase of 10% for administrative expenditure seems low. Indeed, the rise in salaries will be in excess of this figure, taking into account the increase in staff and in the responsibilities of the Communities. However, salaries are only one aspect of administrative expenditure and you will readily understand that the Commission cannot base its estimates on the assumption that inflation will continue at the present high level. This is why we have confined ourselves to an increase of 10%.

The rapporteur noted that our estimates for research and investment were fixed at a maximum of 80 m u.a. I would remind you that these estimates were based on decisions already taken and not on decisions to be taken in the future. This explains the maximum of 80 m u.a., which is certainly lower than what we hope the actual figure will be.

As regards research into hydrocarbons, for which we estimated expenditure at 20 to 25 m u.a., I agree that in view of the present energy crisis this figure seems too low and will have to be revised.

The rapporteur wondered about the scope for maintaining supplementary research programmes with special financing. This is something we shall have to discuss with the

Committee on Budgets at some time in the future. Indeed, it seems regrettable that research programmes cannot be included as Community activities, although, since they only concern a few countries, they require special financing.

Paragraphs 11 and 13 of the report state that our estimates for social policy seem rather modest. I would remind you, however, that in the present case they related to programmes and not to the decisions taken, and that we have anticipated very rapid growth since the appropriation for the social fund will increase from 268 m u.a. in 1974 to 501 m u.a. in 1976, and the commitments for the social action programme amount to 400 m u.a. for 1975 and 700 for 1976. It seems to us that these figures are already very ambitious.

Similarly, the rapporteur also thinks our estimates for regional policy are low. I should like to point out that these are based on a very lengthy study and on a very difficult compromise between the requests submitted by the various parties. To put it another way, the Commission would be happy if the Council of Ministers would confirm our estimates for the minimum amounts necessary for our regional development programme, namely 500 m u.a. for 1974, 750 for 1975 and 1 000 for 1976.

Paragraph 15 of the report justly emphasizes the uncertainties involved in making estimates for the guarantee section of the EAGGF. As the report acknowledges, this is unfortunately a field in which long-term forecasting is difficult in view of developments in prices, exchange parities and world speculation. Something which compensates a little for the inadequacy of our fixed-price estimates, is the fact that we have not taken into account the expected beneficial effects of the proposals submitted by the Commission, at the suggestion of Mr Lardinois, which, as you know, should bring about considerable savings for the guarantee section of the EAGGF as a whole.

As regards the guidance section of the EAGGF, the rapporteur is afraid that our estimates might be inadequate in view of the need for common action. I would point out that the anticipated increase is from 75 million in 1974 to 407 million in 1976, a large figure for expenditure. It is true that the effects of this are not entirely centred on revenue since we have anticipated drawing on the 'Mansholt reserve' from 1976 onwards.

Finally, I completely agree with the rapporteur's conclusions on the expenditure for the European Development Fund. The entry in our document reflects only decisions which have already been taken and is therefore of very limited interest.

Cheysson

We have not been able to go any further in our estimates since we are at present negotiating with a large number of countries. We do not know how many will decide to continue with the association formula and, even if we gamble on the success of these negotiations, it would be a diplomatic mistake to place a figure on our expectations in a document with which we could be confronted during the negotiations.

As regards revenue, Paragraph 20 of the report emphasizes the difficulties of making estimates as a result, in particular, of the complicated mechanisms involved. The Commission is completely in agreement with this conclusion.

I shall finish with a few general remarks.

Paragraph 7 of the report suggests that Chapters 98 and 99 should be expanded to form a budget reserve or 'security quota' on which it would be possible to draw in the course of the year in the event of an unexpected increase in expenditure. Admittedly, this problem is going to arise, as the President of the Committee on Budgets has often pointed out, because of the difficulty of increasing the rate of VAT during the year. For my part, I am not sure that the formation of a reserve within the budget would be the right answer, since this reserve would have to be large, for example in the order of 1 000 m u.a., to cover us against all unforeseen eventualities. In my view this would place a considerable strain on the budget at least in its initial presentation. I feel that this is a subject which the Committee on Budgets should take up again. I would ask Mr Spénale to include it in this Committee's agenda in the not too distant future. I thank the rapporteur for pointing out the improvements in this document. He also points out its shortcomings and recalls that in the statement I made to Parliament on 13 November I myself emphasized these shortcomings. Some estimates are made in current prices, others in fixed prices. Some relate to the Commission's aims, others simply to decisions already taken. Thus, it cannot be denied that there are certain inconsistencies in our estimates and this explains why the individual elements are of interest although they have not been consolidated.

Thus, our estimates need to be considerably better than the present ones.

On 28 November the Commission adopted a series of measures, about which I spoke on 13 November, aimed at making the triennial estimates more precise and, in particular, more binding. Henceforward we shall submit to you, at the same time as the draft budget (i.e. the preliminary draft budget after submission to

the Council), a triennial estimate drawn up with the maximum possible precision. We shall ask Parliament to devote due time to the consideration of this estimate and to attach to it the importance it deserves. Indeed, this estimate should become the Community action programme on which the Commission and Council commit themselves and which is presented to public opinion as defining Community actions, and indicating the balance between the various policies in the next three years.

The rapporteur states that there is a need for a planned policy of resources. This is what the triennial estimate should represent and I respectfully ask Parliament to devote due time and attention to it as from next year.

President. — Thank you, Mr Cheysson.

I call Mr Spénale.

Mr Spénale, Chairman of the Committee on Budgets. — (F) Mr President, I should simply like to say that this document on multi-year budgetary estimates has come at the appropriate time and assumes particular importance in view of the fact that we are about to embark on the 'own resources' systems since Parliament needs to be able to see the road ahead and the problems and difficulties which may arise.

I am particularly grateful to Mr Rossi for his excellent work in drawing up this report, to which the Socialist Group will give its support.

Finally, I should like to thank Mr Cheysson for giving us the Commission's comments on this question. In my capacity as Chairman of the Committee on Budgets, I would like to say that we are of course ready to include the problem of multi-annual estimates in our agenda, together with the very difficult question of arriving at an adequate functional budget for future financial years without having to put large sums into reserve despite the problematical nature of certain estimates.

The problem is a difficult one and we should all give it careful consideration. I am sure, however, that with the Commission's help we shall be able to see our way clear to solving it. (Applause).

President. — Does anyone else wish to speak?

The general debate is closed.

We shall now consider the motion for a resolution.

I have no amendments or speakers listed.

President

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

**9. Reports of the ECSC Auditor
for 1971 and 1972**

President. — The next item is a debate on the report drawn up by Mr Rossi on behalf of the Committee on Budgets on the reports of the ECSC Auditor for the financial years 1971 and 1972 (Doc. 209/73).

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

Mr Rossi, Rapporteur. — (F) Mr President, I am pleased to be presenting this report to Parliament during the part-session in which it is going to be called upon to decide on the level of the ECSC levy for 1974. Indeed, as far as the activities of the ECSC are concerned, we have managed to achieve the continuity we have always desired between the retrospective review of activities for the last financial year for which we have the Auditors' report and the examination of budgetary activities in the coming financial year.

To go straight to the heart of the matter, the Committee on Budgets always tries to devote particular attention to the supervision of the budgetary activities of the ECSC since it considers that this is a Community which has hitherto acted as a model for us in view of the fact that it has independent fiscal power and, consequently, its own resources. Since the whole of the Community is about to embark on the 'own resources' system, its activities are now of special interest. A further reason for such careful attention is the growth in the financial activities of the ECSC since it was founded. According to the 1972 balance sheet, it has assets and liabilities of 1 300 m u.a. The audit, therefore, covers amounts in excess of 2 500 m u.a.

The Committee on Budgets requests the auditor to continue to devote special attention next year to checks in the research field. It singles out this particular sector because it appreciates and approves of the way in which the auditor has devoted special attention to it each year. Some light was thrown this year on the problems posed by the substantiation, collection and recovery of the levy.

The Committee on Budgets requests the Commission of the European Communities to pay particular attention to coordinating all the activities of the ECSC, which are at present spread over a very large number of directorates-general. There is no question of creating a single directorate-general in this field but perhaps attempts could be made to reduce the number.

The Committee on Budgets requests that a financial statement should be adopted each year at the level of the institution.

The Committee on Budgets also asks to submit new proposals on partially new criteria for the management of ECSC funds which would permit the release of other reserves for Community aid policy purposes. This in fact reiterates a suggestion adopted during the last meeting of the four Parliamentary committees on the rate of the levy for 1974, as deriving from recent debates.

The Commission of the European Communities should also improve the accounting of data relating to expenditure for technical and social activities.

It is also desirable—and here my remarks are addressed more to the Council than the Commission—that an agreement should be reached as quickly as possible on the value of the EMA unit of account.

Finally, I should not like to conclude this brief introduction without mentioning the excellent relations between the Committee on Budgets and the ECSC Auditor and the spirit of co-operation between the Committee on Budgets and the relevant departments of the Commission of the European Communities as regards the supervision of these activities.

IN THE CHAIR: MR COUSTÉ

Vice-President

President. — I call Mr Cheysson.

Mr Cheysson, Member of the Commission of the European Communities. — (F) Mr President, I would first like briefly to thank the rapporteur for his remarks and above all for the report, much more complete, which he submitted to Parliament.

I would also like to associate myself with the compliments paid by the rapporteur to the auditor's work, which was remarkable for its quality, the scope of its controls and the choice of subjects.

¹ OJ No C 2, 9. 1. 1974.

Cheysson

Like the rapporteur, I am happy to hear of the spirit of cooperation which exists between the auditor and the competent departments of the ECSC. This struck me more especially because, like Mr Rossi, I consider the ECSC to have been an exemplary community since its foundation. It is interesting to note that this community, in which integration has been carried further than anywhere else, is managed particularly well.

Moving on to the specific points brought up by the rapporteur, I want first to refer to paragraph 2 of the resolution, which laments a certain spread of responsibilities in the management of ECSC activities.

It is true that the assignment of activities to Directorates-General with horizontal responsibilities does not favour coordination. In fact, coordination is provided for at the level of the Directorate-General for Budgets, notably during preparation of the budget estimate, but I understand the rapporteur's concern and can assure the Assembly that the Commission is planning the coordination of all ECSC activities, and not by means of a re-grouping, which it must be added was not asked for by Mr Rossi, but with the help of a specialist group responsible to a single Commissioner.

Like the rapporteur in paragraph 3 of the resolution, the Commission also believes that the financial statement should be adopted each year at the level of the Institution. The time-limits are at present too long; the Commission will do all it can to promptly forward the statement to the auditor, believing, like Mr Rossi, that it would be good for the accounts to be examined at the same time as the budget of the financial year following it.

Paragraphs 4(a) and 5 of the resolution deal with the provision of the necessary funds to cover the activities of the ECSC. We examined this subject during the drafting of the 1974 budget with great attention. Nevertheless, we thought, for budgetary reasons and also to prevent fluctuations in the volume of activities financed by the ECSC, the existing rules should be retained, that is to say the total amount required to meet commitments taken during the course of the specific year should be provided for. It seems to us that otherwise there would be a tendency for ECSC activities to expand during the period before all the provisions had been made, and when the moment arrived to pay for the commitments, that is to say, those commitments for which provision had not been made, these activities would encounter a particularly aggravating set-back.

We thus think, without taking it to absurd limits, that we should stick to the present rule.

Like the rapporteur, I believe there would be something wrong in providing for possible losses of exchange.

In the same paragraph of the resolution, the rapporteur recommends seeking improved conditions for loans to the industries concerned. The Commission believes that the present use of interest rebates is a good system. However, it is prepared, I hasten to assure the Assembly, to examine any other system which might be proposed.

The rapporteur has just recalled that it is astonishing that the agreement on the value of the EMA unit of account, which expired on 1 January 1973, has not been renewed. The Commission shares this astonishment. It made proposals on this matter at the beginning of August 1973. I am told that the question is being considered now by the ECSC group at the Council.

Finally, the resolution deals with research. The Commission agrees as far as paragraphs 7 and 8 are concerned, both of which incidentally tally with the wishes of the auditor. It would welcome the improvement of the accounting of data for the various research projects and the subjection to external auditing operations of the beneficiaries of subsidies. It assures the Assembly that the auditor will be allowed to conduct on-the-spot visits; the good climate which exists between the departments and the auditor can be taken as a token of our good intentions in this matter. Finally, proposals will shortly be made concerning the details to be incorporated in the computer listing of subsidies.

To sum up, in view of the auditor's conclusions and Mr Rossi's report, the Commission hopes that the Assembly will adopt the motion for a resolution before it.

President. — Does anyone else wish to speak?

The general debate is closed.

We shall now consider the motion for a resolution.

I have no amendments or speakers listed.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The Resolution is adopted.¹

¹ OJ No C 2, 9. 1. 1974.

10. Fixing of the ECSC levies

President. — The next item is a debate on the report drawn up by Mr Pisoni on behalf of the Committee on Budgets on the *aide-mémoire* from the Commission of the European Communities on the fixing of the ECSC levies and operating budget for 1974 (Doc. 269/73).

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

Mr Pisoni, rapporteur. — (I) Mr President and colleagues, the report on the annual ECSC levies puts the rapporteur in a virtually neutral position and assigns him the task of referring to the attitude of the four Committees (on Energy, on Social Affairs, on Economic Affairs and on Budgets).

The Commission of the Communities with the *aide-mémoire* on the fixing of the ECSC levies and operating budget for 1974 (document 1846) asked that the rate of levy for 1974 should be fixed at 0.30 or 0.31 per cent. This levy by the Executive Commission is needed to meet compulsory expenditure: management overheads costs of resettlement, contributions to modernization and research costs.

It is worth noting that this is the oldest parafiscal charge in Europe and finances an autonomous budget for important and large-scale actions.

The 1973 levy was made at the rate of 0.29 per cent in response to a request by the Executive Commission for a rate of 0.35 or alternatively, 0.30 per cent.

The favourable trend of the coal and steel market provided a sufficient levy in 1973 to carry out the planned programme.

The resolution now under consideration reports the opinion of the majority of the Committee on Budgets and fixes the rate for 1974 at 0.29; at the same time it tries to bring out and put forward the main arguments which emerged.

I will very briefly explain the reasons of those who propose to retain the rate at 0.29 and then of those who take a different view and propose a rate of 0.30 or 0.31 per cent.

The retention of the rate of 0.29 per cent is justified because the forecasts of the Executive Commission err on the cautious side. Consumption will certainly increase in 1974 as has already happened in past years. The present world situation indicates that there will almost certainly be increases in consumption, at any rate of coal. The mechanism for adjusting levies to the

trend of costs will result in frequent adjustments and will in itself increase the inflow. The coal and steel sectors are in difficulties and need help and not levies. Research should be financed by Member States as well as by the action of the Commission. Inflation is reaching alarming proportions, so that, in order not to produce an adverse psychological effect, we should not allow increases and should not in any way be the cause of cost increase. Furthermore, the ECSC reserves are such that it could bear any necessary reduction without sacrificing the programme. The funds at its disposal are sufficient not to compromise any important initiative.

The reasons in favour of increasing the rate from 0.30 to 0.31 are set out in the *aide-mémoire* of the Executive Commission, to which I refer, not for the reasons but for the figures and the budget analysis.

I shall briefly sum up what emerged from the discussions in the Committee. The ECSC levy does not go to help other sectors, but goes back to the same sector, either to benefit the workers or to help with structural improvements. The sector therefore is not impoverished but is the subject of a redistribution from the social point of view, so as to benefit the weakest. These sums are used to meet compulsory or necessary costs which have to be incurred in any event.

The 0.01 per cent, corresponding to one in ten thousand, can certainly not be accused of contributing to inflation since it represents only a minimum value, and even on the psychological plane, it will have no adverse effects.

Not to raise the rate would mean sacrificing extremely significant items in the budget, such as research and aid for resettlement and modernization.

After setting out the arguments for and against, I think I should dwell on certain special points. The energy crisis which we are now experiencing makes the discussion extremely topical, especially as regards coal; and it is a real fault that the Executive Committee has not created in the past few years, through the medium of the ECSC, a genuine instrument of research in the matter of coal extraction and utilization.

This field, too, falls within the competence of the ECSC, which is required to promote technological and social research, to reduce costs by regulating competition, to try out more rational methods in a number of fields with a view to improved security of labour, both in accident prevention, the care of occupational diseases and the fight against pollution in the various stages from extraction to consumption.

Pisoni

The oil crisis, which does not affect Europe alone, should speed up research in the energy sector and in particular on the use of coal, of which Europe still has large reserves. We have too often complained that we do not have the instruments available to act fast. It seems to me that in this case the Executive Committee should not let slip, as it has done in the past, a good opportunity for taking common action and developing a strong energy policy at European level, with great autonomy and its own resources.

There has perhaps been some lack of courage and of a few new ideas. In the forecast budget the funds available for research in the coal sector in 1974 are less than those appropriated for the current year. With funds of this kind, necessarily diminished by inflation, there can certainly be no serious research. Furthermore, as a percentage, research financed by the Commission represented a value of 5 to 10 per cent of the whole of the research carried out in this sector. The budget presented by the Executive Commission is very rigid in its different items and therefore any possible shortfall in income would mean a cut, not only in research but also in the grant of low interest loans to industries for technological modernization.

This is substantial aid granted to industry to enable it to keep pace by creating even better conditions for the workers. Since it seems that these items, because of their importance, should not be sacrificed, the resolution, while taking note of what the Executive Commission has done and intends to do, invites it, if the yield is not sufficient, to draw on reserves so as not to sacrifice research and assistance.

Since we are living at an accelerated pace and it is impossible to forecast what the situation will be in the short term, the Commission is finally asked to submit to Parliament a half-yearly report on the trend of income and the corresponding tasks. In this way Parliament will have a greater interest in and greater responsibility for the whole ECSC programme, and will be better able to assess the incidence of the programme and the desirability of increasing the funds, and therefore the levies.

With these explanations and with the reservations made, I invite honourable members to approve the resolution.

(Applause)

President. — I call Mr Cheysson.

Mr Cheysson, Member of the Commission of the European Communities. — (F) Mr President, by

stressing the need for a common energy policy in paragraph 1, the motion for a resolution puts today's discussion squarely in the framework of recent events. The rapporteur has just discussed them at length, for which I thank him, because today's debate is indeed taking place in the shadow of this great crisis.

Do I need to recall here, Mr President, that the Commission has recommended the establishment of a joint energy policy over the years, and has made many proposals?

I do not know whether these proposals are considered bold, and show the courage which Mr Pisoni desires to see on the part of the Commission. We have always made these proposals, we have repeated them time and time again right up to the present.

The rapporteur was right in placing our discussion against this background, and we should bear it in mind when dealing with the ECSC levies.

Mr President, the resolution does not contain all the points from the Commission proposals. Permit me, therefore, not to dwell on the points which are not dealt with by the Committee on Budgets and, in a more general sense, by the four committees before whom I had the honour to appear.

At the meeting of these four committees, a long debate took place on the research programme, the estimates for which we include in the proposal made to Parliament.

These estimates provide for a contribution in 1974 from the ECSC to the research programme of 21.5 million u.a., a figure which must be compared with the 1973 estimates of 16 million u.a., a figure which in turn must be compared with the 18.5 million u.a. which we expect to arrive at for 1973 as a result of re-evaluation of the revenue.

I pointed out in committee that this figure is probably insufficient, but that it represents an improvement over previous years in so far as it will allow us to cover 48% of applications to our departments, against 40% in 1973.

Obviously, among the three types of research, priority has been given to social research, that is to say, to research dealing notably with accident prevention, improvement of working conditions, environmental problems. In this area, we have been able to meet at least 70% of requests made to us.

For the remainder, we have distributed what we were able to propose between research in the steel sector and in the coal industry.

Cheysson

We have been criticized in committee—an echo of this criticism can be found in Mr Pisoni's report—for not having proposed a sufficient amount for research in the coal industry. We are proposing 5.5 million u.a. against 4 million in the forecasts for last year, but against actual expenditure which, we hope, will be of the order of 5.9 million in 1973. We thus have a non-increase, that is to say, a small decrease in our contribution to research in the coal industry.

We have done this, Mr President, because, among other things, expenditure in the coal sector showed a marked increase by comparison with the forecast made last year, particularly as the result of the decision taken by the High Authority to grant assistance to coking coal.

All the same, I was aware that it is regrettable that we are unable to do any more for coal research in 1974, in view of the present energy crisis, and the urgent necessity to re-activate certain types of coal research at a time when the life of numerous pits need to be extended and methods found to increase as much as possible the rentability of those which still exist in Europe.

We are, however, restricted by our wish not to propose an increase in the ECSC levy rate which would exceed what is readily acceptable. I now find that the High Authority's proposal, timid though it is, has received strongly argued criticism from numerous members of Parliament.

Some of them wonder whether it might not be possible to reject our proposal for an increase of the ECSC levy while at the same time maintaining the volume of expenditure.

I ask Parliament to be reasonable. It would hardly seem possible to me to maintain the same level of expenditure and to hope that, by some lucky chance, the revenue forecasts had been under-estimated.

If Parliament rejects our proposals regarding revenue, that is an increase in the rate from 0.29 to 0.30%, then it will have to accept the consequences, which are that certain expenditure will have to be cut. Where, indeed, would we find any significant increase in revenue? It has been said that the cancellation of commitments already made could, in the course of the year, lead to positive results. But I would point out that although we did not include the cancellation of non-necessary commitments in the 1973 budget—which, over the year, gave us 6.5 million u.a. in supplementary revenue—we have, for the 1974 draft budget, already estimated a cancellation in the order of 5.5 million u.a., whereas in 1972 this cancellation of commitments amounted to only 2 million.

This is already an optimistic forecast and for that reason I would not personally be prepared to take the responsibility for increasing it.

As far as interest on deposited funds is concerned, we received 11.8 million in 1973.

We are entering 12.4 million u.a. for 1974, plus 3.3 million in supplementary funds, which corresponds to the contribution by the new Member States.

There again, I fear that our forecasts cannot be increased. Our revenue estimates thus seem reasonable to me, Mr President.

Should we draw on the reserves, as the rapporteur suggests finally? With all due respect for a report by the Committee on Budgets, may I say that the High Authority considers that recourse to such a method would be bad politics.

What is going to happen if, at the end of the year—because we happen to have a difficulty—we start drawing on the reserves? Are we, the following year, to reduce the extent of our activities because we don't want to pursue this somewhat unorthodox system, or are we going to continue to draw on the reserves each year until they are exhausted?

I think one has to have the courage of one's convictions: either we fix the rate at 0.30% and can retain present estimated expenditure, or the levy is reduced to 0.29%, and we have to reduce expenditure.

To what chapters could this reduction be applied? There are various chapters which cannot be reduced, those involving administrative expenses, aid to coking coal, etc. I do not believe that anyone here at present would propose a reduction of this last item, since it is one of the factors guaranteeing the independence of the steel industry. Aid to readaptation is similarly a chapter which no-one would propose reducing. Finally, on such a simple budget, we all know that a reduction in expenditure will affect interest rebates.

If the levy were reduced from the 0.30% proposed by the High Authority, to 0.29%, as the Committee on Budgets' report proposes, then this would result in a reduction of interest rebates from 7.5 million u.a. to 5.11 million. Which in turn would mean that the advantageous loans which the High Authority could grant would be reduced from 50 million u.a. per year to 33 million u.a.

Mr President, present requests for these loans amount to 133 million u.a. What the High Authority can offer is already very limited: 50 million against 133 million. If we now reduce

Cheysson

this to 33 million against 133 million, that is to say to one quarter of the funds requested, I must draw the Assembly's attention to the enormously rigorous selection procedures which would have to be instituted in respect of the requests for loans already received.

The loans apply to two fields. First of all loans for modernization investments, principally in the steel sector.

If we reduce the amount of loans available, we should be obliged to be so selective that, I must point out to the Assembly, geographic balance in the allocation of loans would disappear altogether; the steel industry, which at present faces the greatest modernization problems, would, if the selection criteria were to become very strict, obviously be better placed than almost all other industries to receive the lion's share of these loans.

As regards redevelopment loans—these are loans intended to facilitate the re-employment of workers made unemployed by past measures, a recommendation by the ECSC—an interesting figure should be kept in mind: if we reduce the loans available for retraining there would then be approximately 1 200 additional persons for whose retraining we could give no assistance.

There, Mr President, you have the consequences of the decision which must now be taken by the Assembly.

As to the consequences of adopting the High Authority's proposal of 0.30%, the rapporteur spells them out by pointing out that the difference between 0.29 and 0.30% is 1/10 000 of production costs. Because of its effect on inflation, this reduction does not strike me as being reasonable, all the more so because the psychological affect of a reduction in the activities of the ECSC, the first great supranational European Institution, would, it strikes me, be particularly unfortunate at a time when we are facing a severe energy crisis.

President. — Thank you, Mr Cheysson.

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

Mr Aigner. — (D) Mr President, ladies and gentlemen, I should first like to express my sincere thanks to Mr Pisoni on behalf of my group. We know of course that he was personally in favour of a 0.3 % levy rate while the majority of the members of his committee decided on 0.29 % after a long discussion. Above all I should like to thank Mr Pisoni for the objective way in which he has presented his report. A sincere

vote of thanks should also go to the Commission because, although our views differed on this point, I feel that we have received all the information we required from the Commission and have been able to discuss every point with Mr Cheysson in detail.

I will admit, Mr Cheysson, that there is much to say in support of the Commission's opinion; many of us might, for example, be as conservative as in the past when estimating revenue even though it has been better every year than was to be expected from the estimates. But that is completely in line with the satisfactory way in which this Community deals with its finances. We would all be very happy, Mr Cheysson, if the other two European Communities had as healthy and broad a financial basis as the European Coal and Steel Community. I think we can be grateful to the fathers of this treaty for providing so broad a financial basis.

To get down to detail, I should first like to say that the majority of the committee do have a certain wealth of experience to draw on—this discussion has after all been going on, as you know, for more than a decade. I fully concede, Mr Cheysson, that in the present situation the uncertainty involved in an estimate is greater than it has been in the past. But this also has its positive side, if you consider, for example, the problem of coal.

My personal opinion is therefore, Mr Cheysson, that this one item, which, as far as I know, amounts to only 2.5 m u.a., includes—if I may put it this way—a kind of reserve.

Well, Mr President, we all feel—and this I can definitely say on behalf of my group—that there should be no saving in research in the coal sector.

When we meet again next year, it will without a doubt be obvious that my estimates are more realistic than the Commission's, but if you should prove to be right, Mr Cheysson, I cannot see why the reserves should not be now used in full for short-term economic reasons. Reserves are, after all, there to be used for such unavoidable tasks and even for priorities when the economic situation requires. But—and I would like to address the rapporteur here—when he broaches the major question of the European energy policy, far larger amounts will naturally have to be provided. Nobody should think that 2.5 m u.a. can be used as a figleaf to conceal the total failure of the Community in the energy sector.

What we are asking, and this will no doubt have the support of everyone in the House, is

Aigner

that this Community get away from national egoism and really pursue a common energy and research policy by, for example, combining coal and atomic energy.

You know what plans and what sums are involved. Nobody here is unwilling to help—not only the Commission by way of the levy, but in financing as a whole—to make the necessary funds available. If this question is to be raised, Mr President, then the Commission will simply have to sort things out with the Council and submit to us other concepts and other estimates so that we can begin a dialogue on this extremely important task. I would therefore ask you, Mr President, to allow me to briefly say the following: my group feels that this expenditure, as estimated at present, can be fully covered by the 0.29%. Should difficulties in fact occur—which I personally do not think will be the case—we shall still have the reserves. We can then discuss again next year whether there have been new developments and whether new measures really have to be taken. But I hope that by that time the Commission will have placed before us a further-reaching concept.

President. — I call Mr Leonardi on behalf of the Communist and Allies Group.

Mr Leonardi. — (I) As we did last year and in previous years we shall vote against this motion for a resolution, for the very reasons which have been partly expressed here by Mr Pisoni, rapporteur, and Commissioner Cheysson. It is true that the financing of research—as Mr Aigner has just said—requires much greater resources and it is equally true that this requirement cannot be met simply from an income of a parafiscal character which falls on a specific sector (I think that on this problem we should take action to change the situation); it is, however, perfectly true that in a situation such as the present we cannot neglect the instruments which are beginning to be at our disposal.

It therefore seems to me to be a mistake to cut everything down to the minimum by giving up something which may be small but which we can nevertheless use under the Treaties. In the last analysis the Commission this year says that to meet the need for 29 million u.a. it needs a levy of 0.45, which is then reduced to 0.30. The Parliamentary committees then reduce it to 0.29, in the name of a fight against inflation which must really be regarded as quite meaningless when one reads the reasoning in paragraph 5(d). In fact when one thinks of the enormous advantages we should have had,

precisely in the fight against inflation, if we had had good research available in the matter of coal and therefore an alternative to oil, which is at present subject to an enormous price increase, we realize that these arguments will not hold water.

We would also call attention to the fact that this Parliament, in acting in this way, while it is asking for new instruments and new powers, is neglecting those which it has. I therefore think that this behaviour does not help the development of the Community along the lines it should be following at a particularly difficult moment. We recognize that these problems cannot be solved by taxation of a specific character on certain sectors and we are not prepared to approve this action of reduction which amounts to not using the instruments available to us.

President. — Does anyone else wish to speak? The general debate is closed.

We shall now consider the motion for a resolution.

On the preamble and paragraphs 1 to 3, I have no amendments or speakers listed.

Does anyone wish to speak?

I put them to the vote.

The preamble and paragraphs 1 to 3 are adopted.

On paragraph 4, I have Amendment No 1, tabled by Lord Bessborough on behalf of the European Conservative Group and worded as follows:

Replace '0.29%' by '0.30%'.

I call Lord Bessborough to move his amendment.

Lord Bessborough. — Thank you very much for allowing me to speak, Mr President. I am afraid that the amendment was tabled at rather short notice, and I am fully aware that last night some of my colleagues in the European Conservative Group regretted that amendments could be tabled at such short notice. But Members of the Energy Committee and, I think, the Committee on Budgets know my views on this subject.

I congratulate Mr Pisoni on his admirable report, with which I very largely agree. I think I am right in saying that when he first presented his report he even advocated that 0.31 % should be the percentage in regard to the levies we are now considering. But broadly I support the Commission in this matter.

I think Mr Pisoni has stated our arguments with tremendous skill in paragraph 6 on page 9

Lord Bessborough

of his report, where he cites the main arguments advanced in favour of increasing the rate to 0.3%. Perhaps I should broadly mention them again. We need that rate if we are to have a more vigorous policy of resettlement and research; if we are to meet the social aims of the redistribution policy referred to in the Treaty of Paris; if we are to push ahead with research in the coal industry; if we are to promote research in a sector so favourably placed to improve on its own performance; if there is to be no reduction in expenditure on social research; and finally if research financed by the Member States individually is not to be reduced.

Mr Cheysson produced an extremely able Commission document. In committee I was convinced of its validity. I agree that the amount in question is only a bagatelle in regard to research and development within the whole Community or in other industries. It amounts to 0.44 million units of account—in regard to coal levies, that is the difference—or 2 million units of account in respect of the steel levy. I support the Commission on this.

I congratulate Mr Cheysson on his speech. I was particularly impressed by his statement that if the levy were cut to 0.29% the geographical balance would not be recognized. That hit home to me, and I thought it was a convincing argument.

I do not want to fight Mr Pisoni on this, and I do not think he would wish to fight me. I shall not fight to the last ditch on this levy. But I think that the Commission has advanced strong arguments. Therefore, I strongly support what the Commission has proposed with regard to research and the Social Fund for the benefit of weaker sections in the industry.

President. — What is the rapporteur's position?

Mr Pisoni, rapporteur. — (I) Everyone knows that my personal position was in favour of 0.30 or 0.31 per cent, but at this moment, as rapporteur, I am bound to stand by the report I have presented.

President. — Do you oppose the amendment, Mr Pêtre?

Mr Pêtre. — (F) No, Mr President, but I should like to take the opportunity offered by this amendment to ask Mr Cheysson to reconsider the Commission's position on the 1974 operating appropriations for coal.

The arguments in favour of raising appropriations for technical research in the field of coal in

the present situation were discussed at the meeting of the four committees.

Mr Cheysson told us that this could not be done under existing circumstances. I should like to ask him whether this is still the position.

President. — I call Mr Cheysson.

Mr Cheysson, Member of the Commission of the European Communities. — (F) Mr President, the ECSC provides a fine example of the way in which the dialogue between the Commission and Parliament ought to function. The Commission has for many years acknowledged the considerable value of the opinions expressed by Parliament.

The Commission will, in fact, study Parliament's opinions on the general features of the ECSC budget, as I pointed out once again during the debate on Parliament's budgetary powers.

... Parliament's wisdom to tell us what should be done. But, Mr President, we must point out, and I trust that this remark will not be regarded as impertinent, that to reduce levies, and hence income, is not a good way of helping us in the area of research.

President. — Does anyone else wish to speak?

I put Amendment No 1 to the vote.

Amendment No 1 is rejected.

I put paragraph 4 to the vote.

Paragraph 4 is adopted.

On paragraphs 5 to 7, I have no amendments or speakers listed.

Does anyone wish to speak?

I put paragraphs 5 to 7 to the vote.

Paragraphs 5 to 7 are adopted.

Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted¹.

11. Aid for the Sahel countries

President. — The next item is a debate on the report drawn up by Mr Spénale on behalf of the Committee on Development and Cooperation on

¹ OJ No C 2, 9. 1. 1974.

President

aid to the Sahel countries affected by drought (Doc. 271/73).

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

Mr Spénale, rapporteur. — (F) Ladies and gentlemen, yet again we must turn our minds to the Sahel, and we shall probably have to do so once more next year, in view of the ravages suffered by the six countries of the region owing to the progressive drought of the past five years and the intractable problems that have arisen as a result.

We are all of one mind on this subject, and rather than discourse on this tragedy at length, I should prefer to make a few comments on the motion for a resolution before you.

The resolution begins with a kind of introduction in five paragraphs, the first of them expressing the hope that public opinion in many countries will have been aroused by the suffering engendering an awareness of the need for solidarity between those with food surpluses and those with food shortages. This point is taken up again in the last paragraph of the resolution.

Paragraph 2 notes the first sign of this awareness, namely the effective cooperation instituted between the African States, the Community, the Member States, third countries and non-governmental organizations in bringing aid as quickly as possible to the Sahel countries.

The committee find a taken of the value of this improvised collaboration in the expressions of gratitude received by the Member States of the Community from the Sahel countries at the meeting of the Association Council of 15 June 1973, where tribute was paid both to Community measures and to measures taken directly by the Member States.

However, we are obliged to admit that, despite these efforts, the problem of the Sahel is still far from resolved, so that immediate as well as medium and long-term action is essential.

Immediate action is covered by paragraphs 6 to 8 of the resolution. It relates in the first place to a programme of food aid in cereals, powdered milk and butteroil, designed to ensure regular deliveries before the rainy season begins, so that the people have the supplies necessary for survival.

A programme for the transportation of these supplies is also called for. This is a major problem, and the party of representatives of donor countries which visited the countries of the Sahel

drew up a plan for Upper Volta, for example, whereby the first shipments of supplies are to reach Abidjan in January, in time for distribution to the population by normal means of transport before the next period of shortage. In other words, this is a matter of very great urgency.

Finally, it is necessary to build up stockpiles at main centres in these countries and by the regional development bodies, to ensure decentralization of distribution points.

Over and above the foregoing, we have to arrange short, medium and long-term action with the participation of local authorities. Firstly, we have to finance a major programme of small projects, including the provision of water for villages and farms, small tracks, sinking and deepening of wells, in fact all those measures without which drought will again prevail in certain regions during the next dry period.

Secondly, it is necessary, with the help of the EDF, to speed up repair work on damaged roads and tracks and construction of new ones to open up the Sahel region.

It is also essential to derive greater benefit from the main water supply projects, in particular through the Niger Office or the scheme for harnessing the Red and White Voltas, so that more people can be settled on the irrigable land and a food surplus produced for the rest of the country.

Furthermore, research is needed on the specific problems of the Sahel, particularly in the field of agronomy (introduction of drought-resistant varieties with a short cycle, adaptation of underground plants, which survive much better in such countries and which have been introduced to some extent but have not, perhaps, been persevered with sufficiently), hydrogeology climatology, as well as the use of energy forms, such as wind and solar energy, which are plentiful in that part of the world but of which little use has been made.

Attention must also be given to certain countries which are relatively well off from the point of view of food, but which suffer hardship because of inadequate sanitary conditions. An example of this is onchocercosis, an eye disease which thrives in certain parts of Upper Volta, Mali and Niger, in other words the centre of the Sahel region.

I believe that in this connection we should follow the example given us earlier by the General Trypanosomiasis Service, which covered the whole of West Africa at a time when several hundreds of thousands of people were suffering from this grave disease. As a result of a well

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coordinated and structured campaign, involving an annual medical check-up of the entire population, appropriate medical care and prophylactic measures in the agronomic field, this scourge of a disease has now been practically eradicated.

Similar result may be obtained with onchocercosis, its action is not confined to research but also provides for large-scale practical help backed up by adequate funds. I consider it essential that this be done.

We hope that the Community will coordinate the various research activities.

In paragraph 13, which I have reason to believe may now be superfluous, the motion for a resolution urges the Council to adopt amendments No 28 and 32 to the draft budget of the Communities for 1974, providing 35 million u.a. for structural projects and 5 million u.a. for immediate food aid.

At this point I must report that yesterday talks were held between the Council and a delegation from the European Parliament, led on behalf of the President, by Mr Dewulf and consisting of members of the Committee on Budgets. This committee for the first time held an interesting discussion with the Council, precisely on this point. It was not merely a question of our being allowed to present our amendments and then invited to leave; the discussion was fairly free thanks to Mr Jenkins, the British minister, to whom I must express our gratitude. Following this interesting discussion, during which the Council displayed considerable reluctance to grant these 35 million u.a. and 5 million u.a., we were delighted to learn last night that these amendments had, after all, received the Council's approval; we have not yet been told this officially, but I believe that Mr Fitzgerald is to announce it tomorrow.

It may be as well, therefore, to leave paragraph 13 as it is pending official news, but I should like already at this stage to express our profound gratitude to the Council, which lent a receptive ear to the delegates who had visited the Sahel under Mr Dewulf; I also wish to thank the Commission, which had provided us with very detailed and most alarming information on present difficulties in the Sahel and the funds required.

The following paragraph calls for the immediate creation of a special emergency fund and a plan that will allow an array of effective actions to be brought into play when an emergency is declared. This special emergency fund was requested by the Joint Conference in Lomé at the suggestion of our Danish colleagues, Mr Dich and Mr Christensen, and the Joint Committee

was unanimous on this point. In such situations rescue work is sometimes slow to get under way owing to the lack of moneys which can be used to cover immediate needs. The creation of such a fund would certainly be invaluable.

The second idea is for the setting up of effective machinery which could be brought into action in an emergency. Mr Aigner repeated the point he had already made in Lomé, namely that we should not wait until the house was on fire before organizing a fire brigade. It does seem to me that what we need is cooperation between countries in which famine is endemic and countries capable of providing food aid, so as to allow aid machinery to be mobilized rapidly, something on the lines of the French ORSEC, which can be called upon in the event of floods, large-scale fires, etc. Such an approach would save countless human lives, removing many difficulties and much suffering in countries which need rapid help.

Paragraph 15 deals with a rather special aspect. It expresses the hope that the richer countries in Africa and the Middle East can be persuaded to match the support given by the developed nations to the countries of the Sahel and by the latter among themselves.

That sums up all that the resolution has to say about the Sahel.

The last paragraph calls for the drawing up, in cooperation with appropriate international bodies such as the FAO, of a world food plan, not only to make up deficits foreseeable in the short term in certain parts of the world, but also, and above all, to establish food crop equilibrium and security of food supplies, in terms of both quality and quantity in countries whose structures are threatened. It will not be enough to set up a fund, we need machinery to enable us to respond in the right way to increasingly urgent food problems which may confront us in the future.

I find it rather characteristic that the Council in its pronouncement of 5 November on initial guidelines of the European Communities' overall policy on aid to the third world, envisaged six actions which were described in some detail: an agreement on primary products, generalized preferences, promotion of exports from developing countries, technical assistance to regional integration, the problem of the debt incurred by developing countries, harmonization and co-ordination of the Member States' cooperation policy. At the same time, despite the extraordinary events of 1973, despite the Sahel, despite Ethiopia, despite the Bangladesh floods, you find nothing, absolutely nothing, about the world food problem.

Spénale

However, we are faced with a series of alarming signs. Studies of the world food prospects at the end of the century in relation to the demographic equation suggest that we can expect to encounter increasingly difficult food and structural problems.

Furthermore, it is both inconsistent and dangerous to promote a development policy for certain regions which are already adversely affected by the economic situation but are at the same time structurally threatened with future food deficits.

Such an approach is inconsistent, because when countries live in the shadow of food shortage the population is not available for work which, in the medium or long term, could promote their development, since their first preoccupation will be their survival.

Such an approach is dangerous, for there can be no durable and peaceful coexistence between a society of over-consumption and a society of under-consumption, between the world of surpluses and the world of poverty.

I am aware that this last argument is not, morally and intrinsically, the most sound and that certain purists prefer to leave it unspoken, and to say simply that we must assume responsibility for humanity at large.

But I also see the blindness of some people, national egoism, the internal contradictions of the world; I see us living on an island, a little spaceship where material resources, food and space are becoming scarce, and where we seek escape by producing more, burning more energy, using up more material goods, boosting statistics, discovering other surpluses, inventing new forms of waste and, ultimately, increasing the gulf between the prosperous and impoverished nations.

These growing masses of people living in our shrinking world will not indefinitely reconcile themselves to hunger while cinemas in my country show *La Grande Bouffe*. To continue in this way would be to navigate among icebergs with one's eyes closed. And I do think that this argument has its force in quarters where egoism predominates.

It is thus necessary to draw up a world food plan.

I am told: But there is the World Food Programme, there is the FAO. I know this, and I respect, indeed greatly admire Mr Boerma, Professor Cépède and all the FAO and WFP teams. I know that every year the FAO organizes a great conference which brings together over

one hundred Ministers of Agriculture who study the problem, seek out solutions and make speeches vastly superior to my own present effort. And then everyone goes home saying that the FAO and WFP will keep the matter under review. After which they scarcely give it a thought.

The FAO and WFP keep the matter under review, undertake enquiries and publish statistics, and ring the alarm bells. They are then given a little more money, slightly more than is necessary to make up for devaluation, much less than is needed to cover requirements. And if one thinks hard about all this, it seems that ultimately the FAO and WFP are something of an excuse to help uphold the states' conscience.

In my view this problem must be taken in hand by an inter-governmental body such as the OECD, acting in collaboration with the WFP and FAO, which would work out a plan. It would be out of my province to suggest the details of such a plan, but it could perhaps cover a five-year period in which the needs of the one side and the resources of the other could be balanced, in other words a plan which would define how the entire complex of problems should be attacked, taking into account the possibility of financing it, partially at least, on the basis of the issues from the special drawing rights.

The object would be not only to pay for supplies, but also to consider how countries that are threatened by structural developments with the prospects of famine, if they are not already suffering from it, could improve their resources and techniques, and, with proper support, re-establish a balanced supply of foodstuffs.

Mr President, I should be most happy if it were the Community which took the initiative in setting up such an organization and if it were our Assembly, which inspired the Community to do so.

(Applause).

President. — I call Mr Cheysson.

Mr Cheysson, Member of the Commission of the European Communities. — (F) Mr President, before dealing with this important subject, I should first like to express the Commission's warm thanks to the Parliament and, something which is perhaps more unusual, its congratulations on the work done by the Parliament in connection with the Sahel countries. The continuity of your action and the tenacity of your intervention has been striking for many months now. In June we

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held a debate in this Assembly on the same subject. Mr Dewulf led a fact-finding mission to the countries concerned which was able not only to recognize the grave nature of the problems but also to bring a measure of precious comfort to the local population. You then proposed on your own initiative a modification to the draft budget which the Council had forwarded to you and you introduced two additional amendments of far-reaching significance. You then forced the pace in the Council. I attended all the Council's proceedings and I can confirm what Mr Spénale said: without your intervention these amendments would have never been passed.

For the first time, coordination between the Parliament and Council has given concrete results. Not only in the form of a genuine dialogue but because the ministers who replied to you felt bound to justify their political positions on the specific problem of the Sahel and because, allow me to say so forcibly, they observed that their justifications were not as pertinent as they had thought behind the closed doors of their cabinet meetings; a few hours later they endorsed your views whereas they had previously tried to convince you that they would not do so.

This is the latest of your successes in this area. It is the result of a stubborn and continuous campaign to which I must pay tribute and which is a precious encouragement and guide to us in the Commission.

It is a guide to us in a matter of great importance. Like Mr Spénale, I consider that this question of food aid is a problem with which we are going to be confronted for many years and which we must face squarely.

Let us begin with the Sahel. The drought in the Sahel is a subject which we discussed in June. At that time several speakers already explained to this Assembly that a cycle of bad years regularly afflicted this arid and unfavoured area. Observations made over a period of one hundred and forty-four years have shown that this is the ninth drought. Unfortunately the cycle is not regular and no forecasts can be made. We know that these unfortunate people who, in a normal year, barely reach a basic subsistence level from time to time experience a terrible period of two, three, five or seven years in which the drought is so severe that their livestock will die and their childrens' lives will be threatened.

This problem of the Sahel affects a region which is seven to ten times larger than France and has a population of eight or nine million.

Faced with this problem the resolution presented by the rapporteur rightly asserts that long-

term action must be undertaken involving research projects. These will be conducted by the organizations referred to in the resolution and by a few others, as well as by international organizations and even certain American bodies: quite recently the Massachusetts Institute of Technology placed itself at the disposal of the Sahel countries. The Commission is of course maintaining close contact with the various agencies to keep in touch with the development of this research.

Ideas have been put forward, proposals made and progress achieved. The most striking progress is in the agronomic sector where, as the report states, new strains have been discovered and in the zootechnical sphere where more resistant animal species have been selected.

Alongside this research continuous action must be pursued. The aim of some measures must be to alleviate the consequences of the distressed state of the population: these are health protection campaigns. Mr Spénale has referred in particular to the programme against onchocercosis, a sickness which the EDF has been combating for several years. More than 1.5 million u.a. have already been allocated to EDF actions in this sphere in the Upper Volta, in Mali and to a lesser degree in the Northern parts of the Ivory Coast.

Other action is being pursued against a variety of diseases. I wish to remind the Assembly with some pride that continuous action has been undertaken over seven to nine years throughout the Sahel and has enabled the main cattle disease, namely rinderpest, which used to kill one animal out of five every year to be wiped out. Twenty million u.a. were spent but the disease was beaten.

The long-term action includes of course major hydraulic projects in the river basins or on a more limited scale the sinking of wells in villages or on cattle routes. More than 3 000 wells have been built by the EDF. It has spent 75 million u.a. in twelve years on hydro-agricultural projects or health campaigns of this kind, quite apart from expenditure on road infrastructures.

Of course this long-term action must be continued on the principles outlined by Mr Spénale.

Coordination of these long-term measures is in the first place a matter for the countries responsible themselves. That is why we are gratified by the formation in March 1973 of a permanent interstate committee which, with its headquarters in Ouagadougou, combines representatives from the six Sahel countries soon to be joined, we hope, by Ethiopia and Sudan

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which have similar climatic conditions. This committee, under the chairmanship of Mr Dakouré, Minister for Agriculture of Upper Volta, has drawn up an extremely ambitious long-term action programme which should soon be finalized and will serve as a guide for us and for all who are undertaking long-term work in these countries.

As you know, the FAO also has a 'multidonor' mission. We are of course playing an important part in this. Overall coordination can in this way be ensured between international organizations, bilateral organizations and ourselves.

It is interesting to note in this connection that the Summit of Arab Heads of State held in Algiers a week ago unanimously decided to set up an Arab-African bank which could provide aid to the African countries by mobilizing Arab funds. We have every reason to believe that with our experience of Africa we could indicate projects for which African or Arab money could usefully be earmarked to supplement the European effort. I should like to put on public record that Zaire and Nigeria have paid out far from negligible sums by way of aid for 1973, while the Ivory Coast and Senegal have shown their solidarity by providing free services in connection with aid to their neighbours.

As a final long-term idea, stockpiling policy must be systematic for the reasons advanced by Mr Spénale. When the Commission reports to this Assembly on its ideas on world primary commodity agreements it will stress the fact that regulating stocks which form an integral part of the regular structure to control prices and quantities in the food products sector, must be situated partly at least in the consumer countries for use in the event of a disaster.

Let us now turn to the medium term outlook.

When there is a disaster, as is the case at present, what structural measures must be undertaken?

The action is simple and involves all the countries concerned. Cattle stocks must be reconstituted and vaccination programmes carried out; of course the necessary stocks of vaccine must be available for the population; the stocks of seed eaten by the starving population must be built up again and emergency water supply measures taken as well as action to intensify food crop cultivation and develop certain irrigated crops; practical equipment for transport, storage and track maintenance must also be supplied.

That is what must be done immediately.

This is the basic structural action from which these countries can reconstitute their poor subsistence economies.

That is what will be done with your 40 million units of account. Thanks to your intervention we shall be able to continue the action already undertaken by us in 1973 on the same lines.

In 1973 we spent 90 million units of account on measures of this type. That is as it should be since this action was necessary. But it was not enough, first because the 90 million which we gave with one hand were taken back with the other since they were drawn from the EDF in which they had been intended, and sometimes even already committed, for specific development projects which had to be abandoned. In fact to some extent we were making Africa pay for medium-term structural aid.

Thanks to your intervention the 40 million u.a. are shown in the budget. As a result they form a clear part of the Community action and are separate from everything given previously from the EDF.

This entry in the budget has another consequence: it is the nine Member States and no longer the six which are participating in this action. Faced with the Sahel disaster we now find that the Nine have mobilized their efforts, although transitional agreements following the enlargement of the Community would theoretically have allowed the three new Member States to take no financial interest in events in Africa. I find this evidence of solidarity interesting to note.

Finally, these 40 million units of account enable us to move beyond the context of the six associated countries and to cover the entire zone currently afflicted by drought. This does not stop at the legal boundaries traced by the Treaties but unfortunately extends also to the south of the Sudan and under particularly dramatic conditions to a major part of Ethiopia. Thanks to your 40 million we were able to announce yesterday to the Ethiopian government that we could undertake the action it wanted and needs.

Your 40 million enable us to continue and double our aid; we could not have done so through the EDF which no longer had sufficient resources. This possibility is now open to us in a spirit of solidarity between the Nine European countries even though legally three of the Members could have escaped this obligation. Finally, we are able to take action without stopping at the legal boundaries of the Association. These 40 million are vital component of our policy.

Now for the most serious question: what are we doing in face of the disaster? While all that the international Community did in 1973 was insufficient, Europe still acted sooner and did far more than the others.

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In December 1972 we already obtained a Council decision enabling us to undertake urgent action well before any government had presented a request, and well before public opinion or international organizations had drawn attention to the problem.

Let us consider the operation as a whole. In 1973 our Community will have given the six Sahel countries, quite apart from all that has been done by the Member governments, 112 000 tons of cereals and 13 000 tons of milk powder, representing a financial effort of 27.5 million units of account: that is the food aid given to the Sahel in its crisis situation in 1973. Adding the 19 million units of accounts for structural action to which I just referred we arrive at an exceptional aid figure of 46.5 million units of account from the Community to the Sahel countries in 1973 alone.

The volume is not negligible; in my view the characteristics of this aid are even more striking. First it was carefully coordinated with all that was being done at the more general level and also locally.

We have in Africa our permanent supervising officers. These senior officials are responsible for supervising the various projects carried out with EDF aid. As a result they have detailed and precise technical knowledge of the countries in which they are working and of the various responsible bodies in the country concerned, both in the capital and in the provinces. This organization in Africa is unique; that is why all the coordination of our aid to the Sahel countries is naturally effected by our supervising officers. In an official decision the Council of Ministers entrusted last July the EDF supervising officers on the spot with the task of coordinating Community aid and aid from the Nine Member States. But in fact this coordination has gone much further! when I visited the Upper Volta I was able to watch a Belgian aircraft supplied by bilateral cooperation arrangements take off; half its load consisted of sacks of cattle-feed supplied by the Community and the other half of sacks supplied by American aid because the Americans did not have the administrative means of paying for transport to the place of destination.

If we have been able to effect this coordination it is because the EDF regulations are remarkably flexible and intelligent. They enable us to make local purchases and deal individually in urgent cases to cover costs of transport to the final destination whereas most bilateral aid stops on entry of the goods concerned into the country. Through this flexibility we have been able to provide moral support locally and act as a coordinating factor so that our action has been

pursued under extremely efficient conditions. This has been possible too because of the great impetus coming from the whole of Europe. I spoke just now of the aircraft supplied by the Belgian government; but you also know that the governments of other Member States acted similarly and I wish to thank them for doing so before this Assembly.

Having said that your resolution rightly points out that in some ways 1974 will be even worse. The drought will perhaps be a little less severe in the East African countries; but it will be just as severe in the centre of the Sahel and above all the populations are already exhausted by their suffering of the previous year. The economies are at breaking point.

We must then make an effort. I have already spoken of the 40 million units of account intended for structural aid. But I wish to announce to this Assembly, and in so doing I am publishing the news for the first time, that the Commission yesterday adopted its food aid programme for 1974 to the Sahel countries. This programme will enable our consignments of cereals to be increased from 112 000 tons in 1973 to 130 000 tons in 1974 and allow us to maintain our deliveries of milk powder which will increase from 13 000 to 14 000 tons; we shall also begin, and this is very important especially for children, the dispatch of foodstuffs with a high nutritive capacity, in particular butter oil, 6 000 tons of which will be dispatched in 1974 to a value of 6 million units of account. In this way our overall food aid for the Sahel countries will rise from 27 million units of account in 1973 to 43.5 million units of account in 1974. With your 40 million our total aid will therefore be 73.5 million units of account to the Sahel countries, Ethiopia and perhaps tomorrow Sudan as well.

That is our reply to this problem; this is what the Association means to us — solidarity with the African countries.

But your resolution quite rightly points out that this solidarity with the African nations must not be confined to those with which we maintain special legal links. Europe has a world responsibility and Europe must shoulder its share of responsibility for the industrialized world. That is why in the 1974 budget, and on this point I am happy to reassure Mr Spénale, we have included a food aid programme of which we have every right to be proud.

The 1974 budget includes — either directly by way of food aid or in the context of the EAGGF, a confused arrangement which is shortly to be remedied — the dispatch of 580 000 tons of cereals, 6 000 tons of sugar, 80 000 tons of milk

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powder and 45 000 tons of butter oil, leaving aside of course the cost of refunds which is an internal matter for the Community. The total of our food aid budget for 1974 adopted yesterday in final form by the Council is 221 million units of account. Adding the 40 million which you have managed to obtain the Community will be giving by way of food aid to afflicted countries — and Bangladesh is the country which receives most — 261 million units of account in 1974, i.e., almost 5% of its overall budget and more than we give through the EDF in a single year.

That is the present status of our food aid programme and that is how the Community is asserting already its firm resolve to pursue a worldwide development policy.

These are not intentions but figures actually shown in the budget.

Is it enough? I am not yet sure. In fact the population growth in the Third World and the development of increasingly large urban centres accompanied by depopulation of the rural regions lead to an increasing need for food products.

The FAO which must of course carry out the central analysis and, as Mr Spénale has rightly said, guide all our food aid action evaluates the needs of the Third World in imports of food products from the temperate zones at a figure which will increase from 4 000 million dollars a year at present to 7 000 million dollars in 1980. The green revolution as it may be called has not followed and still is not following the population growth.

The food requirements of the Third World countries are increasing in regard to their imports from the temperate zones. Unfortunately their currency resources are not keeping up and, still according to the FAO figures, the insufficiency of the means of payment of the Third World countries will rise in the same period from 1 000 million units of account last year to 2 500 million units of account in 1980.

Can Europe remain indifferent to this situation? Of course America is supplying the bulk of these products but, as you all know, the American agricultural surplus has ceased to grow and we even have reason to assume that in the long run it may decline.

Consequently the increasing needs cannot be met by America. And in any case can Europe, at the stage it has reached until the recent crisis which is to be hoped will soon be overcome, leave the Americans with the responsibility of supplying food products to the Third World while its own agricultural responsibilities are recognized and it has itself agricultural surpluses?

Can Europe also remain indifferent to the monstrous worldwide speculation on agricultural products which means that these countries will in 1973 be paying amounts out of all proportion to what they were paying in 1972 for the same imports? I do not think it can.

The Commission therefore intends to submit proposals in the next few weeks to your Assembly and to the Council for the world organization of markets in primary food commodities and for the stabilization of the food aid programme in which the commitments would no longer apply for a single year as in the 1974 budget but would cover several years so that at the international level the FAO, and at national level each of the countries afflicted by famine to which Mr Spénale referred, will know exactly what they can expect and therefore plan their development accordingly.

Those are our intentions. I am outlining them to you after stating what our action will be in 1974, with the figure of 264 million units of account to which I referred.

That then is the problem in its true perspective. I particularly wanted to make this information public for the first time in your Assembly.

It seems that to begin with Europe's development was inward-looking as was only natural. In the light of this crisis we are able to see just to what extent we are lacking an external dimension. There is, however, one area in which we do have that external dimension namely in our policy towards the Third world; towards Africa through our association and negotiations with the Southern Mediterranean countries and towards the whole world, primarily through our food aid policy.

This is a face of Europe which is not well enough known. It is a face of which we can be proud and which our young people should get to know better. It is a face which the other countries of the world have no right to forget.

(Applause)

President. — Thank you, Mr Cheysson, for that important speech.

I would remind the House that at the beginning of Monday's sitting we decided to limit speaking time.

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

Mr Dewulf. — (NL) How many minutes do I have, Mr President?

President. — You may speak for fifteen minutes, Mr Dewulf.

Mr Dewulf. — (NL) Mr President, firstly I thank Mr Spénale for continuing, in spite of the pressure of his duties as Chairman of the Committee on Budgets, to devote so much effort to the developing countries and for his assistance in the drafting of this important resolution on the Sahel countries. Next I thank Mr Cheysson for his especially interesting statement. Before I say anything with regard to that statement, however, I wish to address myself to the Council. Yesterday — as we all know — the Council approved Parliament's amendments regarding food aid and structural assistance to the Sahel countries, Sudan and Ethiopia.

I would like to express our appreciation of the Council's decision. The amount involved is 40 million units of account — a very considerable sum, and this alone would merit our gratitude to the Council. But not only is it a very substantial figure but it should also be stressed that this is in addition to the resources of the EDF. The Council has therefore taken a delicate fundamental decision, introducing a new budgetary element in the form of special development co-operation allocation. The Council has also agreed that these new budgetary resources should benefit not only the Sahel countries but also other countries, particularly Sudan and Ethiopia.

Finally, these are own resources of the Community over which the Commission, and in particular Mr Cheysson, is to have control and for which it will therefore also shoulder the responsibility. I imagine that the Council also wished this action to be seen as a token of gratitude for the efforts made by so many well deserving members of the staff of the Commission and the Council who have made a special effort for the campaign to help the countries and areas concerned. The Council's action should also be appreciated by public opinion which has demonstrated great generosity for the victims of this disaster in the form of action by so many special non-governmental organizations.

Finally, this decision will be appreciated not only by our resident supervisors for the EDF but also by our local ambassadors; with one accord through thick and thin they have had only one objective in mind: the alleviation of the immediate distress in the Sahel countries.

But apart from the human aspect one should not disregard the political import of the Council's decision, and the recognition of the validity of the requests made by the joint bodies. The cry for help from the African countries that found

expression in the resolutions of the Joint Committee and the Parliamentary Conference has doubtlessly—Mr Cheysson has also made this point—been heard. The Committee of Sahel States, which is and will continue to be responsible in Africa for what is done in the short, medium and long term, will be pleased by the European Council's decision.

The Council has made not only a humanitarian but also a political gesture to the Associated States by voting special funds for the alleviation of the emergency in these countries in addition to the resources already available from the European Development Fund.

The Council has also taken an especially interesting step in relation to the associable countries by anticipating its decision and by offering its generosity to Sudan, Ethiopia and possibly other countries. This it has done at a critical moment, just as negotiations on Association are about to begin. I believe that the Council has in this way clearly reinforced the credibility of the Community—not of the Six but of the Nine—in the eyes of the whole of Africa. Our appreciation of this is enhanced by the fact that the Council, and the Ministers serving on it, have major worries at the present time. They have not yielded to the political tensions of the day, nor to the pressure on the Member States in connection with certain decisions that we shall be discussing during the coming days and, alas, nights too.

From this I conclude that the Council, with a sense of responsibility and full political serenity has made a conscious decision in favour of helping friendly nations in distress whether they be associated or associable countries. Europe has proved its loyalty to loyal friends and may perhaps have made new friends. We hope that Africa will appreciate this behaviour on Europe's part and will not let Europe down in other ways. It is clear that at the moment relations between rich and poor countries have, to some extent, become unsettled. Who is rich now, and who is threatened with becoming poor—or poorer—and at whose expense? It is not for me to open the debate on this issue. Mr Cheysson has just said that cooperation between Africa, Europe and the Arabic countries could possibly arise out of this emergency situation. This is a hopeful sign on an otherwise very gloomy horizon.

The Commission, on whose behalf Mr Cheysson has just made a very important statement, bears great responsibility, first and foremost for food aid.

I will not go back over the excellent address of Mr Spénale, who has given a very clear commentary on paragraphs 6, 7 and 8 of the resolution.

Dewulf

The aid mentioned is indeed most urgently required. To this end the Commission and all possible coordinating bodies in the Community will need to make the necessary effort in the coming days and weeks. I also appreciate everything in the resolution regarding the first measures to be taken towards re-organization in the affected areas. I am delighted that in paragraph 12 Mr Spénale has included a reference to research and technology. I would like to hope that this will be translated into immediate action. Mr Cheysson has highly qualified and creative colleagues in this field who are full of ideas.

I learned in Africa itself that Skylab has already photographed the Sahel countries with the object of pinpointing new water resources, etc. This is an important contribution by technology. Similar services can also be rendered in the area of weather forecasting and solar energy. Research programmes should be implemented as soon as possible at this level. These should be orientated not only towards the technology of the rich countries but also towards those of the poor nations. One of Mr Cheysson's colleagues has given a very relevant illustration. Why are all plastic pails made with a flat bottom when we know that African women carry them on their heads?

Mr President, we have great esteem for, and confidence in, the Commission in view of the first action programme of which Mr Cheysson has given us this initial account both as regards the structural measures to be taken and the food aid plans. I will not therefore go back over this. We would merely like the Commission to know that we are happy to give it our support, but that by this we mean our vigilant support.

I hope that we shall have an opportunity for a thorough debate on the programme that Mr Cheysson has just put before us regarding food aid.

I shall now confine myself to two further political points. The figures given by Mr Cheysson give us cause for thought. So many hundred thousand tons of food and so many million units of account are necessary simply to help people to survive this emergency. This inspires a certain pessimism. How far are we advanced with our development cooperation? At international conference after international conference we persistently fail to find the necessary courage to take a number of measures which would make a fundamental improvement to the structure of this world. Tomorrow, for example, we shall be discussing generalized preferential tariffs. Then we shall see the extent of the reluctance when it comes to making a start with industrializing

and diversifying the economies of a number of developing countries. And this in the face of the glaring plight of an increasing number of people who do not even have the minimum amount of food needed by a human being.

Mr McNamara first announced the campaign against absolute poverty in his speech at Nairobi this year. According to the President of the World Bank this objective should be the first priority of development cooperation. When I then reflect on the doctrinaire conflicts between globalists, regionalists and so on and then the lack of readiness to take political action. We are now confronted with a food shortage that threatens to assume inconceivable proportions.

Mr President, we await the food aid programme from the Commission with interest so that we shall then be able to have a thorough discussion on food aid as an aspect of development cooperation.

(Applause)

President. — I call Lord Reay.

Lord Reay. — I should like to say how welcome was the news that yesterday the Council apparently agreed to give all that Parliament had asked for—40 million units of account—towards assistance to the six countries of the Sahel afflicted by drought. By all accounts, next year will be as bad as this year for those countries, if not worse. The FAO has estimated that their food needs will be even greater than they have been this year.

When the delegation from this Parliament visited Mali, we found that all the observers there agreed that next year again they would need an airlift. That at once points to the continuing seriousness of the problems and indicates another field in which, while it is beyond the scope of this resolution, nevertheless I can perhaps suggest that Member States might well consider coordinating their efforts at assistance. The aid which the Community has given so far, and the aid which some Member States separately provided towards the airlift, had been much appreciated in the countries we visited.

If our resources available for aid are in the future to be more limited than in the past, it must nevertheless be borne in mind that these countries, both by virtue of their historical ties with Europe, which are expressed in their membership of the Yaoundé Association, and by virtue of the fact that they rank among the very poorest countries in the world, surely deserve to have our continued help.

Lord Reay

As far as the long-term problem is concerned, and the great tasks of adaptation and reconstruction that these countries face, of course the aid of the Community will not be anything like sufficient for their needs, generous though it is.

The extraordinary people of those areas—six million in the Sahel, and far more in the whole band of country across to the Red Sea—are for all practical purposes without a nationality, crossing national frontiers according to their traditional patterns and calculations, to such an extent that a country such as Mauritania may at any one time have two-thirds of its normal population outside its own frontiers. Their nomadic life excludes them from the school system and, therefore, from any possibility of integration into the embryonic national systems of the Western type which constitute the new structures of Africa. They lead lives of remarkable economic precariousness, with no possessions other than their livestock and what they can carry on their journeys.

How will such people react this time to the loss of their livelihood? Will they again wish to reconstitute their traditional way of life? If not, what are their possibilities, outside—as they are to such a large extent—the modern systems of Africa? What will happen if they wish to revert to their traditional pattern this time? I say 'this time', for of course in those areas catastrophes have been a periodic phenomenon, as the Commissioner pointed out, and have served the function of restoring a balance between the natural resources of the area and the demands made on them by man and beast. But this time the outcome is different, for the rest of the world has intervened to prevent human deaths on the scale that has occurred in the past. It is no longer tolerable that regions of the world should be left to be governed by those cruel natural laws that once were universal to mankind and which still prevailed in that area until recently. But this means, of course, that the capacity of that area to support both people and livestock needs to be increased and its accessibility needs to be improved in order to deal with occasions when emergency assistance is required. This in turn will require large-scale investment.

But the people of that area have another characteristic: they are basically part of the Arabic world. Their religion is Mohammedan, their culture has been traditionally a knowledge of the Koran. Timbuktu, which we visited, was in the last century still a legendary city because of its earlier fame as the great southern outpost of Islam. Their civilization has been surpassed because the West has turned Africa

into nation states and others than they have benefited. What the Community might do is to consider directly approaching the Arab countries of the Middle East, whose wealth has recently been enormously enhanced, with a view to both groups of countries, each with its great historical and cultural links with the region and its peoples, coordinating assistance to that area.

We heard from the Commissioner that there had already been contacts between the Arab-African Bank and the Commission. This a most interesting development, and no doubt the Commission will, as I hope, be able to build on that. However, it might be necessary to establish contacts in parallel, and perhaps the Commission, if they study this matter, will be able to come forward with some further proposals. All this fits in very well with what Mr Spénale said and what is laid down in Resolution No 15. The days when the ex-colonial powers could be considered to have a unique obligation for the economic welfare of those countries which were once their colonies are now over.

I end by congratulating Mr Spénale on his report and, if it is not premature, by congratulating Mr Spénale and Mr Dewulf for the triumph they had yesterday in the Council and, if this too is not premature, the Council for their generosity.

(Applause)

President. — I call Mr Dich.

Mr Dich. — (DK) Mr President, colleagues. I should first like to thank Mr Spénale for a thorough and exhaustive report, which together with the information, which has come to light in earlier debates here in this chamber, should be sufficient for the honourable Members to realize just why it is so very necessary that we recognize the obligation that we have towards the African countries.

I should also like to congratulate Mr Spénale on the significant progress embodied in the increased economic means for giving aid to these countries, in particular the Sahel countries in Africa, but I really must ask my colleagues at the same time to consider the fact that, in all honesty, this is not a great deal.

Let us try and be honest with one another, just as the African countries are honest with each other—so honest, indeed, that having discussed the problem and having decided what their actual economic needs were, and just how much aid and technical assistance they required, they cut this down to less than a quarter in the formal request for outside aid, including aid

Dich

from the European Communities. Similarly we ought to confess that there is a grotesque disparity between Europe, which is struggling against the accumulation of surpluses, which is overproducing in a multitude of sectors and where people are encouraged to go on diets, where we are told that it is not good for our health to be so fat—and then these other countries which have such different problems: where there are districts in which three out of every five children are dying of hunger.

I therefore want to say that the appreciation which, according to paragraph 3 in the introduction, was expressed by the Associated African States, ought to be taken with a pinch of salt. Of course these countries are grateful for the help that is offered, but surely this is like the gratitude of a drowning man who clutches at a straw when he cannot find a log to hang on to.

On the visit to Africa we made recently, we got a quite different impression which I should like to pass on to the Assembly. What is stated in paragraph 2—the fact that there has been effective cooperation between the African States, the Community, the Member States, third countries and non-governmental organizations—is quite true, but it is only conditionally true. I, for my part, have no doubt that this co-ordination, this cooperation, functioned absolutely effectively at the African level under the leadership of the interstate organization set up by the Sahel countries themselves. But it is equally certain that everyone I talked to over there agreed that international cooperation outside Africa was not functioning. A number of political considerations are involved, prestige and petty quibbling between the large international aid organizations means that aid either arrives too late, or does not arrive at all. This should also be taken into account when considering how effective or how ineffective our aid to these areas really is.

That is why at the conference in Lomé, particularly in the supplement to the original declaration, mention is not merely made of the extraordinary disaster fund, but it is also suggested that steps should be taken to ensure that at Community level it can be handled swiftly and efficiently, but—and I stress this—within the framework of a better coordinated international joint effort. For it is simply not enough for the European aid programmes, the FAO aid programmes and the UN aid programmes to function individually, when time and again they are quite evidently working in conflict with each other and preventing the effective functioning of work where it is most necessary,

namely in Africa and in underdeveloped countries as a whole.

I also want to say something on a couple of individual points which may appear to be mere details, but which I believe are nonetheless important. In paragraph 9 of the motion for a resolution, under the heading short, medium and long-term action, it is suggested that greater benefit should be derived from the main water supply projects so that more people may settle on the irrigable land. I can certainly approve this point. In paragraph 12 of the explanatory statement, it is suggested that help should be given to people to return to areas they have abandoned. This too is quite in order. However, I am rather anxious when I read further on, in paragraph 13: ‘... so that more people, nomads and others, can be settled on the irrigable land...’

Here I believe we are interfering with the cultural traditions of these people, their whole existence, something which we are in no way entitled to do. These people must be given the unconditional possibility of returning to their chosen way of life—and that also includes the nomadic way of life.

Lastly, I shall make a further short comment on the medium and long term programmes. It is suggested that short term food aid be provided and joint work be carried out on medium and long term food aid. A word of caution. I believe that far too much attention has been paid to these so called medium and long term food aid programmes to the detriment of programmes which could effectively alter these countries structurally—including both the general agricultural structure and the economic structure, so that these countries will, in quite a different way, be capable of an independent economy and thus be able to look after themselves in time.

In conclusion I would ask the Assembly to consider yet again that although the amount we are giving out, the 40 million u.a. etc., sounds a great deal, it is a very small proportion of the surplus we actually have.

Once upon a time a rich man and a poor man were talking together. The rich man said: ‘I shall give you a quarter per cent of the money I earn—just think of the amount I earn, you are getting a lot of money!’ But is it a lot of money in relation to what we ought to give and should be able to afford?

(Applause)

President. — I call the rapporteur, Mr Spénale.

Mr Spénale, rapporteur. — (F) Mr President, I wish to thank all our colleagues who have spoken in this debate and have made valuable contributions to it while maintaining a human emphasis which is worthy of our Assembly.

I am particularly grateful to Mr Cheysson for his part in this debate, for the details he gave us and for the new information he made public here for the first time. This Assembly welcomes the Commission's desire to make its projects known to us before publishing them generally, in particular in the case of its multi-year food programmes. This accords with the wish expressed at the end of the resolution submitted by the Committee on Development and Co-operation.

Thanks to all this I believe this debate has acquired a better dimension for which I thank all the speakers.

(Applause)

President. — Does anyone else wish to speak?

The general debate is closed.

I put the motion for a resolution to the vote.

The resolution is adopted ¹.

12. Membership of Committees

President. — I have received from the Socialist Group the following requests for appointment to committees :

- Mr Patijn as member of the Committee on Energy, Research and Technology, to replace Mr Rizzi.
- Mr Rizzi as a member of the Committee on External Economic Relations, to replace Mr Patijn.

Are there any objections?

The appointments are ratified.

13. Agenda for next sitting

President. — The next sitting will be held tomorrow, Wednesday, 12 December 1973 at 10 a.m. and 3 p.m. with the following agenda:

- Question Time
- Statement by the Commission on action taken on Parliament's opinions
- Statement by the Council on the budget of the Communities for 1974
- Oral Question No 99/73, with debate, by Mr Ansart and others to the Council, on the Social Conference
- Oral Questions No 139/73 and No 140/73, with debate, to the Council and Commission on the implementation of the decisions of the Heads of State or Government
- Report by Mr Giraudo on the Conference of Heads of State or Government on 14 and 15 December 1973 in Copenhagen
- Oral Questions No 141/73 and No 142/73, with debate, to the Council and Commission on the common agricultural policy
- Motion for a resolution on the energy crisis in Europe
- Oral Question No 137/73, without debate, by Mr Blumenfeld to the Commission on energy policy
- Report by Mr Armengaud on a directive and a recommendation concerning the admission of securities.

The sitting is closed.

(The sitting was closed at 6 p.m.)

¹ OJ No C 2, 9. 1. 1974.

SITTING OF WEDNESDAY, 12 DECEMBER 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 proceedings of yesterday's sitting have been distributed.

Are there any comments?

The minutes of proceedings are approved.

2. Time-limit for tabling amendments

President. — I remind members that the time-limit for tabling amendments to the Delmotte report on regional policy and to the resolution on the transition to the second stage of economic and monetary union has been set for 3 p.m. today, Wednesday, 12 December 1973.

The time-limit for tabling amendments to the motion for a resolution on the energy crisis in the Community has been set for 12 noon today, Wednesday, 12 December 1973.

3. Question Time

President. — The next item is Question Time.

I appeal to Members to be as brief as possible when putting their supplementary questions so that we can proceed, before the end of the hour, to the discussion of certain important questions relating to the situation in Greece.

We shall first deal with questions addressed to the Council of the European Communities.

I call Oral Question No 154/73 by Lord O'Hagan on public sessions of the Council when acting as a legislature:

What progress has the Council made towards agreeing to meet in public when acting in a legislative capacity?

I call Mr Fitzgerald to answer the question.

Mr Fitzgerald, President-in-Office of the Council of the European Communities. — Thank you very much, Mr President.

As the President-in-Office of the Council announced during Question Time at your part-session of last April, the Council still considers that its deliberations must remain confidential.

President. — I call Lord O'Hagan to put a short supplementary question.

Lord O'Hagan. — Since legislatures in parliamentary democracies generally meet in public, why does the Council have to hide its head when acting as a legislature?

Mr Fitzgerald, President-in-Office of the Council of the European Communities. — The Council's functions are complex: they are both legislative and executive. It is, I think, this mixture of functions which contributes to this particular attitude on the part of the Council.

President. — I call Sir Derek Walker-Smith.

Sir Derek Walker-Smith. — The Minister will appreciate that this is a very disappointing answer to parliamentarians and to those who believe in the open practices of legislative procedures. Is not the Minister aware that there has been a request for sympathetic consideration of this matter for some time and that the request concerns not public sessions for executive functions but only the legislative processes? Although he may not be able to announce an immediate decision, surely he can hold out a little more hope of early action than the somewhat negative reply with which he has so far favoured this Parliament.

President. — I call Mr Fitzgerald.

Mr Fitzgerald, President-in-Office of the Council of the European Communities. — I appreciate Members' feelings in this matter. I would point out, however, that in practice there is difficulty in distinguishing these different roles of the Council: they are not clear-cut. At the same time, speaking in a personal capacity, I am glad to say that I very much appreciate the Members' approach and, in a personal capacity, could go some way towards sharing it, but I have to speak for the Council here today.

President. — I call Mr Radoux.

Mr Radoux. — (F) Mr President, speaking for myself, I do not think that it is the public or non-public character of the Council which is important, but rather the way in which it works; and I would point out that in our own countries, ministers do not meet in the market place but in private.

President. — I call Mr Fitzgerald.

Mr Fitzgerald, President-in-Office of the Council of the European Communities. — Thank you for that recognition of the fact that part of the functions of the Council of Ministers of the European Communities is similar to and can be assimilated to the functions of a national cabinet, and that to that extent it must, of course, be carried on in private.

President. — I call Mr Dewulf.

Mr Dewulf. — (NL) Does the President-in-Office of the Council not consider that this Parliament should in any event be informed why the Council has temporarily adopted certain legal measures?

President. — I call Mr Fitzgerald.

Mr Fitzgerald, President-in-Office of the Council of the European Communities. — That is a different question, Mr President.

President. — Oral Question No 155/73 by Sir Douglas Dodds-Parker on the collective underwriting of a settlement of the Arab-Israel conflict has been postponed until the January part-session.

I call Oral Question No 158/73 by Mr Jahn on contacts with COMECON:

If, following the visit by Mr Fadeyev, Secretary-General of COMECON, to the President of the Council, further talks are held with COMECON, does the Council not feel that they should be conducted by the Commission?

I call Mr Fitzgerald to answer the question.

Mr Fitzgerald, President-in-Office of the Council of the European Communities. — As it indicated in its reply to Written Question No 307/73 by Mr Patijn on 27 November 1973, the Council agreed at its meeting of 20 September 1973 that, if COMECON wished to approach the Community, the appropriate body to receive all relevant communications and to approach was the Commission.

President. — I call Mr Jahn to put a short supplementary question.

Mr Jahn. — (D) Am I right in thinking that COMECON has so far submitted to the Council neither an official proposal nor an official offer of negotiations?

President. — I call Mr Fitzgerald.

Mr Fitzgerald. — Not yet.

President. — The next item is Oral Question No 168/73 by Mr Cousté on the axle weight of commercial vehicles¹. Mr Cousté is not yet here. We may therefore proceed to the questions addressed to the Commission of the European Communities.

I call Question No 153/73 by Mr Willi Müller on the second Ministerial Conference of States represented on the International Commission for the Protection of the Waters of the Rhine:

Does the Commission feel that the second Ministerial Conference of States represented on the International Commission for the Protection of the Waters of the Rhine, held in Bonn on 4 and 5 December, has produced encouraging results, as far as improving the quality of the waters of the Rhine in the near future is concerned, or does it itself intend to take action, as it has so often contemplated and as its Environmental Programme recommends?

I call Mr Scarascia Mugnozza to answer the question.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) Mr President, I had the pleasure of representing the Commission at the Second Ministerial Conference on the protection of the waters of the Rhine on 4 and 5 December 1973 in Bonn.

This Conference was concerned with the adoption of a number of measures relating to the combating of various kinds of pollution of the Rhine which are also being studied in detail by the Commission at the present time.

The results of this investigation will form a basis on which the Commission will decide whether to submit, on its own behalf, proposals on the matter to the Council: it will of course notify the Parliament of any such proposals.

On the other hand, I would like to point out that the environmental action programme presented by the Commission and adopted by the Council envisages proposals relevant to the present matter before 31 March 1974.

President. — I call Mr Müller to put a short supplementary question.

Mr Willi Müller. — (D) Mr President, I should like to ask Mr Scarascia Mugnozza whether the press reports on the meeting between the countries bordering on the Rhine and the Commission are correct in stating that no agreement could be reached on the particularly difficult question of what should be done about liquid

¹ For the wording of the question and the written answer, see Annex, p. 169.

Willi Müller

potash waste in France, which is one of the main causes of pollution in the Rhine. I should also like to ask whether the Commission is considering contributing towards the future application—next year perhaps—*vis-à-vis* various Member States, and in this case against one Member State, of the environmental programme principle that the polluter pays.

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) Various problems were examined at that conference. I must say that the Commission is aware of the necessity of adhering to the unified programme accepted by all the states taking part in that conference. Secondly, the Commission has been invited to associate itself with certain studies. With regard to the salt problem, in particular, it seems that there are some technical difficulties which, however, it is hoped to be able to resolve. In any case, the Commission will tackle the problem before 31 March 1974, and it is obvious that the principle of 'the polluter pays' will be applied to whatever extent is considered necessary.

President. — I call Mr Seefeld.

Mr Seefeld. — (D) Mr Scarascia Mugnozza, you have stated that measures were considered and you wanted to ascertain whether it was advisable to take initiatives. You also stated that you yourself were present. May I ask you whether you personally can give an answer to Mr Müller's question whether this conference was encouraging in the sense that it gave hope for a speedy improvement of the water quality of the Rhine?

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) There has been a general commitment on the part of all the states, but particularly one state which has a greater interest than the others in solving the salt problem, and this commitment seems to me to be sufficiently encouraging.

President. — I call Mr Eisma.

Mr Eisma. — (NL) Mr President, am I to understand from the answer given by the Commission that it is not sure whether initiatives have been taken or that it is not sure of the precise nature of the Commission's initiatives with regard to the pollution of the Rhine?

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) Mr President, the Commission has already decided that it will make some proposals by 31 March 1974. These proposals will be designed to cover points on which the Member States of the Rhine Conference were not in agreement.

President. — I call Oral Question No 159/73 by Mr D'Angelosante on aid to Member States of the Andean Group:

Would the Commission intimate to the ambassadors of the Andean Group countries accredited to the Communities that there can be no question of Europe granting to the Andean Group the tariff preferences or the financial or economic aid it is asking for so long as the Nazi brute, Klaus Barbie, whose impunity is an insult to the European Resistance, has not been extradited by Bolivia, a Member State of the Andean Group, and been handed over to the French people to stand trial?

I call Sir Christopher Soames to answer the question.

Sir Christopher Soames, Vice-President of the Commission of the European Communities. — There is no need for me to make clear to the House what my colleagues and I feel about the events during the Second World War which underlie the honourable Member's question. Our feelings on that score can be taken for granted. But that is not the issue.

The honourable Member has asked a precise question, and I will give him a precise reply. Problems of extradition do not fall within the competence of the Commission, and the Commission does not take the view that aid to the Third World or tariff preferences to help its development should be made conditional on such considerations.

President. — I call Mr D'Angelosante to put a short supplementary question.

Mr D'Angelosante. — (I) A question like any other, Mr President.

We did not raise the extradition problem as a problem of competence; therefore I should like to know from the Commission and from its Vice-President, Sir Christopher Soames, if he does not consider that some approach should be made to the Bolivian Government, in view of the very serious pressures which we have denounced.

President. — I call Sir Christopher Soames.

Sir Christopher Soames, Vice-President of the Commission of the European Communities. — The question refers to generalized preferences, and these are granted without discrimination to all members of the Group of 77 under a waiver of the GATT. The UNCTAD resolution laid down quite specifically that these preferences are not to be made subject to political preconditions.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Is the Commission prepared, independently of the trade cooperation with the Andean Group, which is to be intensified, to tell the Bolivian government through diplomatic channels that the public will adopt a negative attitude towards the relations between the Andean Group and the European Community if the Barbie case remains unclarified?

President. — I call Sir Christopher Soames.

Sir Christopher Soames, Vice-President of the Commission of the European Communities. — No, because in this regard the Commission's responsibilities are in the sphere of external trade and commerce. I do not think that it would be right to make the approach in that sense to which the Member refers.

President. — Oral Question No 160/73 by Mr Marras on the rights of Italians employed in Switzerland has been withdrawn by the author.

I therefore call Oral Question No 161/73 by Mr Broeks on the setting up of a Consumers' Consultative Committee:

Why has not the Commission engaged in any form of consultation at all with the European Parliament or with its responsible committees about the desirability of the recently established Consumers' Consultative Committee¹ or about the tasks, composition and working methods of such a committee?

— also Oral Question No 162/73 by Mr Laban on the tasks of the Consumers' Consultative Committee:

Why has the Commission cramped the potential of the recently established Consumers' Consultative Committee¹ by limiting its task to drawing up advisory reports on the protection of and provision of information to consumers, so that it is to be feared that the committee will be unable to give its opinion on certain other areas of policy such as common agricultural policy and the common competition policy?

Since these questions concern the same subject, they will be dealt with together.

I call Mr Scarascia Mugnozza to answer both these questions.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) The reply is as follows: In its anxiety to give the greatest possible consideration to the interests of the consumer, the Commission, in the course of drawing up its proposals, decided to set up a Consumers' Consultative Committee to bridge the gap caused by the dissolution in 1972 of the Consumers' Committee. This decision was taken on the basis of the Commission's independence as an institution.

The Commission considers that it has in this way taken account of the concern repeatedly expressed by the European Parliament at the dissolution of the previous committee already mentioned.

As far as its powers are concerned, I can assure you all that the Commission has no intention of limiting the possibilities of action of the Consumers' Consultative Committee. The constitution of this Committee indicates very clearly, in fact, that its functions are to represent the consumers' interests before the Commission and to deliver opinions on the drawing up and the implementation of policy and on action to be taken to protect and inform consumers, whether at the Commission's request or on its own initiative.

The terms 'protection' and 'information' of the consumers will be interpreted in a broad sense so as to enable the committee to pronounce on all problems of particular interest to the consumer.

Finally, I should like to remind you all that even before the formal decision of the Commission, I had informed the parliamentary committee responsible of the institution, the powers and the composition of this Consumers' Consultative Committee and of the draft programme for the protection and information of consumers, on which, moreover, the European Parliament will soon be asked to deliver its opinion.

President. — I call Mr Broeks to put a short supplementary question.

Mr Broeks. — (NL) Mr President, in my opinion the answer given by Mr Scarascia Mugnozza is only half an answer. Before I put my supplementary question I would like to remind him that he has presented a proposal

¹ Set up by Decision 73/306/EEC of 25 September 1973; see OJ No L 283, 10. 10. 1973, p. 18.

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to the European Parliament for a consultative committee on youth. This has been put before parliament in its complete form. My question was why did that not happen in the case we are dealing with. To that question I have had no answer. If Mr Scarascia Mugnozza says: 'We forgot' or 'We did not wish to', that is a clear answer. First, therefore, I would like to have an answer to my first question.

President. — Then that is your supplementary question.

Mr Broeks. — (NL) No, Mr President, I first want to have an answer to my first question and then I can put my supplementary question.

President. — I cannot force Mr Scarascia Mugnozza to speak.

Mr Broeks. — (NL) Mr President, in that case I have to put my supplementary question but that is on the clear understanding that I have not received a clear answer to my first question.

Is it true that certain trade organizations have asked to be allowed to join the Consultative Committee and if so does the Commission share our view that no action should be taken on their request in view of the fact that the purpose of such organizations is not primarily to serve the interests of consumers?

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) Mr President, various organizations other than these trade organizations asked to be represented on the Consumers' Committee. Our reply was in the negative, but we did add, however, that these organizations could submit papers presenting their viewpoints on consumer protection policy.

In the course of its actual formation, the Consumers' Consultative Committee will be able to have some hearings with all the organizations concerned to define the consumers' major problems.

President. — I call Mr Laban to put a short supplementary question.

Mr Laban. — (NL) Mr President, in spite of the half-answer that Mr Broeks has received to his question I have been able to perceive that the Commission interprets broadly its very strict terms of reference. In this connection I wish to

put a further supplementary question and that is: why has the Commission decided that its own services should be burdened with providing the secretariat for the Consumers' Consultative Committee and why has the Commission not made the necessary financial resources available to the Committee for it to set up its own secretariat, which would enable it to act much more independently with relation to the Commission?

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) The Consultative Committee did not ask as much as Mr Laban says it did. For reasons of practical necessity, we considered it more advisable that the committee's secretariat should be in the hands of Commission officials. There was no objection to this on the part of the Consultative Committee itself.

President. — I call Lord O'Hagan.

Lord O'Hagan. — As Mr Scarascia Mugnozza is responsible for relations with this Parliament, can he now answer the question which has twice been addressed to him as to why the Commission failed to consult Parliament on this important matter, the setting up of the committee?

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) I have already given my reply, Mr President, but I see that, probably because of an interpreting error, somebody has failed to understand me rightly.

I repeat, therefore, that the decision was taken on the basis of the independence of each one of the Community institutions. The Commission availed itself of this organizational independence in setting up the Consumers' Consultative Committee.

President. — I call Oral Question No 163/73 by Lord Reay on the abolition of passport control within the Community:

Is the Commission yet in a position to make any proposals for abolishing the need for passports to be shown by persons travelling between Member States of the Community, and if not, what does it identify as the main obstacles to achieving progress in this direction?

I call Mr Thomson to answer the question.

Mr Thomson, Member of the Commission of the European Communities. — The Commission has always attached great importance to the abolition of controls of all types at the Community's internal frontiers which affect the free circulation of persons and goods. I would remind the noble Lord of the recommendations to this effect in the Council's second report of July this year. Controls have been appreciably eased over recent years.

In order to go further and to arrive at the abolition of such controls by law, the Commission would have to make appropriate proposals to the Council for the revision of the Council directive of 1964 which sought the coordination of control measures at frontiers on grounds of public order, security and health. Such a revision is envisaged by the Commission after an initial experience of the application of the directive by the new Member States.

No attempt must, however, be made to conceal the difficulties of such an exercise. On the one hand, there are the disparities which exist between national laws, some of which require individuals to carry an identity card constantly on their person. On the other hand, there are problems concerning arrangements at the external frontiers of the Community, such as the Danish situation, where special arrangements exist with non-Member Nordic States. The Commission, however, regards none of these difficulties as insuperable and attaches importance to enabling Community citizens to travel and drive freely within the Community frontiers.

President. — I call Lord Reay to put a short supplementary question.

Lord Reay. — I am very pleased to hear that the Commission places a very high value on this objective, particularly for reasons of the psychological value which this could have for the public of the Communities. May I ask whether the Commission envisages producing proposals on this matter after due study and, if so, when it expects to bring them forward?

Mr Thomson, Member of the Commission of the European Communities. — As I said in my main answer, we envisage making proposals as soon as possible, but a period is required to judge the experience of the application of the directive by the new Member States in this respect.

President. — I call Mr Johnston.

Mr Johnston. — Is the Commissioner aware that the most rigorous and, hence, the slowest and most irksome passport control is operated

at Brussels Airport? Will he convey to the Belgian Government that this is hardly a good example for a city which has pretensions to being the capital of Europe?

(Laughter)

President. — I call Mr Thomson.

Mr Thomson, Member of the Commission of the European Communities. — Yes, I can confirm that I am aware of this fact since Commissioners queue the same as anyone else. I hope that the question will have been noted in the appropriate quarters among the Belgian authorities.

(Laughter)

President. — I call Mr Yeats.

Mr Yeats. — May I ask the Commissioner, in any proposals that the Commission may make, to consider the fact that in addition to passports certain Member States of the Community require the filling in of landing cards and that this procedure is in some cases a discrimination against citizens of Member States, because citizens of Member States are required to fill in these landing cards whereas citizens of a large variety of non-Member States throughout the world are not required to do so?

President. — I call Mr Thomson.

Mr Thomson, Member of the Commission of the European Communities. — In my reply I certainly incorporated the question of landing cards as part of the paraphernalia for passports. For many years I have supported the classic definition of the human purpose of foreign policy stated by the late Ernest Bevin, who said that he hoped to see the day when a citizen could go to Victoria Station and buy a ticket to go anywhere in the world without having a passport. The sooner we can get to that position, the happier the world will be. I think that the Community will set an important lead in this matter.

President. — I call Mr Seefeld.

Mr Seefeld. — (D) Mr Thomson, since your answer to the question about passport controls also included landing cards, may I ask whether it also extended to currency checks on citizens at internal Community frontiers?

President. — I call Mr Thomson.

Mr Thomson, Member of the Commission of the European Communities. — I would refer the honourable Member to what I said in my main

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answer: that the Commission has always attached great importance to the abolition of controls of all types at the Community's internal frontiers.

President. — I call Oral Question No 164/73 by Mrs Carettoni Romagnoli on recent events in Greece:

Does the Commission not feel it should adopt a clear position on the recent serious events in Greece?

— also Oral Question No 166/73 by Mr Vals on recent events in Greece:

What measures does the Commission intend to take following the recent events in Greece, which once again demonstrate the anti-democratic nature of the Athens régime and prove that now more than ever the EEC-Greece Association Agreement should be 'frozen'?

— also Oral Question No 167/73 by Mr Fellermaier on the Council of the EEC-Greece Association:

Does the Commission share the view that the activities of the Council of the EEC-Greece Association, which last met on 13 November 1973, should be reduced to an absolute minimum or suspended altogether?

Since these three questions concern the same subject, they will be dealt with together.

I call Mr Fellermaier on a point of order.

Mr Fellermaier. — (D) Mr President, I should like to say that I am not in favour of answering the questions together. I set great store by my question being answered individually. The same applies to Mr Vals.

President. — I am obliged to grant the same right to Mrs Carettoni Romagnoli, who chronologically has the priority.

I do not know what view Sir Christopher Soames takes, but I would ask him, so far as possible, to answer first the question by Mrs Carettoni Romagnoli.

I also do not know whether Mr Fellermaier wishes all supplementary questions to be dealt with separately.

I call Mr Vals.

Mr Vals. — (F) I think Mr Fellermaier is right as regards his first question, for it is different in character from the questions put by Madame Carettoni Romagnoli and myself. But I think Sir Christopher could reply to the first and second of these questions.

President. — Since this is now agreed to, I will ask Sir Christopher Soames to answer the questions tabled by Mrs Carettoni Romagnoli and Mr Vals.

I call Sir Christopher Soames.

Sir Christopher Soames, Vice-President of the Commission of the European Communities. — In fact, the three questions are all very closely linked. They are all about the situation in Greece. The right way to handle this in parliamentary procedure, as I see it, would be for me to answer all three and then, of course, to take supplementaries separately, because there are a number of factors I would like to refer to in my answer which are in fact relevant to all three questions. I think it would be wrong on my part not to take those factors into account, and equally the House would not wish me to repeat them three times. So with permission, Mr President, I will answer all three questions and, of course, I will deal with the supplementaries separately.

The House will recall my statements here in March and in June. On both occasions I emphasized that all violations of human rights and democratic freedoms, wherever they occur, are abhorrent to my colleagues and to myself. I made it abundantly clear in June on behalf of the Commission that there could be no question in present circumstances of the Association progressing any further along the road that had been mapped out in 1961. I said then, and I repeat now, that the Commission does not intend to steer either way from the course which it laid down for itself in 1967 after serious consideration of the political and legal realities. That seems to me to answer squarely the questions by Mrs Carettoni Romagnoli and by Mr Vals. The Commission's attitude has in no way changed.

Where Mr Fellermaier's question is concerned, the implications of the Community's policy for meetings of the Council of Association are simple. As the Chairman of the Council said in this House on 6 June, the Association Agreement exists. It contains no suspension clause. That is why the Council has decided to freeze the execution of the Association Agreement.

Therefore, in so far as the administration of current business requires it, meetings of the Association Council continue to be held; but these meetings are held at official and not ministerial level, and they deal with nothing other than the current administration of the Association.

As to recent events in Greece, I would tell the House that I saw the Greek Ambassador on

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26 November and I expressed to him the Commission's preoccupation at the situation as it had evolved in the preceding weeks. I made it clear to him that the Commission's view remained what it had been ever since 1967—that there can be no question of developing the EEC-Association Agreement any further until genuinely democratic institutions have been re-established in Greece, a time for which all of us in this Assembly, I know, continue sincerely to hope.

One final word, Mr President. It is sometimes suggested that the Community is sheltering behind the present political situation in Greece in order for some reason to avoid developing the Association towards its proclaimed objective of eventual Greek membership of the Community.

Any such suggestion is totally untrue. My colleagues and I remain firmly committed to the objective of developing this association to the full as soon as Greece returns to that framework of democratic institutions which is the essential prerequisite of such progress.

President. — I call Mrs Carettoni Romagnoli to put a short supplementary question.

Mrs Carettoni Romagnoli. — (I) I should like to ask one question of the Commission: In this situation, what does the Commission intend to do with its office in Athens?

President. — I call Sir Christopher Soames.

Sir Christopher Soames, Vice-President of the Commission of the European Communities. — There is a small office in Athens which is fulfilling for us a useful information purpose.

President. — I call Mr Vals to put a short supplementary question.

Mr Vals. — (F) Is it true that, at the last meeting of the Association Council, Greece was granted a quota and tariff preferences for wine?

President. — I call Sir Christopher Soames.

Sir Christopher Soames, Vice-President of the Commission of the European Communities. — That is a detail to which I cannot reply immediately. I will look it up, see what the answer is and ensure that it is sent to the Member as soon as possible. I am afraid I could not give a snap reply to that question.

President. — I call Mr Fellermaier to put a short supplementary question.

Mr Fellermaier. — (D) Mr President, I trust you will allow me to add a supplementary question to Mr Vals' question rather than to my own. This is, in fact, why I asked for separate answers.

In view of the fact that the new régime is in violation of human rights and that torture is practised in Athens, as has recently been confirmed publicly in Paris by a French committee of lawyers returning from Athens, I should like to ask Sir Christopher Soames whether the Commission's political assessment of the legal construction of the Association Agreement, which apparently contains no suspension clause, is still tenable? Or has the time now come, considering that there have been two *coups* within 6 years and that the violation of human rights continues, when a new policy should be considered, going beyond the freezing of the agreement to total suspension by the Commission?

President. — I call Sir Christopher Soames.

Sir Christopher Soames, Vice-President of the Commission of the European Communities. — No, the Commission's legal advice remains as it has been in the past. It has not changed.

President. — I call Mr Corterier.

Mr Corterier. — (D) Sir Christopher Soames has said that only current business was discussed at the meeting. Can he now tell the House what individual questions were considered?

President. — I call Sir Christopher Soames.

Sir Christopher Soames, Vice-President of the Commission of the European Communities. — What is discussed in these meetings are the day-to-day arrangements which, under the legal advice received by the Commission, have to continue. It is merely the *gestion journalière* (if I may use a French phrase) of these agreements, and nothing more than that.

President. — I call Mr Patijn.

Mr Patijn. — (NL) Mr President, now that Sir Christopher has informed the House that there is no suspension clause in the Association agreement I would like to ask him whether, in his opinion, the Agreement does indeed contain a 'freezing' clause which the EEC is now applying and whether, in this connection, he can say whether the Association Council has fixed a date for a further meeting.

President. — I call Sir Christopher Soames.

Sir Christopher Soames, Vice-President of the Commission of the European Communities. — The best thing I could do in reply to the question asked by the Member would be to say that I will send him the details of what happened at the last meeting and of the actual points that were covered. This I will gladly do.

The Council's meetings are held about once a year to consider what is necessary, and no more and no less than is necessary, for the day-to-day administration of the agreement as far as it has gone. In the Commission's view, this is still the right policy to pursue.

President. — I call Mr Vals.

Mr Vals. — (F) No, Mr President, I do not wish to ask any questions; but, following the replies we have been given, the Socialist Group request a topical debate of an hour's duration on the problem of Greece.

President. — I propose that a decision on this request by the Socialist Group be taken at the end of Question Time.

Does Mr Fellermaier, in the circumstances, still wish to put a question on the answer given to Mr Vals's question? He has already put a supplementary question after hearing the answer to his question.

Mr Fellermaier. — (D) Mr President, I shall keep my question as brief as the Commission's answers. Indeed, we could not be any briefer.

I should like to ask Sir Christopher whether the Association Council considered on 26 November the developments arising from the Association Agreement as a result of the enlargement of the Community—developments which, by virtue of the opening up of the British, Irish and Danish markets in the industrial sector, imply very far-reaching adjustments for Greek industrial products? Is this not the same as the enlargement of a customs union and what proportion of imports and exports fall to Greece after 26 November?

President. — I call Sir Christopher Soames.

Sir Christopher Soames, Vice-President of the Commission of the European Communities. — The answer to the honourable Member's first question is that this matter was not discussed in the Association Council. However, it is absolutely essential from the Community's point of view—after all, we are one Community—that any regulations or agreements with other countries apply to the Community as a whole, be it

a Community of Six or a Community of Nine. Therefore, it will be necessary in the Community's own interest to ensure that the arrangements made with a third country in regard to the Six are extended to the whole of the Nine, otherwise there will be a Community imbalance, which is not in the Community's interests.

President. — At Mr John Hill's request, Oral Question No 170/73 on qualifications relating to the veterinary profession has been removed from the agenda and will be dealt with during the January part-session.

Oral Question No 171/73 by Mr Patijn on Commission energy proposals submitted for discussion at the Council meeting on 3 and 4 December and Oral Question No 172/73 by Mr Van der Hek on French measures with regard to petroleum supplies have been removed from the agenda because these issues will be discussed this afternoon when Parliament considers the motion for a resolution tabled by the Committee on Energy, Research and Technology.

4. Debate following Question Time : Recent events in Greece

President. — The next item is, at the request of the Socialist Group, a topical debate on the recent events in Greece.

This request is in order. I would remind the House that the duration of this debate, is limited to one hour. Each Member may speak for five minutes apart from the speaking time required by the Commission.

I first give the floor to the speaker for the Socialist Group, which has requested this debate.

I call Mr Vals.

Mr Vals. — (F) Mr President, I am sure everyone in this Assembly has been profoundly moved by the recent events in Greece.

One had been led to think, after the overthrow of Mr Papadopoulos, that another era...

Lady Elles — On a point of order, Mr President. You said that it would be put to the vote of Parliament as to whether the Assembly would debate this matter.

President. — That was a mistake. According to the Rules of Procedure, I alone am authorized to grant such a request, and the request has been granted.

Mr Vals may therefore now proceed.

Mr Vals. — (F) If our charming colleague has no objections I shall now carry on with my speech...

(Smiles)

It is not, in fact, the Assembly but the President whom the Rules of Procedure authorize to decide whether such a debate of an hour's duration should be held.

As I was saying, one had hoped, following the fall of the pseudo-government of Mr Papadopoulos and the massacre of students at the Polytechnic, that the Greek régime was moving towards liberalization since the men who, only yesterday, still commanded the devotion of the press but whom the newspapers were now calling 'the monster', the tyrant', had been overthrown.

For some time the situation appeared confused. The new government was headed both by military men and civilians, some of whom had the reputation of being liberal centrists. It looked as though things were going to change in that country.

We now know that this is not so. Following the measures taken, in particular, against the press (censorship has not been restored, it is true, but since 1 December a number of newspapers which had been attacking the present government have had to suspend operations), following arbitrary arrests and the refusal to provide explanations and answers to the questions put, on the occasion of their visit to Greece, by jurists of the International Federation of Human Rights, the problem of Greece is as acute as ever.

That is why, without wishing to usurp the functions of the Commissioner responsible for these questions, I am bound to say that the Socialist Group is not satisfied with the answers given.

Through the action of this Parliament and that of the Commission, a number of measures have already been taken in connection with 'freezing' the Association. But we have to go much further. Although the Association Council is composed solely of civil servants, it takes measures which appear to be economic but which are in fact political, as can be seen by the trade facilities granted to the Greek government.

We socialists go much further. We think it is scandalous that the strengthening of the fascist military dictatorship in Greece has not led the NATO countries to revise their position *vis-à-vis* that organization and Greece. Greece's continuing membership of this organization seriously impairs the credibility of NATO in its claim to be an organization dedicated to the defence of freedom and democracy. The time has come to

reject all compromise in the defence of democracy in the world, more particularly in the Mediterranean basin: and here I am thinking of Portugal, Spain and Greece.

The Socialist Group therefore hopes that the Commission will increasingly harden its position towards a country which daily violates the most elementary human rights. It would be a fitting gesture if, on the occasion of the 25th anniversary of the Declaration of Human Rights, the democratic nations of Europe demonstrated, through the intermediary of a European institution, how they intend to defend this democracy, which, I repeat, is increasingly threatened throughout the world.

(Applause on the left and on some benches in the centre)

President. — I would remind the House that each speaker has only five minutes.

I call Mrs Carettoni Romagnoli.

Mrs Carettoni Romagnoli. — (I) Mr President, ladies and gentlemen, we do not consider the reply given to the question by Sir Christopher Soames to be satisfactory. We are all agreed, I am sure, that the freeze on the Association Agreement should be continued, but it seems to us, and here I agree with Mr Vals, that now is the time to study other action, even if it presents legal difficulties. The problem is a political one and, as such, it deserves to be closely examined in a political manner. The situation is an emergency one for many reasons, not only on account of the very grave events of recent times which all the speakers have been emphasizing, but also because ever since 1967 we have been in a very odd situation with regard to this European country, as all the while it was under a military and police régime. It is only right to reaffirm our horror at the denial of democracy in that country, at the practice of torture and of police brutality, but the problem must be examined with the utmost calmness from a political viewpoint. To do otherwise may salve our consciences but it will not make any contribution to the Greek cause.

The recent events have confirmed certain views that we have always held. One of them is that it was absurd to think that we could have arrived at a liberalization, as it is called, that we could have arrived at that normalization which the United States, or least some people in the United States, and, unfortunately, even some schools of thought in our own continent considered possible. The most recent events have shown us that the situation is extremely tense

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and has also shown that the Greek people absolutely refuse to accept the present state of affairs.

This raises, therefore, the whole problem of what political steps to take. I am not going to repeat what I have already had the honour of saying many times before, sometimes even in this Parliament. Our own experience has shown us that something can be achieved by pressures, in other words, that we can get some results by taking concentrated and determined action against the Greek Fascist government. It is when we back down, on the other hand, or when we turn a blind eye that we allow them to consolidate their strength. We feel, therefore, that we must urge all men, all states and all organizations that have democracy and liberty at heart to act firmly and unflinchingly in this matter.

For instance, and Sir Christopher Soames will pardon me for saying this, it is true that the Association Council meets only once a year, but if it had been decided to postpone this meeting (as I believe was suggested by some Commissioners), this, I am quite sure, would not have had any effect on normal day-to-day administration, but it would have firmly indicated a political position and would thus have had an undeniable political value. A stand would have been taken and, for that reason alone, it would have been a very effective measure.

I will conclude by saying that the situation in Greece is not static. It is a fluid one, and, contrary to what some colleagues may think, the power of the Greek dictatorship today is by no means all that firmly entrenched. There are many uncertainties, there are groups fighting amongst themselves, there is a very serious economic situation which will be remedied only with the help of other countries.

A quiet rebellion is still making itself felt amongst important groups of the population.

Political figures who have links with the EEC, like Pezmazoglu, have told us, as soon as they got out of prison, that political action can bear fruit. The Greek democrats have told us that they are looking mainly to the European countries and the European Community.

I agree with Mr Val's remarks on the NATO problem, because I am convinced that here we have one of the crucial points of the whole matter, but I am aware too that we also have serious responsibilities in other bodies. I appeal here to Parliament's sense of responsibility and I call for clearly-defined action on the part of the Commission.

President. — I call Mr Kirk.

Mr Kirk. — Mr President, the European Conservative Group shares with the other groups in this Parliament the concern that has been expressed about the situation in Greece. I suppose it could be said that one group of soldiers overthrowing another group of soldiers does not really make the situation very much worse, but certainly the new military régime has made it quite plain that even the very limited steps that the Papadopoulos régime appeared to be about to take were too much for it to accept. I think it is worth noting in passing, too, that of course Papadopoulos...

President. — May I ask the honourable Members at the back to take their places and to listen to Mr Kirk?

Mr Kirk. — I would not wish to force people to listen to what I have to say if they do not want to do so.

(Amusement)

It is worth mentioning in passing that the new military régime at least has not even got the excuse that Colonel Papadopoulos has, that it is turning out corrupt and inefficient politicians. All that the new military régime can say is that it is turning out corrupt and inefficient soldiers; and when they in their turn are thrown out they will not have the popular support to fall back on that at one time it appeared that the Papadopoulos régime had.

Therefore, we associate ourselves with the condemnation of the situation in Greece which has already been expressed by other groups.

However, I find it difficult to understand the criticism that has been made of the Commission in this affair. The Commission has made it abundantly plain that the Agreement remains frozen and that the Council of Association meets for purely formal and transactional business. I cannot see what possible difference it would have made in Greece if that particular meeting had been postponed. I doubt if many people in Greece would have heard that it had been postponed or even that it was due to take place. I believe that the Commission and the Community acted quite properly in keeping Greece in the 'freezer' and will have to continue to do so as long as Greece remains in breach of the fundamental principles of this Community.

For that reason, Mr President, I would say that, while we associate ourselves with the criticism of the Greeks, we dissociate ourselves from the criticism of the Commission.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, ladies and gentlemen, I can well understand, Mr Kirk, why you attempted just now to go to the aid of the Vice-President of the Commission, Sir Christopher Soames. But the Socialist Group sees the question of the Agreement, of 'freezing' it, and of the activity of the Association Council in less technocratic terms than the Commission. We see it from a much more political angle and do not want the Commission to act as a commission of technocrats in such questions but as a politically responsible force for European integration; there, democracy and freedom are inseparable.

How can we expect other parts of the world to observe human rights when these rights have been trampled on since 1967 in a country linked to us by an Association Agreement? And, Sir Christopher, you said too little about the activities of the Association Council when you said that the accession of the three new states, i.e. the enlargement from six to nine, was a question of necessary economic arrangements, i.e., of harmonization. I would like to turn this round and ask you a concrete question: if cautious estimates indicate that 60% of industrial production in Greece will benefit from tariff reductions by adaptation to the enlargement of the Community from 1 January 1974, which means that the Greek economy will receive preferential treatment from the European Community, does that not in fact mean a change in the 'freezing' policy?

(Applause from the Socialist Group)

Freezing the negotiations can surely not mean, Mr Vice-President, that by the backdoor of technocracy we support political developments in the economic sphere that could strengthen the régime? May I remind you Mr President, that on 28 May 1969 this House unanimously adopted a resolution to the effect that unless there are moves towards a freely elected parliament, this Parliament reserves itself the right to revise or annul the Association Agreement?

Ladies and gentlemen, when one single newspaper commentator dared to write about the possibility and wish to hold free elections, this new régime practically prohibited journalists from writing. They may not even use the phrase 'free election'. And when a bishop, now retired, was bidding farewell to his Greek people, the broadcast was interrupted. I feel that the change in the names of the generals has not changed anything; the fact remains that there has been a constant abuse of democracy and freedom in Greece since 1967.

That is why it is time now, Mr President, to look at the resolution of May 1969 in a new light. The Commission must now take decisions

of a more political nature than before; independently of the legal situation, it must declare that unless the government in Athens immediately ensures a return to democracy and freedom the Commission will propose to the Council and Parliament that the EEC-Greece Association Agreement be annulled. Only thus, Sir Christopher, can you also defend yourself before the younger generation. This younger generation cannot understand why people here pretend that hopes alone can change things. No, the time has come for the Commission to take a clear and definite stand in this House *vis-à-vis* Greece and Greek youth.

(Applause)

President. — On the list of speakers I have Mr Aigner, Mr Corterier, Mr Broeks and Mr Patijn. I see that Mr Schulz and Mr Bersani also wish to speak. The list of speakers is now closed.

I call Mr Schwabe on a point of order.

Mr Schwabe. — (D) Mr President, excuse me if the remark you just made leads me to say a word on procedure. We are all concerned with a rational allocation of speaking time, and if others say what we wished to say, we remain seated and say nothing. But if you announce that you want to close the list of speakers before the sixty minutes are up, i.e., now, then we could no longer ask to speak on matters arising during the discussion on which we feel we have something to say. That is why I respectfully request you to give us the chance to ask to speak during these sixty minutes if we have good reason to believe it necessary.

President. — I wish to give each group an opportunity to speak during the hour allowed by the Rules of Procedure for this topical debate. After one hour, I must wind up the debate. This is the reason why I want to keep the list of speakers within limits.

I call Mr Radoux on a point of order.

Mr Radoux. — (F) Mr President, if you had not spoken, I should have had to make a longer speech, but I can now be very brief. I fully share your point of view. You have to ensure that this debate does not last more than an hour and I congratulate you for so deciding.

President. — I now call Mr Aigner.

Mr Aigner. — (D) Mr President, I would not have asked to speak if two other speakers had not led me to do so, Mrs Caretoni Romagnoli and Mr Fellermaier.

Aigner

Certainly every honest and genuine democrat must regret the events in Greece. That is only natural; there is no need to discuss it. Moreover, I quite understand what Mr Vals said out of true concern for a partner who is associated with us and belongs to NATO. I accept all that. But, Mr President, it irritates me when a member of parliament who stands very close to Marxist-Communist ideology speaks and judges police measures in Greece in this manner, and yet is not prepared to condemn tank invasions and the practice of keeping millions of people in concentration camps, but instead bases his views on this ideology. That is two-faced morality, it is pharisaical and schizophrenic. It should not be allowed to stand.

Mr Fellermaier, I understand you, our basic idea is the same. Only, you represent the corresponding policy in the German Bundestag and I ask you: are you prepared to put forward a proposal there, to the effect that the Federal Government should not have political relations with any state that does not recognize the rights of man? That is the decisive question.

Mr Fellermaier. — (D) May I interrupt with a question?

Mr Aigner. — (D) I listened to you too, Mr Fellermaier.

President. — I would ask you to remain calm and not depart from the subject.

Mr Aigner. — (D) Mr President, you are mistaken if you think I am reproaching Mr Fellermaier. It is a policy that is regarded as realistic by one side. I am asking whether the motion of pursuing a realistic policy is valid here too, and my question is: can you offer any alternative for Greece, or is it a Communist *coup* you want? I am merely asking.

Mr Fellermaier. — (D) Demagogue, demagogue!

Mr Aigner. — (D) That of course is the strongest argument.

President. — We are conducting a debate on an answer from the Commission. It would be mistaking the character of our Parliament to come to blows with one another over what is or what is not done in our national parliaments. I would ask Mr Aigner to be so kind as to remember this. I ask everyone to remain calm.

Mr Aigner, you may now proceed.

Mr Aigner. — (D) Excuse me, Mr President, I know I do not have the right to criticize you, but what are you saying? Let us be glad we are having political discussions in this House at last. And these are questions of principles. Let us not be annoyed if, in all friendliness, opposite political views are for once being discussed.

I think, Mr Fellermaier, we are both sufficiently mature to tolerate that and to enquire about each other's views, wishes, etc.

Mr President, I would be the last to reproach the Commission in this way. I would rather direct my reproaches elsewhere. We have always said in the committee: should not the Community find a means of entering into a partnership, not with a government of this kind, but with the regions? For instance, we have the road project for Crete, we have other such projects that were approved, to which the Community committed itself but which it did not fulfil. We have said: we can understand it if this Association with a totalitarian regime is not continued. But why did we not then accept the regions as partners in this obligation? It would have been possible, we discussed it and no doubt there was an attempt—I am not trying to defend the Papadopoulos régime—doubtless there were some efforts to comply with our democratic wishes, our pressure if you like. What was the alternative? Unfortunately—and not by chance—it was what we feared. That is why I would phrase the question this way: what is the point of this discussion if we have no reliable information at our disposal, not just from Marxist sources, but really objective, unbiased information from all sides? We did not even discuss the situation in Greece in the Committee for the Association with Greece; we simply do not have the information. That is why I regret that we are having an *ad hoc* discussion of this kind here. But we should agree, on one point, Mr Fellermaier: if you take the view that there can be no relations, no position from which to negotiate, no technical or bureaucratic links with states that do not recognize the rights of man, that is a question of principle—do you not agree, Mr Fellermaier?—which touches and must touch upon all aspects of politics. But then one must be prepared to accept all the consequences of this principle, otherwise this moral stand would not seem credible.

Applause from the centre)

President. — I call Mr Broeks.

Mr Broeks. — (NL) Mr President, you will understand that on this occasion, too, I cannot go along with Mr Aigner when he attempts to deal in this House with political matters

Broeksz

that are being discussed in Germany. I am particularly glad that you have asked Mr Aigner to do this on his home ground.

Neither can I agree with Mr Aigner when he starts telling us that the right-wing dictatorship perhaps had some reason to seize power. The excuse that it was done to prevent the Communists doing the same thing has been a familiar one since the days of the Spanish Revolution — and it will be remembered how many Communists really were in Spain at that time. Clearly it is just as ridiculous to advance the same argument in the present case, although that will naturally not prevent the junta from preferring the excuse. However, that is not what I wanted to talk about. The point I wished to discuss was the meaning of the word 'freezer'.

Saying that the Association Agreement is in the freezer gives the impression that nothing more is happening to it, but that is completely wrong since the civil servants are continuing to consider the Association Agreement from the administrative and technical angle, as they say. Civil servants dealing with the administrative and technical field, however, have always been mistrusted by me personally for I have the feeling that they are not clear when they are dealing exclusively with the administrative and technical field and when they are acting politically.

It is the responsibility of the Vice-President of the Commission to know precisely what his civil servants may and may not do. He bears the responsibility for what happens during the 'freezer' period.

When I heard Sir Christopher Soames' reply to the question put by my colleague Mr Vals as to whether any decisions were taken concerning wine I was somewhat startled by Sir Christopher Soames' inability to give an answer. It is his responsibility to know what his civil servants have or have not done. In my view, before his civil servants go to work he ought to discuss with them thoroughly what they may and what they may not do in the technical and administrative field.

I can understand when it is said that the Association with the Six has to be transformed into an Association with the Nine. This is understandable, although one is tempted to wonder whether it might not have been better to take a second look at the Association Agreement as a whole and to consider whether its execution ought not to be effectively halted at this time. Anyone who has read about the consequences of the students' action in Greece at the present time cannot fail to be struck with horror. When I heard that a tank had

rammed the gates of the University in Athens and had rolled straight on the people inside I was at a loss to understand how this could happen in this day and age in a so-called civilized country, for these are appalling events.

What is in fact being discussed at the discussions now being held? Having heard the answer to the question, we are particularly curious to know whether the Commissioner really knows precisely what his civil servants are doing. If he does not, next time I shall not be content with a recital of what has happened. We will then have an opportunity to resume the debate, probably on the basis of oral questions again, so that we may be more clearly informed of what is and what is not happening with regard to this Association Agreement.

It is all very well to say the Agreement is 'in the freezer' but that expression may conceal a development that none of us here wants.

President. — I call Mr Bermani.

Mr Bermani. — (I) First of all, I do not regard as at all convincing the argument just put forward by Mr Aigner that you cannot talk about Athens without also talking about Prague: what is now happening in Athens can absolutely not be justified by what has happened in Prague. That has therefore nothing to do with today's discussion.

I think that, summing everything up, the European Community is still too indulgent to the Greek government, which has now demonstrated the fact that it has lapsed into attacks on democracy and liberty and the persecution of those who precisely desire to defend freedom.

I therefore think that too little has been said about the 'freezing' of the Agreement of Association. I have already maintained on other occasions, together with my honourable friend Mr Cifarelli, that freezing is not enough, in spite of the well known opinion of the Legal Affairs Committee on the subject.

In my opinion, a democratic Community such as ours should go further than freezing in the face of the repeated attacks on freedom committed by the Athens Government: it should declare outright that the agreement is rescinded. It should do this because the agreements concluded with our Community — I strongly reiterate, a democratic Community — are based on the essential presupposition of democracy in the countries with which the Community wishes to associate itself. If, therefore, democracy is lacking in such a country, the basic prerequisite of the agreement is also lacking, and the agreement must therefore be deemed to be rescinded.

Bermani

I should like to recall that when the Italian Fascist government attacked freedom in Ethiopia, a democratic government like that of the United Kingdom, with the support of all the other democratic governments, did not hesitate in the name of freedom and the defence of democracy, to strike at Italy, through the famous sanctions. This action hit not only the fascists, but also the Italian anti-fascists. And yet the British government thought fit to act in this way in defence of freedom and democracy.

Today too, therefore, there should be no hesitation on our part. After the repeated attacks on freedom by the Greek Government we should not confine ourselves to talking simply of freezing the agreement of association, but we should talk of the rupture of the agreement itself.

(Applause)

President. — I call Mr Bersani.

Mr Bersani. — *(I)* Mr President, I, too, should like to thank you for allowing the question of Greece to be discussed as a matter of urgency in a first adequate emergency debate in Parliament. The main themes of earlier discussions on this problem have been repeated in this debate. In those earlier discussions, though starting from reasoning and judgements of different origins, we always ended by arriving at largely common conclusions.

In particular, reference has been made here to the resolution of 28 May 1969, which was passed almost unanimously. Today it again becomes dramatically topical. In face of recent events in Greece, I too would confirm the political necessity to make a gesture here in Parliament which would declare absolutely and clearly not only our moral condemnation, but also the political determination to take any action which could be useful in the development of the situation.

Freedom and democracy are absolutely indivisible, as has been stated here. Wherever there is violation and oppression, the opinion of any genuine democrat cannot be in doubt. It is therefore our responsibility to look at the whole of the situation, at least so far as it directly or indirectly involves the responsibility of the Community.

This being said, it is perfectly true that we have before us today a specific case on which we are required to pass judgement. I am convinced that this judgement should be consistent with those which we have expressed in the past and should be inspired by the democratic spirit

of the parties which form the great majority of this Assembly.

The retrogression in Greece towards an even tougher dictatorship (all the information we have points in the same direction) can only be greeted in this Assembly by profound concern and an adequate political response.

The discussion has laid the stress on a specific but very pertinent question; there is a feeling that the freezing on the part of the Commission, which was not only a technical fact, but was also connected with and conditioned by a clearly defined political assessment, has undergone a certain attenuation, specifically in conjunction with the even graver and harsher turn of events in Greece, which, among other things, contradicts even the cautious hopes which had recently seemed to be taking shape.

The debate has not so far gone to the root of this question. Perhaps we should go beyond today's debate and keep the question relatively open, coming back to it as soon as possible and trying in the meanwhile to follow all aspects of the situation with responsible attention.

Certainly, I too should be in favour of a severe judgement on the Commission if at this particular time there should seem to be any weakening in the measures of freezing to which we have always intended to attribute a precise political significance.

These are the lines along which I hope that our debate and our political action may proceed. Our Parliament should therefore condemn any situation which is incompatible with the free exercise of democratic rights and with the respect for the fundamental rights of man. About that there can, on the present occasion, be no doubts.

In this particular case, which concerns us directly, since it relates to a country associated with the Community, in a very special form of association, such as Greece, I think that no one can or should have any doubts, here or elsewhere, about the clarity of our judgement. It is a judgement of political condemnation which, using the instruments available, should give it that political significance which has so often—I say it again—commanded the assent of a vast majority in this place.

From this debate and from those which may be hoped to follow it, I think that there should emerge a strong and lively expression of political solidarity with all the forces which, in that unhappy country, continue to fight in the midst of so many difficulties for the ideals of freedom

Bersani

and democracy. We feel and their tragedy involves us directly in very many ways, through our common civilization, through our common origins, through the common destiny of Europe. It is a solidarity which is more than ever linked with the hope of a liberation capable of bringing together in a new outlook the historic efforts of all the democratic forces of our continent.

Mr President and colleagues, this debate has been not only timely, but indispensable. The problem must remain open, but its political, and not merely its economic or institutional, connotations have clearly emerged. Our Parliament, the critical and democratic conscience of Europe, cannot evade its political responsibility. So far as I am concerned, I therefore look to the Commission to ensure that the freezing remains strictly applied and in line with the political judgement in which we are so largely united here.

(Applause)

President. — I call Mr Corterier.

Mr Corterier. — (D) Mr President, in this discussion my group is mainly concerned with the Commission. So may I say only a few words on the incredible remarks made by Mr Aigner.

Mr Aigner, first, the question you asked Mr Fellermaier—namely, whether he would be prepared to support a proposal in the Bundestag or elsewhere to the effect that we should only maintain relations with those countries that respect the rights of man. Do you really not see the difference between our relations with any country whatever in the world and our relations with the Member States of NATO and the EEC or even with those states that want to be associated? These two alliances are based on the principle of democracy and human rights. Can you really see no difference?

Then we come to your alternative between Communism and the current régime in Greece. Have you really never heard of men like Karamanlis and others? I think the alternative you put forward—either the current situation or Communism—is an extraordinary self-revelation on your part.

If that is your only alternative, then from your point of view the only solution is to support the current régime with all your might. Is that not the logical consequence of what you said? I am glad that another member of the Christian-Democratic Group has meanwhile indirectly rejected your statement.

(Applause)

Mr President, the Association Council met on 24 November. That is why we are having this discussion today. Shortly before, President Papadopoulos' régime had broken the resistance, made up mainly of the student opposition, with a brutal armoured attack, killing and seriously wounding many people. On 25 November the Western European democrats and all of us were shocked to hear of a new military *coup*. In both cases Greek citizens were not allowed to speak, only the cannons spoke, and this in the cradle of democracy. Today we note with great concern that everything seems to point to a takeover by those same powers who believe the Greek people can be governed by brute force alone, by police and military power. These two events make it patently clear how wrong and premature it was for the Commission to arrange the Association Council meeting at such a time. We have heard from several speakers that the meeting is not just a question of technical matters, but that there is a lot of politics in these supposedly technical matters. Nor must we forget that the Greek régime continually uses such meetings, specifically this one, as propaganda material, publicizing them widely in the press to make it appear that the régime has obtained international recognition, from the EEC states particularly.

I believe we must not continue our talks with the current régime. After the 1967 military *coup*, the EEC took a very definite stand. We froze the agreement with Greece, froze financial aid, blocked the harmonization of agricultural policy and excluded Greece from all deliberations on association and accession negotiations. At that time the new Europe rejected the military dictatorship in Greece as a foreign body. And Jean Rey gave a very impressive explanation of the moral reasons for the break between the free Western European states and the Greek military régime, saying: 'This Community is based on parliamentary democracy. These principles are reflected in the parliamentary assembly of the Community. For me there is no doubt that democracy and freedom are a pillar of our Community'. Mr Aigner should reread these words.

This clear stand was and still is constantly undermined by people with political and economic interests and above all by major industrial figures. They give high-sounding reasons. There are also some who try to argue that the Association Agreement should be fully or at least partly implemented again for Greece. And there are some who argue that we should keep in mind the political interests of the Community and its Member States, in particular the interests of foreign and defence policy, and

Cortier

should therefore cooperate with the Greek régime.

Mr President, these recent events—the increasing isolation of the military, the uprising of students, intellectuals and a large number of political leaders—clearly show us that this is wrong. If we take the long-term view, it is very much in our own, well-understood interests to give rearguard support to the democratic forces in Greece who are far more likely to represent the future than the right-wing radical military forces.

(Applause from the left)

President. — I call Mr Lemoine.

Mr Lemoine. — *(F)* Mr President, may I first of all thank you for exercising your prerogative to allow this debate.

It is perfectly true that repression and torture are the order of the day in Greece and that the new military régime is pursuing the policy of the previous fascist government. I therefore support the view and the arguments developed by our colleagues, Mr Vals and Madame Carotoni Romagnoli.

We are fighting for greater liberty and democracy throughout the world. And we, who are concerned about liberty, send from this assembly our sincere homage to the Greek democrats, who are now under the yoke of fascism.

We will not support Mr Aigner's attacks, for we wish our debate to remain objective, calm and unemotional so that ideas can be freely exchanged. Mr Aigner's attacks only serve to show where his true sympathies lie. May I simply remind him that his anti-Soviet feelings belong to another age, and that he is blinded by them to the extent of supporting the régime of the colonels and of getting us away from the present debate.

In short, Mr President—I have kept my promise to be brief—our Parliament and the Commission would do honour to themselves by adopting a firm and energetic attitude towards the present Greek régime.

President. — I call Mr Schulz.

Mr Schulz. — *(D)* Mr President, ladies and gentlemen, unlike many of my contemporaries, I look at modern despotism with both eyes wide open.

As far as I am concerned, the lack of freedom in some Mediterranean countries—Spain, Portugal and unfortunately Greece as well—is in

no way compensated for by the fact that conditions in the Communist bloc are what they are. Conversely, the system of dictatorship on the other side of the Iron Curtain is in no way excused by the lack of freedom in the Mediterranean countries. In so far as there are any differences of degree at all in modern dictatorships, then in my opinion the most deplorable systems are those which do not even give their ill-treated citizens the opportunity of leaving their oppressed countries if they wish to.

I do not subscribe to the widespread but erroneous opinion that dictatorships can be liberalized by granting economic advantages and trade preferences. Hence, I should not like to see this policy applied to Greece. As a member of the Consultative Assembly I was one of those who urged the most stringent measures against the Greek Colonels' régime. Nothing has happened to make me change my mind.

A short while ago we were speaking of freezing the Association Agreement; I would be in favour of freezing it to absolute zero. In my opinion, Mr President, it is not a question of who is right and who advances the best arguments in this debate but rather of what we can do to give freedom back to the Greek people. Would bloody revolution be the only way of achieving this aim? The present balance of power makes this impossible and in my opinion it would be mad to defend such action. Is gradual liberalization the answer? Very probably not. The situation after the plebiscite on 31 July and recent events have convinced me that the slightest attempt at liberalization leads automatically to the downfall of those who seek to achieve it. But in my view there is a difference between 'impossible' and 'very probably not'.

I would fully support Mr Fellermaier, if I understand him correctly, in his call for the Commission to propose to the Council and Parliament that the Association Agreement should be nullified if democratic rights are not restored in Greece within a certain period of time, but I know of no instance in history where sanctions against a dictatorship have led to the desired results. Mr Bersani's example of the war between Fascist Italy and Ethiopia also falls short of the mark; the sanctions unfortunately did not include the most effective weapon—an oil blockade against Italy, and as a result of the sanctions of the democratic powers Hitler's great hour came in the preparation and formation of the Berlin-Rome axis. At present, therefore, I would not be in favour of considering whether steps should be taken to nullify the Association Agreement. On the contrary, we should rather direct our efforts in future towards more effective and energetic

Schulz

support of liberalization tendencies, no matter how feeble these might be.

I completely agree with Mr Aigner that our information is still inadequate. We can only obtain such information by indirect means. We should not regard Greece and the situation there as an undesirable political void. We need the maximum of contacts in order to encourage opposition to this regime. When these conditions have been met we should hold a second, well-founded debate on this topic.

The present, wide-ranging and rather emotional debate was necessary and legitimate; this House owed it to itself to react to the recent events in Greece. However, if we adopt the policy I have suggested (more information, more contacts, encouragement of subsequent liberalization tendencies) we shall be making better use of our remaining limited indirect influence than if we were to break off all relations.

President. — I call Mr Patijn.

Mr Patijn. — (NL) Mr President, I would like to make a few more brief remarks. It is not up to me to close the debate, but I would like to contribute a number of points to the discussion. The Community is not the only organization involved. As Mr Schulz has reminded us, the Council of Europe has decided to expel Greece from the Council of Europe for violation of the rights of man. At the Ministerial Meeting of the NATO Council held in Brussels last Monday the Norwegian and Danish Ministers for Foreign Affairs addressed a serious protest to the Greek Minister for Foreign Affairs. The question of Greece has also been discussed in the NATO Council.

We are discussing Greece again because we consider that the events in that country are unacceptable and because—as has been said by many members of my Group—we as a democratic Community cannot countenance an association with a country having this kind of dictatorship.

The question is what pressure can our Community continue to bring to bear on Greece. Association with a number of democratic countries offers advantages to Greece. They should not be able to take them for granted. The technical advantages in Association with full membership as the ultimate objective should be under continuous review by Parliament and the Commission in the light of developments in the country to which the advantages concerned are to be given.

Greece's transition from Association to full membership—in the long term—is not automatic:

it is a process that we should scrutinize at every step. If, however, we continue with the granting of trade advantages to Greece within the limited and indeed frozen Association, then we find ourselves in a situation in which there is no need at all to unfreeze the Association, since, in that case, Greece will have obtained everything she wants in the trade sphere and will be able to relax and rake in what she wants as the time goes by.

I would like to remind Sir Christopher Soames very seriously of the need, in every step we take and every contact we have with Greece, to keep in mind the internal situation in that country and to ask ourselves what we ultimately intend with regard to the Association.

The Association is not there just because we are keen to give something to the Greeks. The object of Association is full membership. There can be no question of membership in the immediate future because we are a Community of democratic nations.

We should make it clear that by exerting pressure and withholding trade advantages we intend to achieve something in Greece itself. It will not be possible for all decisions on technical measures to be taken without further consultation within the Commission's administrative machinery. We too need to be able to give our view and to ensure that the steps taken correspond to the limited scope that we wish the frozen Association with Greece to have.

President. — I call Sir Christopher Soames.

Sir Christopher Soames, Vice-President of the Commission of the European Communities. — Mr President, I am grateful that you gave the opportunity for this debate. I have been most interested to listen to the views of honourable Members. I think that what comes out quite clearly from the debate, something that rings out from the House, is the extent to which the whole of this House — certainly this is true also of the Commission, as we have said in the past—deplores the fact that there are still too many areas in the world where democracy, human rights, and the freedom and liberties of the individual are not given by the governments concerned their full weight and emphasis. We deplore this wherever it may happen.

We are particularly sad that this should apply to Greece, for a number of reasons, many of which have been touched upon during the debate, and particularly because of the Association Agreement that we have with her and the extent to which we look forward to that Association Agreement progressing to its ultimate and

Soames

proper fruition and conclusion. But this was not to be because, for reasons that have been mentioned by many honourable Members and which are well known to the House, it was decided to freeze the Association Agreement, to take out every conceivable political element in that agreement, and to rest on what was the letter of the law in the administration of the customs union, and that alone. This was decided back in 1967, and at various times since then the Council and the Commission have been asked their opinion and have consistently avowed that they believe that to be the right decision.

The question which was really raised in the debate was whether the time has come to reconsider this and whether this is the right position today. In approaching this matter, let me first say a few words about the Council of Association, which falls of course under the authority of the Council of Ministers. I am prepared to let those honourable Members who have raised this matter have in writing a note setting out the actual business that has been transacted in this Council over the last year. It merely concerns detailed matters relating to the administration of the customs union and tariff administration, which was set up under the Treaty of Athens. It relates to that and also to the consultation of Greece by the Community on subjects on which the Treaty obliges us to consult—matters on which we have in fact consulted, such as the extension of our generalized preference scheme and decisions we were taking under Article 24(6) of the GATT.

I do not accept—I hope that the House will agree with me in this—what was said by one honourable Member to the effect that he does not trust civil servants, he wonders how far civil servants will go when they get into these matters, and he thinks that they may well go beyond the bounds.

I refute that. I have total confidence in the civil servants who administer the agreement. They know exactly what are the limits, and they fulfil them to the letter.

I am now in a position to answer the point raised by Mr Vals on wine. We need to adapt the wine agreement, which was part of the agreement in 1961, to the Community wine regulation made in 1971. This is a formality, but something has to be done. In fact, it is not handing anything to the Greeks, whose access to the Community for wine because of the adoption of this regulation is being reduced rather than increased, but that is beside the point. I think that what the honourable Member was seeking from me was to learn to what extent wine featured in the discussions and whether we were doing something new with the Greek Government. The

answer is no, and the issue is nothing new but an adaptation of the 1961 agreement to take cognizance of, and to adapt it to, the 1971 internal regulations. That is all that is happening under the existing freezing of the Association agreement. It is that and no more than that.

Here I come to the question put by some other honourable Members as to whether we should not perhaps go even further backwards. They say, in effect, 'Never mind about the legal consequences. This is a political act. Let us go further backwards.' I ask honourable Members to reflect deeply on this. I do not think it behoves the Community, whose whole structure is based upon written legal texts of great importance, to be a Community which is prepared to abrogate other written legal texts with third countries when it sees fit because it does not like this or that—however serious this or that may be—in the form of government in a particular country.

Impassioned speeches can be made, but the fact that we may differ in view as to what is the correct action for the Community to take in this regard does not mean that any one of us feels any more strongly than another about any particular régime and the way in which it is working. I believe very deeply that the Community should think not once, but twice and many times, before it goes to the point of abrogating legal written agreements.

To my mind and the minds of my colleagues, while the present situation exists, and until a real democratic system arrives in Greece, we cannot take it further than that. In the present situation, limiting the operation of the agreement to the point at which we have limited it is, I believe, as right today—unfortunately—as it was yesterday or the day before.

I have only to add that I know I speak for all my colleagues in the Commission, and I feel that it is the sense of the House also, when I say that we all look forward to the day when that considerable design of those who went before us in the original Community, which was implicit in the agreement made in Athens in 1961, can be implemented to the full and Greece can take her full place within the Community. We all hope for that, but we should face the fact that, until there has been a transformation in terms of human rights and democratic institutions within Greece, we cannot and should not go further than we have today. Equally, however, I believe that it would not be right for the Community to go further the other way and abrogate the Treaty which she has signed.

President. — I thank Sir Christopher Soames. The debate is closed.

5. *Action taken by the Commission on opinions delivered by Parliament*

President. — The next item is the Commission's report on action taken on the opinions delivered by Parliament.

The Commission has undertaken to ensure that opinions delivered by Parliament and accepted by the Commission shall be reflected in modifications of the text submitted by the Commission to the Council in accordance with Article 149 (2) of the Treaty.

In cases where the Commission decides not to act on modifications proposed by Parliament, it must explain its reasons to Parliament.

As one of the specific measures for strengthening the powers of the European Parliament, the Commission has expressed its willingness to keep Parliament regularly informed on the action taken on resolutions and opinions adopted by Parliament. In each particular case, this will be done at the part-session following that in which Parliament delivered its opinion.

It is with pleasure and gratification that Parliament takes note of this new procedure, which came into force in June of this year. From now on, the Commission's reports will figure regularly on the agenda of every part-session, thus providing a guarantee that Parliament will be kept regularly informed.

These reports, like all those submitted by the Council or the Commission, may give rise to a short debate.

I therefore call Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) Mr President, honourable Members, since the November 1973 sitting the Commission has considered all the texts voted and, with a view to meeting, as far as possible, the wishes expressed by this Parliament, has adopted the following decisions.

First of all, I am happy to tell you that the Commission has transmitted to the Council a proposal for a directive concerning the lead content in petrol, a matter which was raised in an oral question by Mr Della Briotta. The text of the proposal has already been sent to the European Parliament.

With regard to Mr Müller's report on the anchorage of seats in motor vehicles, the officials of the Commission have been instructed

to work out a new proposal taking account of the amendment proposed by the Assembly.

The new amended directive will be transmitted to the Council before 1 February 1974.

At its sitting of 15 November, Parliament approved ten amendments to the three texts proposed by the Commission in the regional policy sector. The Commission has accepted three of these amendments and has recently proposed to the Council a modification of its original proposals along these lines, pursuant to Article 149(2) of the Treaty. The President of Parliament has been informed of this decision.

In the course of the discussion, my colleague, Mr Thomson, has explained to Parliament the reasons why the Commission was not in a position to accept the other seven amendments. I do not wish to revert today to what he has said with much greater authority than I can.

The Commission has decided to give a favourable reception to the comments made in this Parliament on the report by Mr Scott-Hopkins on the subject of time-limits for the grant of aid by the European Agricultural Guarantee and Guidance Fund, Guidance Section.

The Commission has recently transmitted to the Council and to Parliament, a proposed modification, pursuant to Article 149(2) incorporating Parliament's recommendations. The proposal therefore provides for the bringing forward to 31 July 1974 from 31 October of the same year, the deadline by which the Commission will decide on its 1974 projects. The Commission itself propose to make up the delay which has accumulated in previous years in the context of a programme extending over several years and will not fail to make proposals in this matter starting next year.

Following the comments made in Parliament on the fixing of target prices and intervention prices for olive oil in the 1973-1974 marketing season, in connection with the report by Mr De Koning, the Commission tried to make an active contribution towards finding a solution in the course of discussions in the Council on 19 and 20 October 1973. On this occasion it proposed, among other things the introduction of a register of oil producers, a proposal which the European Parliament will certainly appreciate, since it has frequently concerned itself with a better control of aid for olive oil and the creation of a buffer stock. On these bases, the Council has reached agreement on the level of the target price.

With regard to the directive on the marketing of forestry propagative material, the Commis-

Scarascia Mugnozza

sion has decided to adopt as its own the amendments passed by Parliament on the basis of Mr Brugger's report. It has recently proposed to the Council, pursuant to Article 149(2) of the Treaty, a modification of its original proposals along these lines. The President of Parliament has been informed of this decision.

The Commission is conscious of the problems referred to in Mr Martens' resolution on the directive relating to preservatives which may be used for commodities intended for human consumption. It is of the opinion that the action to be taken to follow up this resolution requires more thorough consideration. In its judgement, in fact, certain problems—such as labelling, for example—can be solved only in a wider context, while others call for further technical study. The Commission will not fail to inform Parliament of the results of its reflections.

With regard to transport, a sector which is within my special competence inside the Commission, I can report that we have given instructions for the immediate preparation of a revised proposal pursuant to Article 149(2) accepting the amendments proposed in your Parliament on the introduction of a common system of payment for the use of transport infrastructures, a question on which Mr Kollwelter has presented a report, and on a resolution on the harmonization of certain social legislation relating to road transport, a question which the Parliament has discussed on the basis of a report by Mr Seefeld.

Finally, I should indicate that, although Parliament's opinion dates back to March 1972, the Commission has modified, pursuant to Article 149(2), its proposal for a directive on mass dismissals so as to meet Parliament's views in full. The proposed modification has already been transmitted to Parliament for consideration.

President. — I thank the Vice-President of the Commission for his report.

I call Mr James Hill.

Mr James Hill. — May I say how disappointed I am that, of the ten amendments which the Committee on Regional Policy and Transport put forward on Mr Delmotte's second report, only three were accepted by the Council of Ministers. I think that the rejection of seven amendments from this House is far too high a rate of rejection. I do not think that sufficient consideration was given to the points made by the committee and this Parliament.

President. — I call Mr Scarascia Mugnozza to answer the question put by Mr James Hill.

Mr Scarascia Mugnozza, Vice-President of the Commission of the European Communities. — (I) It seems to me to be not so much a question as a statement of fact or even a complaint. I should like to add that my colleague, Mr Thomson, has already expressed his opinion in this House and has already indicated that there can be agreement on three amendments, but not on seven others. It therefore seems to me that the successive decisions of the Commission are perfectly in line with the discussions which have taken place. I can understand Mr Hill's complaint, but the thing was already clear at the time of the discussion.

President. — The debate is closed.

IN THE CHAIR: MR DEWULF

Vice-President

6. Council's statement on the budget of the Communities for 1974

President. — The next item is a report by the President-in-Office of the Council of the European Communities on the budget of the European Communities for the financial year 1974.

I call Mr Fitzgerald.

Mr Fitzgerald, President-in-Office of the Council of the European Communities. — Mr President, I should like at the outset to apologize for my voice. I have a cold. I am afraid I may irritate you at some stage, but there is nothing that I can do about it.

At its meeting of 10 December 1973 the Council noted the resolution and the proposed amendments by the European Parliament as well as the draft general budget of the European Communities for the 1974 financial year modified by Parliament on 15 November 1973.

In accordance with the collaboration procedure between our two institutions on budgetary matters, the Council, before discussing the draft budget, held an exchange of views with a delegation from Parliament led by the Vice-President, Mr Dewulf, and composed of Mr Spénale, Mr Pounder and Mr Gerlach. I should like to pay a very sincere tribute to this delegation, in particular to its head—you, Mr President—and to the chairman and rapporteur of the Committee on Budgets, Mr Spénale and Mr Pounder, for the authority, vigour and courtesy with which they presented Parliament's views to the Council. They particularly emphasized the

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importance attached by Parliament to an increasingly effective dialogue between our two institutions during the budgetary procedure, on the one hand, and the political and humanitarian grounds which had led Parliament to propose two modifications concerning projects in favour of countries which had fallen victim to natural disaster, on the other hand.

Following that exchange of views, the Council gave great attention to examining the modifications proposed by Parliament and, in accordance with the Treaties, discussed them with the Commission.

I should point out immediately that the Council decided to accept Proposed Modifications No 28/rev. and No 32, which for humanitarian and political reasons certainly appear to me to be among the most important ones, concerning the Sahel countries and the other disaster-stricken countries in Africa.

In doing this the Council took into account the results of its exchange of views on this very important issue with the delegation from Parliament and concurred fully with Parliament's conclusions. The Communities will thus be able to provide these countries with this much-needed aid, which, I trust, will better enable them to face the problems before them.

I should, however, like to point out that the appropriation of 35 million units of account (proposed Modification No 28/rev.) will be entered in Article 400 of the Commission's budgetary estimates and that a new line in the budget does not need to be opened for this purpose.

In addition, the Council decided to accept as they stood Proposed Modifications No 4, No 21, No 33, No 37, No 38 and No 47, submitted by Parliament. The Council also entered an appropriation of one million units of account in Article 394 of the Commission's budgetary estimates (Proposed Modification No 17) on the understanding, however, that this appropriation be frozen and released only in accordance with the decision to be adopted by the Council on the proposal by the Commission on the plan of action relating to scientific and technical policy.

After examining the grounds for the other proposed modifications, the Council was, I am afraid, unable to accept them and has instructed me to give you its reasons. In this connection may I point out that many of the reductions in the draft budget as compared with the preliminary draft budget were made by the Council with the agreement of the Commission. Parliament adopted proposed modifications

reinserting some appropriations which had been proposed in the preliminary draft budget, particularly No 2, No 7, No 15 and No 16, which concerned certain appropriations under Titles 2 and 3 of the Commission's budgetary estimates.

Taking the view that no new factors had emerged in these matters since the draft budget was drawn up, the Council decided in the circumstances to retain the appropriations proposed in the draft budget.

I should point out that the present rate at which these appropriations are being spent in 1973 makes it unlikely that they will be fully used up by the end of the year. If I add that all appropriations were increased substantially in 1973 to take account of the enlargement of the Community, the Council believes that the Commission will be able to cover its requirements with the appropriations adopted in the 1974 budget, and that therefore it would not be sound financial management to proceed with a further substantial increase in this budget.

The Council has been unable to agree to Proposed Modification No 44 on additional appropriations for strengthening control, since it has not yet taken a decision on the staff necessary for this purpose.

However, I should like to assure you that the Council shares your views to the effect that control should be duly strengthened. With this in mind, it will examine the proposal which the Commission has just submitted. Once it has taken a decision on it, it will not fail to decide what the budgetary implications will be.

Since the Council will soon take a decision on the strengthening of control, and since it cannot consider reducing EAGGF appropriations to finance control activities, neither it nor the Commission has been able to agree to Proposed Modification No 6.

As regards the appropriations relating to the European Social Fund (Proposed Modifications No 11 and No 12), when preparing the draft budget for the 1974 financial year the Council took into consideration the information provided by the Commission, according to which the total amount to cover applications made by Member States would exceed the appropriations proposed by the Commission.

The Council points out, however, that the existence of such applications does not of itself imply that the Social Fund must grant assistance. To be eligible for assistance, applications must fulfil a number of conditions. Taking account of this and of the need to contain the total budget within reasonable limits, the Council has adopted a solution which, although

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reducing the appropriations proposed by the Commission, represents an increase compared with the final figure for the preceding financial year.

For appropriations allocated to the reformed Social Fund, the Council has entered 98 million units of account and 168 million units of account for expenditure under Articles 4 and 5 respectively of the Decision of 1 February 1971, making a total of 266 million units of account. In 1973 the corresponding appropriations, including supplementary budget No 4, amounted to 222 million units of account. Appropriations for the 1974 financial year are therefore 20% higher than those for 1973.

It should also be remembered that the Council authorized the Commission to enter into commitments for the 1975 and 1976 financial years—110 million units of account for 1975 and 50 million units of account for 1976—to ensure Social Fund financing of activities carried out over several financial years.

Since it is not possible to predict the situation in 1974, the Council is currently unable to decide whether there will in fact be need for a supplementary budget. In any case the Council is still firmly resolved to comply with the decisions taken at the last Summit Conference on the adoption of a social programme enabling the Community to take vigorous action, and it took decisions in principle to this effect last night, or, to be precise, in the early hours of this morning.

The appropriations proposed for the 1974 financial year still do not cover the expenditure which could result from implementation of this action programme, since the Commission has not included any proposals to this effect in the preliminary draft budget. Only now when the programme has been adopted by the Council will it be possible to determine the budgetary implications.

As for Proposed Modification No 13, the Council, in agreement with the Commission, fixed the appropriation proposed for item 5200—pilot schemes and studies—at 600 000 u.a. It considered that this would be sufficient to ensure proper administration of the appropriations in Chapters 50 and 51, in view of the studies and experiments already carried out since implementation of the reformed Social Fund and of the foreseeable development of the fund's activities.

On the other hand, the Council did not think it advisable to create a new item 5201—information meetings—since it considered the operation of the Social Fund to be generally known. The Commission supported this point of view.

As regards the reduction proposed by the Parliament for the appropriations entered under the EAGGF Guarantee Section Title (Proposed Modifications No 29, No 30 and No 31) and the transfer of these appropriations to Chapter 98, the Council, with the agreement of the Commission, retained the appropriations entered in the draft budget.

The Council took into account the difficulties of estimating the EAGGF Guarantee Section appropriations—in view of the world market situation, which is by nature very unstable, and of the existence of factors which would increase Guarantee Section expenditure in 1974—and thought it would be extremely dangerous to reduce the overall appropriation for the EAGGF Guarantee Section.

As regards Proposed Modification No 25, the Council has retained the allocation of appropriations between Articles 800 and 870 which it had fixed in the draft budget.

The Council points out that EAGGF Guidance Section appropriations should be used primarily for joint projects.

Should appropriations entered under Chapters 81 to 85 for joint projects prove insufficient to cover expenditure arising from these measures in 1974, some appropriations could be taken in the first place from the 39 600 000 u.a. entered under Article 870.

The Council considers that the appropriation of 170 million u.a. entered under item 8003 should be sufficient to finance individual projects in 1974. In addition, the fact that this sum has been entered under item 8003 for individual projects in 1974 does not prevent appropriations being drawn where necessary from this item for joint projects if expenditure arising in 1974 from joint projects exceeds the amounts at present entered under Chapters 81 to 85.

As regards the appropriations for 1972 and 1973 for development operations in priority agricultural regions (Proposed Modification No 26), the Council has retained in the remarks column the appropriations of 25 million u.a. and 50 million u.a. earmarked for these years. The Council thought it advisable not to enter them at this stage in the appropriations column in order to avoid artificially inflating the budget, since it is probable that they cannot be used in 1974. It confirms, however, that these figures represent authorizations to enter into commitments: they will be used as soon as the Council takes action on the Commission's implementing the proposal of 26 May 1971 on Community financing of development operations in priority agricultural regions. The corresponding amendments will then have to be made to the income estimates.

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I must now recall a rule which the Council generally follows in drawing up the budget, and which is well known to you: that the Council never enters appropriations in the budget for measures on which it has not yet adopted decisions. It is for this reason that the Council has entered no appropriation for Community contracts for industrial innovation and development (Proposed Modification No 27).

There is one further point which the Council considered. Although it did not think it necessary to reduce the appropriation for the European Schools by one unit of account (Proposed Modification No 19), the President of the Council has nevertheless sent a letter to the Supervisory Board of the European Schools to draw its attention to the comments you made during the budget debate.

In addition, the Council has noted that Parliament took note of the Council's intention of completing its comments on the Commission's budget estimates for 1974 with regard to three points.

Before concluding my statement, I should not like to miss the opportunity of stressing the importance that the Council attaches to the regional policy and repeating that it is its firm intention to adopt the necessary decisions for setting up a Regional Fund, which will naturally include giving immediate consideration to the necessary budgetary implications.

Mr President, the delegation from the Parliament expressed the desire that the President of the Council should inform Parliament of the reasons why the Council was unable to agree to certain proposed modifications, and should do so without leaving 'a shadow of a doubt'. I hope, Mr President, that the communication which I have had the honour of making to you today satisfies this desire, and that Parliament will understand why the Council could not agree to certain proposed modifications.

However, Parliament will see that the Council has agreed to those modifications which were most important, namely, the modifications concerning the Sahel countries and other disaster-stricken countries in Africa.

Throughout the budgetary procedure, the President of the Council has made every effort to maintain the closest possible contacts with Parliament and its Committee on Budgets. The Council for its part is satisfied with this co-operation between our two institutions, and I hope you can agree with me that this continuing dialogue has been fruitful and has produced practical results. I am well aware that some of you feel that this procedure should be further

strengthened and intensified. The Council has taken note of your comments on the explanatory memorandum which it had prepared and of the information which you would like to receive, and will try to meet your desires in this matter. However, I would stress that this will be no easy matter in view of the extremely short period of time available to the Council for drawing up the draft budget and for drafting the explanatory memorandum.

(Applause)

President. — I thank the President-in-Office of the Council.

I do not wish to make any personal comment, but I can assure the House that the delegation that I had the honour to preside over was very appreciative of the Council's warm words. We too hope that these contacts will continue to become closer and better.

I call Mr Pounder.

Mr Pounder. — May I hope, as I am sure we all do, that Dr Fitzgerald will soon recover from his Sunningdale cold.

The Council undertook to explain what might have led it to differ from Parliament as regards the modification submitted by this House on the draft budget, and there can be no doubt at all that today the Council of Ministers, in the person of Dr Fitzgerald, has more than adequately honoured that undertaking. I am deeply grateful to him for the very full explanation which he has given of the reasons why the Council was not always able to agree with the modifications submitted by Parliament. I am not necessarily saying that I agree with the reasons which motivated the Council in its decision, but that was not part of the undertaking. It was that the Council should let us know. This it has done, and this we appreciate very much indeed.

I know that I speak for you, Mr President, and, I hope, for everyone in the House, in expressing thanks to the Council of Ministers for its courtesy in receiving a delegation from Parliament two days ago in advance of the Council's deliberations on the budget. I think we all agree that considerable progress has still to be made before there is a meaningful dialogue between the Council and Parliament. More progress needs to be made, but a little progress has been made and this is in itself very welcome. I know that I certainly speak for you, Mr President, in expressing very warm appreciation to the Council for accepting some of the modifications which Parliament submitted, particularly the one in relation to assistance for the Sahel countries.

Pounder

I think it is not unfair to say that you, Mr President, and Mr Spénale argued very strongly for assistance to the Sahel; this result represents in tangible form the efficacy of the arguments you advanced, and has undoubtedly gone some way to make Parliament feel that its advances to the Council of Ministers do not always fall on deaf ears; and for this we are grateful.

I am disappointed that under two headings budgetary appropriations, in my humble opinion, remain unsatisfactory. I refer to the Regional Development Fund. We are getting very close to 1 January 1974, the date determined by the Heads of State or Government at the Summit 14 months ago. I fully understand, of course, that the Council will not allocate money until it has reached a decision on the policy, but we are getting very close to that date and I hope that between now and the end of the year it will be possible for a final decision to be made in this regard.

The Social Fund presents a problem for Parliament which I am sure Dr Fitzgerald will understand. On the one hand the Commission says, 'We need this money for certain functions, otherwise we must alter the criteria on which the fund is based'. On the other hand, the Council says, 'This is not our view'. How on earth Parliament is meant to form an opinion or judgement based on these two conflicting situations I do not pretend fully to understand, but I make the point and I hope that it will be accepted as a valid problem for Parliament when it comes to make a judgement or adjudication.

I am sorry that inevitably we shall face a situation in which at least four, if not five, supplementary budgets will be presented in the course of the next financial year—for the Regional Fund, for the Social Fund, for the Common Agricultural Policy; one can go on and on. It makes absolute nonsense of financial management if we determine certain appropriations and at the same time already know that those appropriations will have to be materially adjusted. I hope that a formula can be found for the future so that we shall not be confronted with so many supplements, because this is an intolerable way of administering the Community.

I submit that this is a very suitable occasion—with the Regional Fund coming along and the obvious need for reconsideration of the Social Fund—for the long-awaited broadening of the Community's scope so that it may become an instrument of European solidarity with which the peoples of the Community can genuinely identify themselves.

I am saying this, not merely on behalf of the electors of South Belfast or Ballsbridge, but on behalf of the whole Community. I believe this very genuinely to be required, certainly in my own country, and I think I speak for other people. Faith in the Community will largely be judged by the Regional Development Fund. It is as serious and important as that.

I thank Dr Fitzgerald again very warmly for the admirable and lucid report he has so kindly given us. It marks yet another step forward in relations between the Council and this Parliament.

(Applause)

President. — I call Mr Bertrand.

Mr Bertrand, Chairman of the Committee on Social Affairs and Employment. — (NL) Mr President, I should like to thank the President of the Council for informing Parliament so soon of the decisions taken with regard to the Budget, and for elucidating the decisions which did not conform with certain opinions submitted by Parliament to the Council.

Nevertheless, the Committee on Social Affairs and Employment is disappointed by the fact that the Council did simply not find it necessary to consider certain statements made by Parliament, at the proposal of the Parliamentary Committee, concerning the new Social Fund, and has once again reduced the amounts.

The impression which it is attempted to convey that the 1974 Budget in fact constitutes a 20% increase on the 1973 Budget is a false one. We are supposed to forget that for 1973 additional funds of one hundred and twenty million units of account has been requested to meet the applications made in connection with the new Social Fund. If we forget that this additional amount of one hundred and twenty million units of account for 1973 was refused, then it is possible to say that the 1974 Budget represents a 20% increase.

I wish merely to underline the fact that as far as social policy is concerned we have until tonight heard nothing but fine words and promises, and that no real social policy has in fact been implemented. Fortunately we have been informed that the Ministers of Social Affairs meeting in Council agreed last night more or less entirely to the proposals submitted by the Commission concerning the launching of a social action programme on 1 January 1974. This programme has been accepted, but the necessary funds have not yet been approved and it is questionable whether it will be possible to

Bertrand

implement this social action programme if the Council continues to maintain its customary restrictive attitude in respect of funds.

President. — I call Mr Spénale.

Mr Spénale, Chairman of the Committee on Budgets. — (F) Mr President, Ladies and Gentlemen, may I first of all add my thanks to those already addressed to Mr Fitzgerald for being with us and for the promptness with which the Council has informed us of the decisions it took at its meeting of 10 December following contacts with the parliamentary delegation which the President-in-Office of the Council mentioned at the beginning of his speech.

I am bound to say we were received at this meeting in the usual way and that we made a protest in consequence, which Mr Fitzgerald kindly referred to as 'courteous'. Subsequently, we were very pleasantly surprised when the Council engaged us in discussion. We talked about the problems of the Sahel, Mr Jenkins and then the Belgian Secretary of State speaking for the Council. This was the first time we had had any dialogue with the Council.

The Council finally accepted Parliament's proposals on the point at issue, a conclusion which it was as difficult to reach as it was necessary. We were much gratified by this result, which seems to augur well for the future. If the dialogue between us concerning future budgets becomes more open, we shall certainly come to understand each other better and, in this way, the opinion of this Parliament will carry more weight, regardless of how much or how little power we are actually given, a question which, as you know, concerns us deeply.

Thank you, then, for this 40 million for the Sahel and for the Council's cooperation in accepting other proposals made to it by Parliament.

In addition, I should like to endorse the observations made by the chairman of the Committee on Social Affairs and Employment concerning the meagreness of the social budgets as compared with objective and responsible proposals from many quarters. I hope that the decisions taken yesterday evening by the Council of Ministers of Social Affairs will soon result in a draft supplementary budget.

I should like to point out that next year there will be too many supplementary budgets. If we make headway, we shall have a supplementary budget for the regional budget, which has a token entry. We shall have another one for social affairs. Mr Fitzgerald has promised us one

for auditing staff. Auditing staff are needed and I would ask that especial attention be paid to the following point.

To meet expenditure arising from regional policy, the ECSC reconversion, social policy and the EAGGF (Guidance Section), we shall have regionalized credits which will be managed by different directorates of the Commission. If auditing is not adequately centralized, there will be unnecessary duplication of work and inadequacies. The need for auditing will become very intense as these policies are necessarily developed, but there will be a much greater need for centralization and for coordination between the various activities in the various regions and this means that the number of auditing staff at the disposal of the Commission must be considerably increased. We, ourselves, are constantly asking the Commission to keep a closer watch over expenditure and to pay greater heed to these problems. We know that it has excellent plans, in this connection, which it can only realize if it has the necessary personnel. Further supplementary budgets are perhaps needed, to promote innovation, for example, for which there is a token entry and for which we have been told that the conditions of employment have not yet been established.

We hope that an attempt will be made to bring together several different areas in the supplementary budgets so that there will not have to be four or five next year. May I point out once again that these supplementary budgets will pose serious problems from 1975 onwards. For a supplementary budget means further expenditure and further expenditure means additional revenue, and as there is only one type of Community revenue which has any flexibility, this means modifying VAT collected for the benefit of the Communities. Now, we cannot, in the middle of a year, raise the rate from 0.40% to 0.60% without considerably upsetting the budgets of the Member States. This would completely upset their budgetary system. We must deal with the situation more effectively in the budgetary estimates and avoid as much as possible these supplementary budgets which are going to be too numerous even this year.

This is all I wish to say, Mr President, concerning this budget. We feel much happier than last year, not only because of the number of parliamentary proposals that have been accepted, but also because new relations have been established. We are very pleased about this for, let us not forget, we are in the process of burying this procedure, Mr President-in-Office of the Council. This is the last time it is to be applied in all the texts by which we are now governed. I am pleased because a burial, to believers

Spénale

implies a rebirth, a renewal. As I say, this has brought us much satisfaction.

But we have also asked another question to which Mr Nørgaard promised us a reply after discussions in the Council, but I have not yet heard anything in this connection.

The question concerns a point raised in a letter sent by the President of this Parliament to the President of the Council namely, the establishment of contacts and consultations between a delegation of the European Parliament and of the Council, with a view to exchanging ideas on the problem of the development of budgetary powers.

This is something to which we attach a great deal of importance, for hitherto this Parliament has never had anything to do with the formulation of the texts which govern its own powers, so that gradually there has been emerging a sort of Community constitution or at least a body of institutional law developing into what could become a constitution. Unlike what usually happens when a constitution comes into being, this Parliament has no say in the matter even where its own powers are concerned.

We should like the Council to tell us whether it is ready to hear us and what it intends to do, first, about the resolution of 5 October, in which we asked to be heard by the Council, and, second, about the letter of President Berkhout's which requested that a delegation of this Parliament be received by the Council to discuss these problems.

I hope you can answer us and I thank you in advance.

President. — Before giving the floor to Mr Aigner, I would remind the House of the desirability of finishing the budgetary debate now. The sitting would then be suspended until 3 p.m.

I call Mr Aigner.

Mr Aigner. — (D) Mr President, I shall confine myself to a couple of remarks.

I should like first of all, on behalf of my group, to give special thanks to the Council. This is not something we often do but today such thanks are truly merited since we feel that at least a new atmosphere has been created in respect of cooperation, on an equal footing, with the Council. I would also like to extend these thanks to the Commission since we know that the Commission and Mr Cheysson have contributed to making this not only a consultation procedure but also, as we have always desired, a true dialogue of decision.

I should like to add my thoughts to what Mr Spénale has already said. Our group shares his opinion, namely that a large number of unsolved problems will, under certain circumstances, also lead to a large number of supplementary budgets. These perhaps would not give rise to insurmountable problems this year but when we have complete Community financing we shall of course need a more complete approval procedure and a more complete dialogue of decision with the Council. When this happens we shall simply not be able to put off so many problems in the hope that one day a solution will be forthcoming.

I also share the concern regarding the Social Fund and the Regional Fund. I hope—but perhaps this is asking too much—that a supplementary budget will also give us further, greater financial assets in other sectors, for example energy. But I would ask the Council of Finance Ministers to be quite clear on the question of what supplementary budgets might be necessary and in what volume; we do not want to see the same situation again in the national parliaments, i.e. we do not want to be opposed because we are asking for millions for a supplementary budget although it is not us but the Council of Ministers who are guilty since they have not solved the problem in due time. I shall limit myself, Mr President, to these remarks and say that my group is really pleased that we are gradually reaching a dialogue of decision. This applies in particular to the question of control. You know that our call for a European court of Auditors is up for discussion in the national parliaments. I only hope that the requisite funds for this will be approved in time in a supplementary budget.

(Applause)

President. — I call Mr Cheysson.

Mr Cheysson, Member of the Commission of the European Communities. — (F) Mr President, the Commission would like to echo three of the remarks made.

Firstly—and here I take up Mr Bertrand's point—the Commission does indeed regret that its proposals concerning the Social Fund have had to be rejected. This puts us in a difficult position, especially my colleague, Dr Hillery, who is responsible in this field.

Secondly, I wish to thank the Chairman of the Committee on Budgets for the remark he has just made regarding the auditing staff required for sound budgetary management and adequate auditing.

Cheysson

We have indeed reached a stage when every kind of Community action is likely to affect several different sections of the budget, which shows that the Community has advanced considerably.

It is essential that there be some form of centralized supervision, and our present means of budgetary control are not adequate.

Mr President, I have, on several occasions, in the presence of both the Council and this Parliament, given an undertaking on behalf of the Commission not to submit any more draft supplementary budgets except in unforeseeable circumstances or on a new decision by the Council. I am sorry that this decision, approved by both this Parliament and the Council, should have been followed almost immediately, in the next Council meeting on the budget, by contrary decisions.

Indeed, as regards both the extra staff needed for greater control and contracts for innovation, expenditure not only *can* be estimated, but it *has* been estimated and decided in principle. Yet corresponding appropriations are missing from the 1974 budget, so additional supplementary budgets will be necessary. This is an unsatisfactory way of going about things; it obscures the budgetary picture, not allowing the public to see the expenditure involved in each action. Mr President, I appeal to the Parliament to help us prevent this sort of procedure in future. Finally, Mr President, reiterating what several speakers have said and on behalf of the Commission, I should like to express our satisfaction regarding the new collaboration procedure at the Council's meeting on the budget.

When the Commission speaks of collaboration, it does not mean a hearing given to Members of the Parliament, followed by silence. Neither does it mean a dialogue, however impressive, between the President of the Council announcing a decision already taken by the Council and one or more members representing the Parliament. Rather, as I said when presenting this proposal to the Parliament, it is speaking of a real dialogue between those who represent the national interests of the Member States, that is the Council Ministers, and those who represent the political forces as members of this Parliament. The Commission believes that this dialogue introduces the political dimension which is essential when a number of important decisions are being taken, and it has no doubt whatsoever about the value of such a dialogue. I hope, therefore, that this 'first performance' will be followed by many developments of a similar kind. I wanted to express this hope on behalf of the Commission.

(Applause)

President. — Thank you, Mr Cheysson.

I now call the President-in-Office of the Council, Mr Fitzgerald.

Mr Fitzgerald, President-in-Office of the Council of the European Communities. — I shall reply very briefly, Mr President. First of all I should like to thank those Members who have expressed appreciation of such improvements as it has been possible to effect up to this point in the relations between Council and Parliament with regard to budgetary matters. I particularly thank my Irish colleague Mr Pounder for what he had to say on that point. I have noted the comments that have been made and the wish of Parliament to improve further on a dialogue, and I think that that is something which many Members of the Council of Ministers would agree with and support.

On the need for supplementary budgets because of the failure to take decisions in time: here we come up against a problem which is fundamental to the timetabling of the Community's work. It has been the tradition for the Community to set itself deadlines for the end of the calendar year. I cannot imagine a worse time for which to set a deadline, given the Christmas and New Year holidays which we celebrate in our respective countries, but this curious tradition has existed. It arises, I suppose, from a certain sense of tidy-mindedness. This has meant an overlap between the budgetary provisions which have had to be completed before the end of the year and the decisions of the Council, sometimes of major financial significance, which are often not taken until very near the end of the financial year. Perhaps there could be some adjustment by stopping the clock, as it were, early in the financial year.

There is a problem here which should be looked at between Parliament and the Council. I speak personally here. It is not a matter which the Council has considered. However, there seems to be a timetable problem which should be looked at.

In reply to Mr Spénale about the reply to the letter of the President, I should inform him that a reply was delivered yesterday from the President of the Council to the President of Parliament, and I had an opportunity myself this morning to discuss the matter with the President of Parliament, Mr Berkhouwer, and to develop further the points made in the letter.

I am sorry if Mr Spénale was not made aware of that or had not the opportunity to know it, but in fact the Council has been loyal to its engagements in this matter and has fulfilled its obligation to the President of the Parliament.

Fitzgerald

No doubt the President will wish to communicate through appropriate channels to Parliament the reply which the President of the Council delivered to him yesterday.

I think that those are the main points that I want to reply to. I thank the House for the short debate, which I have found encouraging and enlightening, and I will indeed convey back my impressions of it to the Council. Thank you very much.

(Applause)

President. — I thank you, Mr President-in-Office of the Council, for your expression of gratitude.

I now call Mr Spénale.

Mr Spénale. — I shall be very brief, for I do not wish to spoil the general rejoicing, but I think—since the Council's reply was in fact addressed to the Parliament, the President only being an intermediary—Mr Fitzgerald could have told Parliament the nature of the reply and whether there is to be any meeting.

President. — If you wish to reply, please do so, Mr Fitzgerald.

Mr Fitzgerald, President-in-Office of the Council of the European Communities. — I am sorry if through any error on the part of the Council this matter was not properly communicated. It was our understanding that the correct method of communication was to the President and that we might indeed be impinging upon the privileges of Parliament if we were to by-pass the President and communicate direct with Parliament. We may have been incorrect in that. If the error is ours, it was through no lack of goodwill but merely through a concern for the proprieties.

I have no copy of the letter with me. If it is wished that I should communicate it to Mr Spénale, and if that is in order, I should be glad to do so. I apologize again if in trying to observe the parliamentary proprieties we have in any way offended Parliament.

President. — We are happy that contact has been established with the President of the European Parliament. I am sure that the results of these contacts will be communicated very shortly to Parliament.

The procedure for establishing the 1974 budget is thus complete.

7. Membership of Committees

President. — I have received the following requests for appointments:

- a) from the Liberal and Allies Group, a request for the appointment of Mr Emile Muller to the Committee on External Economic Relations, to replace Miss Flesch;
- b) from the Group of Progressive European Democrats, a request for the appointment of Mr Yeats to the Committee on Public Health and the Environment, to replace Mr Kaspereit.

Are there any objections?

These appointments are ratified.

8. Presentation of a petition

President. — I have received a petition, condemning the military régime in Greece, tabled by Mr Vogel, Mrs Charbonnier, Mr Monier and 42 others.

This petition has been entered under No 5/73 in the register stipulated in Rule 48 of the Rules of Procedure and referred to the Legal Affairs Committee for consideration.

9. Documents received

President. — I have received the following documents:

- a) from the committees:
 - Report by Mr L. Martens, on behalf of the Committee on Public Health and the Environment, on the proposal from the Commission of the European Communities to the Council (Doc. 280/73) for a Council regulation on the participation of the European Economic Community in negotiations on the conclusion of a Convention for the prevention of sea-pollution from land-based sources (Doc. 284/73);
 - Report by Mr Spénale, on behalf of the Committee on Budgets, on the proposal from the Commission of the European Communities to the Council (Doc. 253/73) for a regulation concerning the rate of import charges levied on small non-commercial consignments of agricultural products and products coming under Regulation (EEC) No 1059/73;
- b) from the Council of the European Communities a request for an opinion on the proposal from the Commission of the European Com-

President

munities to the Council for a regulation opening, allocating and providing for the administration of a Community tariff quota for raw tobacco of the 'Virginia flue-cured' type originating in developing countries (Doc. 286/73);

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

President. — The proceedings will now be suspended until 3 p.m.

The House will rise.

(The sitting was suspended at 1.10 p.m. and resumed at 3.10 p.m.)

IN THE CHAIR: Mr BERKHOUWER

President

President. — The sitting is resumed.

10. *Oral Question No 99/73, with debate: Social Conference*

President. — The next item is Oral Question No 99/73, with debate, by Mr Ansart, Mr Bordu, Mrs Caretoni Romagnoli, Mr Cipolla, Mrs Iotti, Mr Lemoine and Mr Marras to the Council of the European Communities, concerning the Social Conference.

The question is worded as follows:

The social conference was to have been held last June.

The undersigned, whose parties defend the rights and interests of the workers at all times, note, together with the representative union organizations, the signal absence of any social policy at Community level at a time of inflation, rising prices and unemployment in a number of countries. This often creates difficulties for young people. Hundreds of thousands of them are unemployed before ever even having a job. It is very difficult for young people as a whole to exercise their right to the work of their choice, their right to train for an occupation and their right to study.

The Council is drawing up a social action programme to be adopted before the end of 1973,

with a view to bringing the two sides of industry closer together. The best basis for the preparation of a social programme would be an immediate social conference.

The unions know the workers' needs better than anyone and it is therefore essential that they should be associated in drafting the programme, particularly since it is they who have to grapple with the stranglehold and aggression of the multinational companies.

The undersigned members of the European Parliament believe there is an urgent need for the following immediate action:

- review of national social legislation to bring it into line with the most favourable provisions with a view to fixing the earliest retirement age giving entitlement to a full pension at 60; shorter weekly working hours; flexible scales of wages, salaries and social benefits; an end to wage discrimination against women and young people.
- the drafting of a European statute on the right to work. The drafting of an immigration statute guaranteeing equal pay for equal work to those employed outside their country of origin together with full social and civil rights and public liberties and respect for nationality. Such a statute would help combat the shameful racist campaign now developing.

Immediate action of this kind, which does not necessarily reflect the opinion of the representative union organizations, would have a favourable effect on employment, inflation and rising prices.

These are the reasons for urgently convening the social conference.

The undersigned, convinced of the need for this conference before the Council adopts the social action programme, consider that the Council must prepare the way for overcoming existing obstacles to the tripartite social conference.

They therefore request the Council to inform the Parliament when it intends to hold this conference.

I would remind the House that pursuant to Rule 47 (3) of the Rules of Procedure, the questioner is allowed twenty minutes to speak to the question, and that after the institution concerned answers Members may speak for not more than ten minutes and only once. Finally, the questioner, may, at his request, briefly comment on the answer given.

I call Mr Ansart to speak to the question.

Mr Ansart. — (F) Mr President, in October 1972 the Paris Summit Conference decided that 1973 would be the year for social action in Europe. There is no denying that, until then, in this sphere, Europe had been full of good intentions but not much more, intentions which it proclaimed with a passion only equalled by its failure to translate them into action. In face of mounting public dissatisfaction, the Commission, aware that it had to say and do something, fixed the social conference for June 1973: there, at last, with the participation of the representative union organizations, the problem would be tackled. Alas, owing, it is said, to difficulties of procedure and representation, this conference did not take place. It is now December 1973. It seems only too likely that nothing new or decisive will be effected this year in the sphere of social progress. Admittedly, we have seen the Commission's ambitious programme which has been adopted by a majority in the Economic and Social Committee. But what practical action is going to follow such generous planning? Some of the wishes of the workers and their unions and political organizations have been met in the programme to the extent that some fundamental demands have been included.

But we cannot help noticing that this expression of goodwill occurs just as the Council of Ministers of the Nine has adopted an austerity plan under the pretext of fighting inflation and rising prices and when it means to impose fresh sacrifices on the workers because of a situation for which they have not been in the slightest responsible.

Inflation is an evil which cannot be attributed to any 'excessive' demands by the workers. Those hardest hit by inflation are the 'little' man, the elderly worker whom expansion has passed by, the old-age pensioner.

Conversely, inflation is just one more source of enrichment and short-term profit for capitalist monopolies, the multinational societies which, thanks to government aid, have accumulated vast amounts of capital and do not hesitate to speculate, even against their own currency.

False cures will only make things worse. By adopting the plan put forward by the French Finance Minister, the Nine have certainly made a fine show of solidarity and unanimity, but all, unfortunately, in a bad cause, so that the Community's reputation in social matters is hardly enhanced.

In place of a Europe aspiring to social reform we now have a Europe of sacrifices and austerity, and for those who still had faith in its social virtues this means a Europe of lost illusions. The first result of this austerity plan,

which will be followed by similar results in various countries, was the strike of millions of French workers on 6 December, which says a lot for the enthusiasm Mr Giscard d'Estaing's plan is capable of arousing!

The Nine countries could have chosen another course and more realistic and social decisions. Or could they really? The links binding the governments to the monopolist concerns and big financial and multinational societies which control the Community's economic and social policy would not have allowed it. If this is what is meant by 'speaking with one voice', then no doubt the workers will act, unite and, in their turn, speak with one voice.

The European Parliament cannot remain unmoved in such a situation. First of all, from the point of view of its role and prerogatives, it cannot tolerate a situation where, at the precise moment that it is discussing the Community's social policy, the Council and the Commission decide on austerity measures without even consulting it and even rejecting its proposals, however modest, with regard to the Social Fund.

How can the Parliament agree to such a plan, designed as it is to unite the claims and forces of capitalism in order to fight more effectively against the workers who actually produce its wealth? Democratic debates and dialogue are not the answer. Nor are progressive social policies. What is the use of economic progress if it does not give men—workers—enough to let them live a different kind of life, free from anxiety and insecurity, for themselves and their families? Social progress is being coldly sacrificed to the profit-principle. The CGT and the CGIL blame the Community institutions, particularly the Council, for not having seen the need for really joining forces with the unions. According to the two main workers' organizations in France and Italy, the undertaking given at the Paris Summit to develop the unions' participation in elaborating Community policies is producing in fact no more than purely formal consultations of the Commission by the Council.

They add that the Council has not seen fit to call a meeting of the Standing Committee on Employment for a year.

How could the workers—who are blamed for not supporting the Community with sufficient zeal—wish to do so when everything seems to suggest—not least this latest plan I have spoken of—that the Community is for the financiers, not the workers?

Social policy requires choices to be made. As far as we are concerned, we have made our choice and that is why we fully support the demands

Ansart

of the union organizations to be closely involved in discussions, fact-finding and decisions. Can we allow the workers to be threatened once again by unemployment after they have produced so much wealth? Is it thinkable that, at this period in our history, a period of unprecedented scientific and technological progress, thousands of young people should be forced to do unskilled work or to be out of work even before they have started working?

Can we leave the 6 million migrant workers of the Community in their uncertainty and miserable living conditions, thrown onto the labour market without contracts or guarantees, the first to fall victim to unemployment and exploitation? This completely contradicts the benevolent image which some want to claim for Europe, totally ignoring the real picture. This is why we urge the Council to take steps to discuss labour's crucial demands with the representative union organizations. Consulting the Economic and Social Committee is no substitute for such a confrontation and dialogue.

These are the reasons why, in Oral Question No 99/73, we urge that a social conference be convened and why, taking into account events which have occurred in the meantime, we deplore the austerity plan, about which the Parliament, I repeat, was not consulted, as a plan which strikes at the workers' standard of living, in complete disregard of earlier intentions to make this year the year for social action in Europe. This is what I wished to say, Mr President, as an introduction to the debate.

President. — I call Mr Fitzgerald to answer the question.

Mr Fitzgerald, President-in-Office of the Council of the European Communities. — The conference of the Heads of State or Government held in Paris on 19 and 20 October 1972 invited the Community institutions, after consulting labour and management, to draw up before 1 January 1974 a Social Action Programme providing for specific measures and the means of carrying it out.

On several occasions—the meetings of 9 November 1972, 26 February and 21 March 1973—the Council stressed the importance of consulting both sides of industry with a view to preparing a Social Action Programme, and for this purpose proposed calling a conference of representatives of organizations on both sides of industry, representatives of the governments of the Member States, the Council and the Commission. The conference was planned for June, and the intention was to invite a delegation from the

European Parliament to follow the conference proceedings.

Certain organizations, however, refused to accept the Council's proposals concerning the composition of the conference and the allocation of seats, and the conference could not therefore be called as planned. All subsequent efforts by the President to reach an agreement with the organizations in question have proved fruitless. The Council regrets this state of affairs and has decided to consult both sides of industry, inviting them to state their opinions on the content of the Social Action Programme proposed by the Commission.

With regard to the questions on the content of the action programme raised by honourable Members, the Council took part in your debate last Monday, and last night it took decisions of which I shall be giving you brief details in reply to another question on your agenda this afternoon.

President. — Thank you, Mr Fitzgerald.

I call Mr Frehsee to speak on behalf of the Socialist Group.

Mr Frehsee. — (D) Mr President, ladies and gentlemen, the Socialist Group does not, at this time, propose to discuss in detail the various concrete proposals put forward in connection with this question. Some of these proposals came up during the discussion on the Social Action Programme on the evening of the day before yesterday. Others are to be discussed by the European Parliament in the near future in the context of the reports now being drawn up by the committees.

Without engaging in polemics, I should like to point out that the parties represented in the Socialist Group of the European Parliament have since the foundation of the Communities fought persistently and obstinately to protect the rights and interests of workers, and that in their view they represent workers in no lesser degree than do the authors of this question. On the contrary.

In April of this year, in other words just a few months ago, the European Socialists made the following declaration as part of the views unanimously adopted by the Bonn Congress of Social Democratic Parties:

'The European Community cannot be developed further along capitalist lines. The marked discrepancy between private production and public poverty alone has created serious social imbalances. This is reflected in the congestion of our cities, the unbridled

Frehsee

growth of industrial centres, traffic risks and environmental pollution. In addition, low-cost housing has fallen behind, there is a qualitative shortage of suitable educational facilities for most children of workers and no possibilities of cultural development for the broad masses of the population, while all aspects of life have become commercialized.

Because of the scale of the Common Market and the interdependence of the various states, the task of gearing production to social objectives can only be carried out at the European level, and then only if world-wide solidarity is brought to bear.

The Socialist movement is confronted with the task of finding ways for the community as a whole to have a say in production and hence in the future of European society.

As regards living conditions and living standards considerable differences exist in terms of both geographical location and content. The power over assets and their income yield is concentrated in the hands of a few. The difference in level between the centres of industrial concentration and the underdeveloped areas has led to the employment of millions of workers from non-Member States. We need structural changes so that we can work together with the countries of the Third World to ensure a more equitable international division of labour with a view to fighting poverty on a world scale. All aspects of European policy must be directed towards social objectives. The betterment of the living and working conditions of Europe's peoples must be the yardstick for all political action.'

The European Socialists went on:

'We want a socially just Europe. Every aspect of European integration must be channelled towards this end. The purpose of European integration is to attain a democratic and socially just Europe in which all men can be socially and economically secure, free, at peace and self-reliant and can share in responsibility on equal terms.

Community social policy must not be merely an instrument for patching up the Common Market's social security and social welfare provisions. European social policy must play an active and forward-looking role if political failures are to be avoided in the Community. Europe must develop into a social community.'

These then were the resolutions of the Social-Democratic parties of the Communities in April of this year.

On the strength of these views and following lengthy discussions in the Committee on Social Affairs and Employment, in the course of which Socialist members had numerous amendments accepted, our Group approved the Commission's Social Action Programme as a first, if tentative step in the direction of that social Europe which we want to see.

Our Group would like the tripartite conference on social affairs demanded in the question to be called in the very near future.

To prevent further delay in the implementation of the Social Action Programme once it has been adopted, and to avoid providing an alibi to those who already regard the programme as a far-reaching one, this conference should not be regarded as a precondition for the adoption of the programme by the Council.

In our view the conference could play a valuable, indeed an indispensable role in laying down new actions in the social field, and the Commission should then be urged to propose that such actions should be included in the programme adopted by the Council, which is to be implemented on a priority basis. It is only this morning that we discussed the accelerated implementation in connection with the Council's report on the adoption of the decisions of the 1974 budget. We should like to do everything possible to accelerate implementation rather than delay it, and we should be concerned if there was any insistence on the prior holding of the tripartite conference.

Mr President of the Council, if we may put forward a proposal on the composition of the conference, I should like to express our sympathy with the objections raised so far, in particular by the European Trade Unions Federation. But perhaps you will find a way out by following the suggestion of the largest organization of trade unions on the territory of the Community, which considers that the international association of managerial employees, the CIC, should take part not on the side and at the cost of the workers, but possibly on the side of the employers.

President. — I call Mr Fitzgerald.

Mr Fitzgerald, President-in-Office of the Council of the European Communities. — If I may reply briefly, I listened with interest and sympathy to the remarks of the previous speaker. I agree it is undesirable that the Conference should be made a prerequisite of progress with the action programme, and that is not, I think, the intention.

Fitzgerald

On the particular suggestion which the Member made at the end of his remarks, I would, however, have to reserve the Council's position because there is clearly a danger that in accepting any particular proposition one gets involved in more controversy, making the achievement of such a conference less probable and perhaps pushing it off to a later date. However, I shall certainly convey to the Council the general views expressed by the Member.

President. — Thank you, Mr Fitzgerald.

The debate is closed.

11. *Oral Questions No 139/73 and No 140/73, with debate: Implementation of the decisions taken by Heads of State or Government on 19-20 October 1972*

President. — The next item is a debate on Oral Questions Nos 139/73 and 140/73, with debate, by Mr Terrenoire to the Commission and Council of the European Communities on behalf of the Group of European Progressive Democrats.

The questions are worded as follows:

— Oral Question No 139/73 to the Commission:

Subject: Implementation of the decisions taken by the Heads of State or Government on 19-20 October 1972

Will the Commission of the European Communities inform the Parliament how far the decisions set down in the communiqué of the Heads of State or Government of the enlarged Community after their first meeting in Paris on 19-20 October 1972 have been implemented?

— Oral Question No 140/73 to the Council:

Subject: Implementation of the decisions taken by the Heads of State or Government on 19-20 October 1972

Will the Council inform the Parliament how far the decisions set down in the communiqué issued by the Heads of State or Government of the enlarged Community after their first meeting in Paris on 19-20 October 1972 have been implemented?

I would remind the House that the provisions applicable in this case are those of Rule 47(3) of the Rules of Procedure to which I have already drawn attention.

I call Mr Terrenoire to speak to these two questions.

Mr Terrenoire. — (F) Mr President, Ladies and Gentlemen, nearly two months ago, I (like, I should imagine, many others) decided to make the first annual survey of the implementation of

the decisions taken by the Paris Summit of October 1972.

I certainly expected the outcome to be unimpressive, but I was deeply disappointed to realize how far we had travelled from the hopes which the Paris Summit had aroused in us!

Even though it may seem justified, plunging into the deepest pessimism will not help to build European Union any more than it helps the cause of world peace. I am amongst those who deliberately adopt a political attitude of realistic optimism. And you need to be optimistic not to doubt that the Europeans seriously intend to follow the path to unity.

The new Summit of Heads of State or Government to be held in a few days could however give us new grounds for hope. For this reason only, I shall temper the severity of my criticisms.

Of course, I shall not list in detail all the decisions which should be taken in the months following the Summit, but I should like to stress the points which I consider crucial under the present circumstances.

On 1 January 1974 we are due to pass to the second stage of Economic and Monetary Union but the necessary preconditions for its realization have not been met, particularly in the monetary field: as a result of the floating of certain currencies the present state of the Community exchange rate is deplorable. However, although a rapid return to normal behaviour is to be hoped for, I do not feel that this scheme is an essential precondition for developing the economic and monetary union.

The need for overall coordination of economic policies must also be recognized, without neglecting progress in the monetary field.

The Community should respect its obligations, and adopt the principle of a directive on stability, growth and full employment in the Community.

It seems desirable to perfect the arrangements for monetary cooperation as envisaged by the Summit particularly since an increase in short term credit facilities could contribute to re-establishing a single Community exchange rate scheme.

There is at present an urgent need to merge the various existing committees into a single committee for economic policy and to strengthen the consultation procedures for changing exchange rates as in the field of monetary and credit policy.

Terrenoire

In this field the next Summit meeting should concentrate on following, the line taken by the last one.

Let us also remember the nine-point plan which was the outcome of discussions between the various ministers of finance meeting shortly after the Paris Conference. It began: 'The Member States will try to limit the rate of increase in consumer prices between December 1972 and the end of 1973 to 4%. One does not know whether to laugh or cry! In most of our countries, the actual rate of increase is at least double that and, for many others, it shows signs of reaching three times this figure. In this crucial field we have reached a complete stalemate. Inflation, though varying from country to country, has increased all over the world. The present fears of a recession in 1974 are not likely to cause a significant and rapid drop in the rate of inflation. As in so many cases, if only the European partners had acted sooner and in closer cooperation to establish a joint policy it might by now, the end of 1973, be the effective instrument which, as it is, we so desperately lack.

The Council recently adopted a resolution referring to both forceful and varied measures to stifle inflation; but, in effect, they represent pious wishes more than actual measures. The resolution covers many fields: budgetary policy, covering fiscality and the speeding up of tax collection; monetary policy, suggesting a reduction in the money supply; prices policy, where control could be introduced by checking profit margins or requiring prior notification of price rises; incomes policy and agricultural policy. But nothing alters the fact that we are part of a changing international economic situation. We must therefore create or implement Community instruments which will enable the Community, as a single unit, to respond instantaneously to any shock in the current economic situation likely to affect the well-being of the peoples we represent.

It is nevertheless possible to chalk up three actual achievements in the field of common economic and monetary policy: last April the European Fund for Monetary Cooperation was set up; during the Nairobi Conference the Community stuck to a single view on the reform of the international monetary system; at the Tokyo meeting a common attitude on the development of international trade was asserted.

The results obtained in the field of fiscal harmonization are, on the other hand, extremely limited. At the same time as it decided on the second stage of economic and monetary union, the Paris Summit decided that a regional

development fund should be set up on 1 January 1974. The Member States now need increasing coordination in the field of regional intervention, taking account of the great differences in national policies. This aim goes hand in hand with the creation of a Community regional fund and, in addition, is mentioned in the Accession Treaty. There is a risk that, in the absence of a certain complementarity between regional intervention by the different Member States, the fund will mostly end up financing the least energetic national regional policy. This is why Community regional action must base itself on efforts by the states to resolve imbalances on the national level and not try to replace them.

I believe that the Fund should be managed with restraint and that it should only subsidize projects which directly create a minimum number of jobs and refuse to intervene to maintain existing jobs, since this would be equivalent to agreeing to the permanent subsidization of lame ducks.

As it is to complement national aid already granted, the Funds financial resources should be kept within reasonable limits.

I should also like to draw your attention to social policy.

The great consultation between the two sides of industry which was to provide a forum for discussion and constructive proposals ran up against differences of opinion on the question of trade-union representation. The organizations have finally been asked to make their opinion known in writing.

The steps taken as part of the social action programme are encouraging but do not correspond closely enough to our expectations, particularly since this sector is crucial if the European idea is to be made popular to the Community peoples.

The resources of the Social Fund have enabled it to render useful help to migrant and disabled workers, but this House rightly hoped that its budget would be larger.

I shall not dwell on the absence of a real industrial, scientific and technological policy. Despite the Commission's constructive proposals, there are still Member States who prefer their own commercial arrangements to a Community agreement.

Legal and fiscal barriers continue to hamper cooperation between enterprises, and Community preference remains an exception in the trade of most of our countries. This attitude tends to dampen our industrial expansion, often in

Terrenoire

favour, for no good reason, of the commercial dynamism of third countries.

Although our governments have managed to draw up an action programme for protecting nature and the environment, it is extremely limited for the next two years.

It would be all too easy now for me to dwell on our criminal negligence in the field of energy, which ignored the decisions of the Paris Summit and the Commission's proposals.

The *laissez-faire, laissez-passer* philosophy which suits the multi-national petrol companies so well and, in this field, dominates some countries will lead to difficult shortages in the present and over the coming months. They would be wrong to think that the only cause of the shortage is their foreign policy.

Here also, paradoxically, I shall allow myself to be guided by my optimism. This widespread crisis gives us a chance to adopt an entirely new policy, founded on cooperation and the recognition of common interests. We must not only think in terms of short-term solidarity, which could have been organized previously, but conclude a precise agreement between the Community as a whole and the oil-producing countries. This is the only course of action which gives Europe any chance of continuing the economic expansion indispensable for improving the well-being of our peoples over the coming decades.

As one last point in this field, I should like to point out to you how much the division which still exists concerning the development of nuclear energy will limit our efforts and, as a result, our success.

Our relations with developing countries, state-run economies and eastern countries will be covered in other debates. I should like to conclude by talking about our institutions.

We heartily endorse the position adopted by the Heads of State or Government in October 1972 when they recommended strengthening the supervisory powers of our House and improving its relations with the Council and the Commission. But unfortunately actual practice has been disappointing in this matter too.

The Community will have its own resources from 1 January 1975, but the Parliament's budgetary powers are not yet settled according to the democratic principals to which we all here are legitimately attached.

These long delays in carrying out its promises might lead one to believe that the Community was doomed to be no more, than a free trade area, leaving Member States with their own right of

action, historical individuality and traditional divisions. I refuse to believe it. We have to live together which means that we are forced to listen to one another a little more each day on all topics.

When, as today, we find ourselves, with our common concept of progress and justice, in a world torn by conflict and rivalry, dominated by the super-powers, in which the poor countries irresistibly cry out for help, it must be clear that our duty to unite and renounce national egoism is greater than ever.

I should like to congratulate the President of the French Republic for suggesting a new summit meeting. Experience seems to show that meetings and dialogues between the important figures of our states will be the means by which the European Community succeeds in progressing and overcoming obstacles. Let us hope that the Copenhagen Summit will live up to our hopes and that we may make good the time lost! (*Applause from the right and centre*).

President. — I call Mr Fitzgerald.

Mr Fitzgerald President-in-Office of the Council of the European Communities. — In reply to the question, at the last Summit Conference the Heads of State or Government not only gave important guidelines on a large number of projects to be carried out by the Community institutions, but also in several cases laid down deadlines for the adoption of various measures. You are aware that most of these deadlines occur in 1973 and that important decisions must be taken before 31 December. The Council took care to organize its work so as to meet the deadlines which it had been set. Thus the Council discussed measures to be taken to combat inflation as early as its meeting on 30 and 31 October 1972. These initial discussions resulted in the adoption of a resolution on 5 December 1972 and were the subject of additional measures adopted by the Council on 28 June 1973.

The Council has also continued its work in the other fields with the aim of meeting the deadlines laid down by the Summit Conference. In the economic field, for example, the Council adopted a regulation establishing a European Monetary Cooperation Fund on 3 April 1973.

In the field of protection of the environment the Council adopted a programme of action in July containing a precise timetable of projects to be undertaken.

In the field of external relations probably the most important decision has been the working

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out by the Council of a global approach to the multilateral negotiations in the context of GATT. This approach enabled the Community representatives to participate fully in the recent Tokyo Conference which, as you know, launched these negotiations.

I would also remind you that as regards the progressive implementation of an overall policy of development cooperation, to which the Heads of State or Government attached particular importance, the Council reached a consensus on a number of points on 5 November, although final agreement has still to be reached.

You are aware that in the institutional field the Council has recently taken a number of steps to improve its relations with your Parliament, and it is currently studying Commission proposals for the extension of your powers. The Council has also adopted several initial practical measures with a view to improving its decision-making procedures and the cohesion of Community action. I regret that it has not been possible to complete examination of this subject by the date laid down by the Summit Conference; the matter is to be taken up again in January.

Finally, last night, following a thorough examination of the Social Action Programme submitted by the Commission, the Council recorded its agreement on the main aspects of a resolution comprising the following objectives:

- full and better employment within the Community;
- the promotion of a concerned improvement in living and working conditions in step with general progress;
- the increasing involvement of labour and management in the economic and social decisions of the Community and of workers in the life of undertakings;
- the Council also set a certain number of priorities in this resolution concerning measures to be implemented in the near future.

The resolution will be formally adopted at the forthcoming meeting of the Council.

This list of decisions is not exhaustive, and I have given it to you as an example to show you that the Council is fully aware of the tasks assigned to it by the Heads of State or Government of the Member States. You are aware that some of the most important decisions have still to be taken before the end of the year. I am referring in particular to:

- the measures connected with the transition to the second stage of economic and monetary

union, which you are debating this week;

- the setting up of a Regional Fund; and
- the action programmes in the field of industrial, scientific and technological policies.

I am convinced that we shall be able to reach concrete decisions on these important problems within the time limits set.

I do not wish to end this reply without mentioning that in my opinion the Community institutions have made considerable efforts throughout this year and have shown themselves to be capable of performing their tasks in spite of the difficulties to be overcome and their huge work-load following the last Summit.

President. — Thank you, Mr Fitzgerald.

I now call Mr Ortoli.

Mr Ortoli, President of the Commission of the European Communities. — (F) Mr President, Mr Terrenoire's question, coming just over a year after the Paris Summit and on the eve of the Copenhagen Summit, gives us an opportunity to draw up a brief balance sheet from which we can undoubtedly learn. In October 1972, the Heads of State or Government fixed a new and ambitious objective for the Community: European Union. At the same time, two great tasks were undertaken strengthening the content and scope of Community action and asserting the Community's personality in international affairs. These undertakings were embodied in a programme with deadlines which the Commission, for its part, has respected.

The Commission's proposals fall into three main groups.

The first group is directed at increasing and strengthening the economic integration of our nine countries. I am sure you are well acquainted with the two main elements of this effort. The second stage of Economic and Monetary Union should begin on 1 January 1974, involving more binding Community measures than those previously enforced, and new social, regional, industrial, energy, scientific and technological policies are planned. Pursuant to the Summit directives, we have devoted 1973 to the preparation of these policies drawing up action programmes which fix the Community's future tasks.

The second group of proposals aims to increase the importance of the Community's relations with developing countries and is motivated by the responsibilities it has acquired. Here we have negotiations with the associated and associable

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states, the new policy for development co-operation, commercial relations with the state-run economies, an overall approach *vis-à-vis* the Mediterranean countries, relations with the industrialized countries and EFTA, multilateral negotiations in GATT and relations with the United States.

The third group is designed to strengthen gradually the Community's institutions as its economic content increases.

This includes the institutional measures involved in the second stage of Economic and Monetary Union, the strengthening of the budgetary powers of the European Parliament and other practical measures.

Most of these proposals have been discussed in the Council of Ministers and, in some cases, decisions have been made.

Mr Terrenoire said that he is not satisfied with these decisions. Like Mr Fitzgerald, I shall point out that he is speaking on 12 December, when the meetings of the two Councils (the Council of Foreign Ministers and the Council of Economic and Finance Ministers) on 17 and 18 December are still to come.

There is every indication that they will reach conclusions on subjects as important as transition to the second stage of Economic and Monetary Union, increased coordination of economic policies, regional policy and the creation of a Regional Development Fund on any other of two questions which have been submitted for discussion. This is why, for social affairs, for example, we must formally approve what has been decided tonight. Only after these decisions have been taken can we make an overall judgement or draw up a general balance sheet. I shall wait to do so more fully when, at the beginning of next year, I present the Commission's annual report and working programme. I should nevertheless like to remark on the interim balance-sheet which I have outlined.

Despite a general feeling of dissatisfaction, some real achievements have been made which you should be aware of.

I cannot dismiss as unimportant the creation of the Monetary Cooperation Fund, establishing a Community position on an important matter like the forthcoming GATT negotiations, the prospects (which are almost definite) for closer day-to-day coordination of economic policies, making their convergence an essential Community goal and providing the appropriate practical measures. Nor can I ignore the outcome of the Commission's proposals in the field of technology and industry which give every

hope of speedy and satisfactory decision so that it was considered pointless to summon the Council, since preparations were so far advanced that it seemed possible for the Council of General Affairs to draw its conclusions and use the results of the work. I cannot ignore, either, the adoption tonight of a Social Action Programme the importance of which is immediately apparent.

Looking at this balance sheet and the prospects which exist for the next Council, I therefore feel that one should not be too critical of our achievements.

The Commission, as you know, has worked hard to obtain these results.

In fact, we have constantly maintained that genuine overall progress must be made before the end of the year and that not all the deadlines should be fixed for the last few days. This is one of the reasons why on 12 December (which is not so normal in Community life) we can already survey our achievements when we might have been able to present them only as part of the end-of-year package deal.

Though in some plans we have not been able to achieve all that both you and we hoped, our failures are often due not to lack of political will or to human limitations, but to external events which everyone knows are unyielding.

This is the case in the monetary field. Various troubles and difficult economic circumstances have made it impossible for all the currencies to join the snake or to begin pooling reserves on 1 January. Here we have been disappointed—this was an objective of our programme and we have not been able to achieve it.

I personally believe that when you find yourself faced by situations presenting undeniable evidence, it is wise, in politics, to draw the necessary conclusions.

If we had concluded that there was nothing to be done, I should admit that Mr Terrenoire was right to say that there are problems and that we have made no progress. But since we have, instead, noted out weaknesses and seen what is needed for further progress, no-one can say that the necessary political attitude was lacking. Whatever disappointment we may feel, it cannot alter either the facts—for they are indisputable and it would be wise to accept and understand them—or the results, which, though less than we had hoped, are real enough.

I should, however, like to draw two conclusions.

Firstly, we have learnt something from the fact that we have not been able to achieve a certain

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number of objectives. We have learnt that the oft-mentioned parallelism between the monetary and economic fields really exists: we now have proof of it. We should have realized it. This is what led us to suggest further converging economic policies and, in our most recent proposals, we have emphasized the importance of parallel action perhaps a somewhat neglected in the past in favour of purely monetary action.

My second observation is political and to a word used by Mr Terrenoire—preconditions. If you think back two or three months you will realize, and I think it has not been sufficiently emphasized, that, despite the disappointments that we have met concerning a certain number of plans, in making progress we have not fulfilled the preconditions which we talked about so much in July and September. And, when all is said and done, if these preconditions, which seemed justified, had been not just maintained but increased, the whole machine would have ground to a halt. In other words, if you remember that several months ago we talked of nothing but preconditions, it will be clear that some progress has been made. I personally consider that this point has been overlooked and that it has positive significance.

On this subject I agree with the Council. I think that we must not lose sight of the fact that we have managed to make considerable progress.

The balance sheet is not, then, too bad but there remains much for us to do before the end of the year and in the future.

I should not like to give the impression that just because I have pointed out objectively I hope our achievements, I have forgotten the tasks which remain. In the first place, methods must be improved. The long discussions and delays in decision-making tend to obscure the positive results and give the impression that Europe is making mediocre progress, against its better judgement, when instead, I repeat, important progress has been made.

We should learn from this now to build Europe and with what attitude to approach the work we must do. It is not enough to keep things progressing; the reason for it must be seen. This holds for the Commission, the Parliament and above all, the Council. We must understand this lesson and draw a certain number.

The time to discuss all this has not yet come, but I believe that we should never lose sight of the underlying ideal.

Before all else, we must make real progress before the end of the year in certain fields. I have in mind, particularly, energy policy, social

policy, regional policy and everything that have proposed in the institutional sphere.

This is what we, the Commission, hope and, before such progress has been made, it will not be possible to draw up a true balance sheet. We have, I believe prepared for such progress.

We expect the next Council of Ministers and, even more, the Copenhagen summit, which could sketch the future of Europe, to make it clear that we represent a Community both in the present and the future, that we have a policy (i.e. that we are capable of defining common aims together), a strategy, an attitude and common actions and that we are ready to make the great transformation which you have referred to and which the Paris Summit outlined.

Fully prepared, we shall find the way and the means.

(Applause)

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

Mr Radoux. — *(F)* Mr President, both the Council and the Commission have given their opinion on Mr Terrenoire's excellent remarks and now I think it is the Parliament's turn to comment. He has produced a very good exposé.

I have three points to make.

The first concerns the institutions. As the result of a happy chance, in a few minutes we are going to hear the report by the Chairman of the Political Affairs Committee, Mr Giraudo, and I shall wait for that occasion to speak about the things in the institutions which do not seem to be working well.

My second point concerns matters which are not directly related to the Council. I will give you an example. You have widely expressed regret that there has not been enough progress between October 1972 and today. Let us note that in 1956 since we are now rightly talking a lot about energy a report appeared entitled 'An Objective for Euratom'. Fifteen years later, in 1971, this objective for Euratom had not been achieved—for two reasons. Firstly, because the governments could not reach agreement and, secondly, because from, the economic point of view, the supporters of oil, coal and atomic energy could not reach agreement. Since energy from petrol was extremely cheap we more or less allowed the matter to drop and we have not achieved Euratom is a failure. This is what we realize today. I should also like to remind you that, as you have just remarked, today we are creating two uranium lines.

Radoux

My third and last point is that, in so doing, we in Europe are behaving just as we did some time ago over television some adopting one procedure and others adopting another. No one knows who is right. Mr President, this is all I have to say for the moment, though I reserve the right to refer to the institutional question during the consideration of Mr Giraudo's report. For the moment, I should above all, like to stress the other reasons why the States, on many occasions (because the cases above are but two examples), for political and often economic reasons, have not reached agreement but abandoned solidarity and appeared to believe that each one acting separately could do better.

(Applause)

President. — I have no motion for a resolution on the debate on the Oral Question put to the Commission.

Does anyone else wish to speak?

The debate is closed.

**12. Conference of Heads of State or Government
on 14-15 December 1973**

President. — The next item is a debate on the report drawn up by Mr Giraudo on behalf of the Political Affairs Committee on the conference of Heads of State or Government on 14-15 December 1973 in Copenhagen (Doc. 259/73).

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

Mr Giraudo. — (1) Mr President and colleagues, at its sitting of 13 November, the European Parliament welcomed the announcement of a Summit Conference of Heads of State or Government at Copenhagen. It was as if we were desperately clinging to a last hope, as if, by some miracle, something essential can be decided on 14 and 15 December next.

As we know, it is hoped that this Summit will have a special character, more that of a meeting than of a conference. It is hoped that the officialdom and procedure which accompanied the proceedings of the last two summits will be avoided. The meeting will not be tied to a predetermined agenda and, apparently, will not conclude with formal decisions and possibly not even with the drafting of an official communiqué.

So much caution and so much reticence may suggest profound uncertainty as to the outcome of the talks or hope in which the caution is due to a sense of responsibility commensurate

with the gravity of the occasion. It is true that the Heads of State or Government should be able to give an answer, first and foremost to themselves, on some of the problems of the present political conjuncture and the situation of profound crisis through which Community Europe is passing. The Political Affairs Committee, on the instructions of Parliament, has outlined the most important of these problems in the different paragraphs of the motion for a resolution which I have the honour to propose to this Assembly. The issue which epitomizes all the others, on which all else depends, is how far the Heads of State or of Government are capable of inferring from their analysis of the world situation and the state of affairs in the Community what needs to be done to make the European union still possible and credible. The question, in substance, is whether it will be possible at Copenhagen to give substance and strength to the political determination so often expressed to act quickly before the battle for the future of Europe is finally lost.

The grave international events of the past few weeks and the past few months, confirming the impotence of the Europe of the Nine, together and singly, have verified the absurdity of wanting to construct a political community without formulating a policy. The distorting effect of the Community's internal dissension, is nowadays reflected in relation to the outside world, in contradictions which have certainly not helped, for example, to reinforce our relations with the European allies and which have enabled third countries to inflict discrimination against the Member countries of the Community.

To profess to define the political identity of Community Europe in these conditions might well seem to be mere wishful thinking if the Heads of State or Government are not impelled, by a stern recognition of the absolute impossibility of continuing one day longer in such paradoxically incongruous positions, to draw the inferences imposed by necessity.

Thus, the motion for a resolution which we are now considering speaks, it is true, of the political identity of Europe, but on two conditions, Mr President namely that the deadlines for achieving European union should be advanced and that at every stage in this process the interdependence between economic integration and political integration should be respected. On the first point it may be observed—and we have just heard a moment ago a balance sheet which has been amply commented upon by Mr Terrenoire, Dr Fitzgerald and Mr President Ortoli—that while the position regarding the deadlines set by the Paris Summit for 1973 does not appear

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wholly negative, if only for the harsh reasons of fact to which President Ortolí referred, much still remains to be done.

I therefore wonder, in the light of this delay, how can we really think of advancing deadlines? The Political Affairs Committee considers that, in spite of everything, not only should it be possible but that, in view of the present tensions in international relations and their repercussions within the Community, it is essential. Moreover, Chancellor Brandt expressed himself along the same lines in this assembly on 13 November last, when he said in so many words: 'We should shorten the deadlines we have set ourselves, be it for economic and monetary union, be it for the social union or the political union'.

'European union', he added, is to become a reality within this very decade. Similar terms were used by some governments at the meeting of Foreign Ministers held at Copenhagen on 20 November last. Minister Moro said in the Italian Senate last Thursday that at Copenhagen his government—and I know the Commission is of the same mind—would stress the need for the report on European union which the European institutions are required to present to be speeded up and that the text should be presented in the course of 1974 and submitted for the approval of Heads of State or Government in the course of 1975.

These are hopeful measures, Mr President, but it is not necessary to rely exclusively on them. Even advanced deadlines may prove to be too slow and too distant in view of the trend of international events.

I agree with President Scelba in thinking that in fact 'world policy is not obliged to respect the timetable of the European Summits and that there is a risk that under the pressure of events, world affairs may move in such a way between now and then as to make European union impossible at the forecast date, or at any other date'.

That is why, together with the speeding up of the times through a readjustment of the timetable fixed by the Paris Summit, this intrinsic acceleration of the Community process must be given the maximum vitality and must be transformed into an organic and almost physiological growth in so far as the extremely realistic principle of interdependence of economic integration and political integration is respected.

Mr President, there is no such thing as economic, monetary, energy, social, agricultural or trade policy which can be looked at in isolation and divorced from general policy. The subtle distinctions between economics and politics, the

parallelism of competence and procedure, the distinctions of the various titles under which the same people meet, have not for one instant withstood the harsh test of recent events.

And in truth, there cannot be two Europes, Community Europe and political Europe, one potential and the other actual. Such a distinction of nature and tempo is unnatural, inorganic and absurd. It has made Community Europe an economic giant and a political dwarf. The events which are occurring every day foretell that if the Europe of Nine is not capable of growing rapidly in its political structure, it must inevitably diminish in its economic structure. The political dwarf will then be an economic dwarf as well. Nature and history, violated in their principles, will be vindicated, but with what results for us and with what consequences for the freedom and standard of living of future generations!

It is in this spirit that in the motion for a resolution important and urgent questions such as the economic and monetary union, energy policy and the fight against inflation take second place to two fundamental themes of an exclusively political character.

The first relates to the establishment of a Community centre of policy decision making, capable of assuming the functions of a true and proper government, backed up by a Parliament to which election by direct universal suffrage must be provided for straight away and the strengthening of whose powers of control and decision must be decided on immediately.

The second relates to external policy and security, where it is asked that procedures should be established and more effective forms of common action should be agreed to enable the nine Member States to adopt a united position in response to international events and to enable Community Europe to develop its own identity, which is a necessary condition of greater world stability.

Rather than suggesting a logical priority, the Political Affairs Committee wanted in this way to emphasize a practical requirement, by indicating the two essential components in establishing the individuality of Community Europe.

It is, for example, clear that on the capacity of the European Community to take a responsible stand, in relation to its other world partners depends not only its attitude towards the others but also its self-respect and self-discipline, the cohesion and solidarity among Member countries, and, in the last analysis the performance of its duty in the mission of peace, solidarity and progress which it intends to fulfil in the world.

Giraud

In saying this the rapporteur does not underrate the objective difficulties in the way of a desired evolution along these lines. The Davignon procedure, for example, even with its second report, is very far from reaching the threshold of integration.

A far more complex problem is the very topical one of defence, or as people prefer to say today, of security. The Political Affairs Committee has already started to consider this question on the basis of a valuable report, a working paper by Lord Gladwyn, and will shortly be presenting a report in this Assembly. There is obviously no question of considering the military or technical aspects; the aim is to consider the security problem from its political aspects.

Drawing to a conclusion, Mr President, to be brief, I should like to refer once again to the authoritative opinion voiced in this Assembly by Chancellor Brandt when, referring to the various sectors and the various requirements, including the structural requirements of economic integration and political integration, he advised the creation in the meantime of acceptable connections between them. I think that these connections will not only...

President. — Mr Giraud, I must interrupt you.

The Assembly has decided to grant the rapporteur fifteen minutes' speaking time at the most. You are now approaching the eighteenth minute of your speech. I beg you to conclude without delay.

Mr Giraud. — (I) Mr President, let me finish my thought on an important report, not because I am the rapporteur, but because the reasoning is important.

I think that these connections will not only be useful, but will be all the more acceptable, the more they converge on unity and the more they serve to strengthen the existing structures and make them more adequate; without delay (I am thinking of the economic and monetary union and energy policy on the one hand, negotiations with the United States and policy in the Mediterranean on the other), Community Europe must be able to count upon an effective decision-making centre and a democratic Parliament with adequate powers. All this is said summarily, but with sufficient clarity, in this motion for a resolution. It is also said there that summit meetings between Heads of State or Government may represent, in conditions of emergency, and only in such conditions, a desirable stimulus to the development of the European process. Mr President and colleagues, I hope that the Copen-

hagen Summit will be able, for these purposes, and in a situation of undoubted emergency such as the present, to take some decisive action of impetus to ensure the future of Europe.

This is the invitation and the desire which I hope Parliament will adopt as its own, thus interpreting the profound aspirations of the peoples whom we represent.

(Applause)

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

Mr Bertrand. — (NL) Mr President, I shall respect the regulations. However, I should like to ask you whether it would be possible at one of the Bureau's forthcoming meetings to investigate whether it is advisable to continue to apply the same yardstick to a discussion on a report concerning hazelnut imports and a debate on a report concerning an entire policy. It is impossible for Parliament to work properly under these conditions. I am not asking for a decision this very moment but only that this matter be investigated during a Bureau meeting.

(Applause)

President. — I will answer Mr Bertrand straight away. Mr Bertrand's standpoint, which I share, cannot prevent me from applying the decisions of the House.

What I want to say is that the question concerning the report on the import of hazelnuts has been submitted to the Committee concerned with the procedure of this House. This Committee has to ensure that debates such as that on the report on the import of hazelnuts are no longer conducted in plenary sitting.

I trust that Mr Bertrand will take note of this and ask him to proceed.

Mr Bertrand. — (NL) Mr President, thank you for those words. I am pleased that, as always, we are able to agree.

On behalf of the Christian Democratic Group I should like to mention four points concerning the motion for a resolution tabled by Mr Giraud on behalf of the Political Affairs Committee.

Firstly, I should like to explain our views on this Summit Conference and other possible Summit Conferences of Heads of State or Government.

Secondly, I would mention the rising concern of the population at the increasingly weak position and presence of Europe in world events.

Bertrand

Thirdly, I should like to stress the need for achieving a truly European solidarity at the forthcoming Summit Conference.

This European solidarity must obviously lead to a decision to involve foreign policy, including defence questions, more quickly and fully in Community activities, both as regards content and procedure.

In order to achieve this, the move towards European Union will have to be accelerated, as the rapporteur mentioned. The existing Community Institution will have to be adapted to this end.

I should now like to say something about our views on this conference and possible future conferences of Heads of State or Government.

To begin with, we cannot escape the conclusion that if this new Summit Conference is necessary barely a year after the Paris Summit Conference, it can only mean that the Paris decisions did not provide sufficient impetus to enable the Community to carry out in good time the tasks set in October 1972.

I would, however, point out that both the Executive and Parliament respected the time limits set for submitting the necessary proposals and delivering the required opinions. But decisions were not forthcoming, a fact which corresponds to what Mr Ortolí just said, namely *'adapter nos procédures de décision pour la Commission et le Parlement, mais surtout pour le Conseil des Ministres'*. Anyone can see that this is the obstacle which prevented a number of necessary measures from being implemented.

I would, however, point out that we Christian Democrats do acknowledge the need for and approve the forthcoming Summit Conference, but do not favour the institution of regular Summit Conferences because we feel that by adjusting and strengthening the Community structure, both as regards the decision-making process and the seat of Community activities, the paralysis which we now face can soon be remedied even without Summit Conferences. Mr President, I wish to stress that Summit Conferences cannot replace the Community Institutions. I wish to stress that the Summit Conference may under no circumstances be permitted to control the functioning of the Community Institutions.

It is in this light that we view the Summit Conference of 14 and 15 December, as well as any future Conferences.

Secondly, I should like to mention the growing concern of the people of Europe at a number

of events which have taken place over the past two months. On 6 December, Mr Scarascia Mugnozza made a statement to the press concerning the results of an opinion poll held by the Commission in the nine Community countries in September, i.e. before the acute crisis which we now face arose. Thirteen thousand people in the Community were questioned on a number of points which are now of considerable significance. They were asked among other things whether they thought it was better to have a European Government to solve current problems or whether it was preferable to have these problems solved by national governments. It was found that a large majority in all Member States considered that it would be easier for a European Government than for the nine separate Governments to solve these problems.

In the same opinion poll people were asked for their views on European solidarity. Here again it was found that the majority, which ranged from 88% of those questioned in Italy (the highest figure) to 59% of those questioned in Great Britain (the lowest figure, but still a majority), felt that European solidarity should be developed as soon as possible in order to overcome economic difficulties.

The same people were also asked which in their opinion were the most important problems obtaining currently in the European Community? It is an amazing coincidence that the opinion poll showed the harmonization of the agricultural policy to be priority number one, the coordination of the social policy priority number two, and the formulation of a common energy policy priority number three. And these answers were given last September.

If we set this against the paralysis which has taken hold of the Council in particular this year and the way in which it has been postponing its decisions for months because no agreement can be reached, we find ourselves drawing the interesting conclusion that the evolution of public opinion has been more progressive than the political attitude of our governments. This has never been the case in the past, but today it is the case and therefore it is a good thing the European Summit Conference to be held next Friday and Saturday should take account of this. If it does not, the result could be a very severe psychological crisis. In this connection I am thinking in particular of the need for European solidarity in those cases where important problems must be solved. If a large majority come out in favour of certain measures, the forthcoming Summit Conference would do well to take this into account.

Bertrand

Thirdly, we feel that it is not necessary to create new institutions to run parallel with the existing Community institutions. There is, however, urgent need for certain changes in the existing institutions in order to make them better equipped to fulfil the difficult tasks confronting them. This is why the Christian Democrats feel that the very first decision which must be taken at the Summit Conference, when the gentlemen sit down together, must be to abolish immediately the rule requiring unanimity decisions in the Council. As far as I know, the Council of the European Communities is the only institution in the world which acts by unanimity decisions.

If the impulses generated by the Summit Conference are to be translated into practically viable policies, we feel that the Council must be logical and in future act by qualified majority.

We know from experience that the question of unanimity constitutes a major obstacle to the implementation of a number of measures and to the continued evolution towards increasing European Solidarity. Solidarity decreases as selfishness increases. Just how little solidarity there is is being currently demonstrated very clearly by the way in which the countries of the Middle East classify the different Member States of the European Community. When these countries supply Europe with certain products they divide the European Countries into three categories: friendly countries, neutral countries and hostile countries.

That the unity of the Nine should be considered in this light is indeed sad. How can we expect those genuinely striving for European union to still believe in it if we are not able to cross this psychological barrier, the existence of which is being demonstrated quite clearly at the moment by our national governments. They do this in spite of the fact that by political decisions and by ratification in the national parliaments they have undertaken to observe the terms laid down in the Treaties; at the moment, however, they do not appear to respect or observe these terms. I am thinking in particular of the petroleum sector, in which European solidarity is currently being severely tried.

Consequently, it is understandable that on behalf of my Group I should wish to draw attention to the question of European solidarity and to the faithful implementation of the Treaty of Rome. This solidarity is vital, both in the transition to a new phase of economic and monetary union and in all other fields related to economic and monetary union. I am thinking

in particular of regional policy, social policy and industrial policy. And we hope above all that solidarity will be demonstrated in the matter of energy problems.

We hope that the European Community will withstand the trials which it now faces, and that this will manifest itself in the results of the Summit Conference to be held on Friday and Saturday. We hope that even if certain decisions are not published, both the substance and procedure will evolve more quickly, thereby facilitating integration and cooperation in the field of foreign policy and strengthening the European identity. This is especially important in the light of the problems in the Middle East.

Mr President, I am firmly convinced that the European contribution to solving the problems in the Middle East, i.e. to bringing about a lasting and just peace, is an indispensable one. But Europe cannot make this contribution if it cannot stand and speak as one on behalf of the Nine. The importance of our contribution must not be determined only by whether we obtain in exchange adequate petroleum supplies. But I don't believe in this so much any more. I do believe in Europe's contribution to the industrial and cultural development of these countries which are so closely associated with Europe. Europe has been unable to take part in the solving of this conflict because it was not a unity. This is why it is so important that the foreign policy of the Community should be integrated as soon as possible. The Community can only be respected by the Middle East, the East European Countries, the United States, Japan and the developing countries if it acts as a unity and contributes towards the development of a new balance in the world.

I am not a pessimist but I do believe that present developments in oil supplies only represent the beginning of a radical structural change in European and world relationships. Here I am thinking of all the related consequences for the maintenance of full employment, the preservation of the purchasing power of the people of the Community and the preservation and protection of the prosperity we have attained. Hence we are not in a position to exert any influence on the form of the new structural organization whose evolution has been triggered off by the oil crisis. We are also of the opinion that there can be no integration of foreign policies if we do not speed up the creation of the European political union.

On behalf of my Group I would like to urge the coming Summit Conference to establish the procedure which was not established in October 1972. The Copenhagen Summit Conference must

Bertrand

decide how the report from the institutions for the end of 1974 has to be drawn up so that concrete form and content can be given to the concept of European political union as we are to realize it in the future. This would facilitate the task of the institutions. It would also enable us to link the realization of European political union with the creation of a European decision-taking centre. This is connected with the strengthening of the powers of the European Parliament. Meanwhile we can fix a timetable for the organization of direct general elections for the European Parliament. In this way it should be possible to achieve a European Government functioning on a democratic basis.

Mr President, we share the view that this European political union must be attained before 1980. If we wait so long we are liable to be overtaken by events. We do indeed expect the Copenhagen Summit Conference to take difficult decisions as it must give more attention to the institutional problems which were completely disregarded by the Paris Summit Conference in 1972.

I would like to conclude by noting our very great conviction that the nine politicians gathering in Copenhagen have a responsibility to themselves and the 250 million inhabitants of this Community to provide the stimulus required to make the advances necessary to put European development on the right lines. This is what the Christian Democrats, along with other parties, have striven for for many years, not only in the interests of the people of our continent, but also in the interests of the preservation and development of a human world in which peace and stability combine to bring about new, healthy relationships.

President. — I call Mr Radoux to speak on behalf of the Socialist Group.

Mr Radoux. — (F) Mr President, in a situation such as the one we face today, which is extremely complex and at the same time, as we would all agree, threatening to our Community, it is possible either to take an impassioned stand or to remain calm. For my part, I prefer to remain calm.

With the Summit Conference opening in 48 hours and the peace conference on the Middle East in six days, we ask ourselves what the Summit can do for Europe and for the Middle East.

As far as the Middle East is concerned, the European Parliament, in the resolution it adopted when the last conflict broke out, asked for three things:

- firstly, an end to hostilities; this has in fact been brought about, and those who have worked for it deserve our congratulations;
- secondly, negotiations, which, we are happy to note, are to open in six days; in this connection the European Parliament thought it would be logical to offer the Community's good offices and I have still to hear either from Israel or from one of the Arab countries that the European presence is not wanted on the occasion of these negotiations;
- thirdly, a coordinated Community policy on the Middle East.

To summarize, then, what we want from the Summit as far as the Middle East is concerned is an offer of good offices and coordination of our Middle East policy, possibly—and this might be not at all a bad idea—in association with our African friends.

One may go on to ask what Europe can do through the Summit and what attitude to take on the principle of summit conferences.

Ladies and gentlemen, I think that no means should be neglected if it has constructive merit; we must therefore give a positive response to the Summit, with just two provisos:

- firstly, that it should act as a stimulant to Community action and not as a substitute for Community institutions;
- secondly, that it should be held in the event of a serious crisis within or outside the Community.

Our resolution, whose rapporteur I wish to congratulate, is relevant here.

The key paragraph is very short, and I should like to read it out:

'Considers that conferences of Heads of State or Government can provide desirable opportunities for stimulus, and that, in this context, they should make use of existing Community institutions and their valuable experience, particularly that of the Commission, whose participation is essential in matters directly or indirectly concerning Community powers'.

Having said that, what can the Summit in fact achieve? What is the greatest contribution which the Heads of State or Government will, in those 48 hours, be able to make in order to revitalize the Europe of the Community? It is to start from the premise that there is no longer any Community decision-making centre, that the Council of Ministers, in which legislative and executive powers are vested, no longer does its job. Accordingly, what needs to

Radoux

be done is to reintroduce the political dimension to the Council of Ministers, for as long as the Council remains what it has become we shall not make sufficient progress to master the situation and impose our will on spokesmen whom, too often, we criticize with a gesture of impotence.

Two questions come to mind in connection with this situation.

Is it not due to the fact that the voting rules within the Council are no longer those provided for in the Treaties, and is it not essential to reintroduce rules complying with the Treaties?

Is it not also due to the fact that, as soon as a difficulty appears it is referred to the permanent representative for a political solution? I think it proper at this point to pay tribute to the immense task undertaken by the permanent representatives, whose desks are piled high with the work referred to them by a Council of Ministers which generally, as soon as a political difficulty arises, dodges the problem by referring it to them. Is it not due to the absence of a desire for progress in the Council, which is no longer an executive body but a diplomatic conference of a very peculiar kind, mainly a permanent diplomatic conference?

Whatever the case, a remedy must be found, and the Summit must take a firm decision on this point. What else can it do? This morning, in speaking about aid to the Sahel, Mr Spénale referred to the dialogue between the Council and the Parliament. I should like to be very precise. What the Summit must achieve, and get the Council of Ministers to accept, is cooperation with Parliament and not merely a hearing—I emphasize the very great difference between the two words—for Parliament cannot be content with simply hearing the Council; it must be associated with its discussions which, by the very fact of their having taken place, will politicize Council meetings and dig out of the rut discussions which I called earlier on, justifiably I think, technical or legal.

Ladies and Gentlemen, it was in an atmosphere of uncertainty and uneasiness that the Middle East crisis broke out.

Now, what is the fundamental comment that one can make on this crisis? Has anyone said that he was big enough to tackle it on his own? Has anyone dared to say that he was not a European? A member of the Council? A member of the Commission? A member of the European Parliament? What is extraordinary is that on this occasion even political leaders who

had seemed rather indifferent to Europe in the past have stood up and talked about it.

To mention only the country on whose soil we are at this moment, I may recall declarations ranging from that by Mr Chaban-Delmas on the need for a European executive to that of Mr François Mitterrand.

In other words, we find that everyone is for Europe when it is threatened.

In this situation the Summit can do something else: it can state clearly that none of us can save ourselves on our own, and that we can overcome present difficulties only by cooperation based on reciprocity.

The Summit will be followed immediately by a Council of Ministers which is to make preparations for 1974. This will truly be the year of Europe; 1973 was also the year of Europe but, as a result of recent events, not to the extent that we had envisaged.

On 1 January 1974, the new President in office of the Council will be the Foreign Minister of the German Federal Republic. At that moment Europe will need a strong Council, cognizant of all the effects which current events will have on the development of the Community in general and of each of its Member States in particular; cognizant also of the need to speed up the rate of our unification, so that we can meet all the demands placed upon us by our numerous external relations: trade negotiations in GATT, monetary reform, rendered more difficult by the financial measures announced by certain Arab countries, relations between energy-producing and energy-consuming countries, and relations with developing countries, the cost of whose imports has, as a result of the latest events, risen almost to the level of the aid that we give them; cognizant, finally, of the fact that if it plays its part in accordance with the Treaties, it can avert the threatened disintegration, economic as well as political, of our Community.

(Applause)

President. — I call Mr Durieux to speak on behalf of the Liberal and Allies Group.

Mr Durieux. — *(F)* Mr President, we have too often in this assembly heard the statement that Europe had reached a turning point. Today much more is at stake: our very existence.

Whatever may be our individual opinion on the institutionalization of summits, we ought to congratulate President Pompidou and Mr Jørgensen, whose initiative led to the meeting in Copenhagen.

Durieux

For a long time we have reaffirmed the need to revise our policy with regard to third countries. Today we are forced to do so, just as we are forced to create a genuine economic and monetary union.

The raging inflation which currently affects the entire world now strikes at primary materials. This means not only oil, but also uranium from Gabon, copper from Chile and cotton from Egypt. These third countries are demonstrating their solidarity in their own interest, and others will follow their example. I heard this morning on the radio that the President of the Republic of Venezuela had just declared his readiness to use oil as a weapon against the United States and Canada, 60% of whose petroleum imports come from Venezuela.

How has Europe, the first victim of this international crisis, reacted to it? In fact, nothing concrete has been accomplished: we have had only declarations, resolutions, wishes, desires, communiqués, promises.

Ladies and gentlemen, enough! It is time to take effective action.

We on the Liberal side now reject the use of methods which have proved ineffective in the past.

This is no longer the time to indulge in mere speech making and, if others have not understood this, they will, I think, understand it in a few days in Copenhagen. We have a Community structure whose existence we are sometimes inclined to forget. We cannot be excused for abandoning this Community solidarity. For two months we have constantly witnessed gaps and shortcomings in it. How often do we hear 'if only we had known!' or 'for a long time I have been saying how necessary it was to work out this or that common policy'. But what we now need is not regrets but definite proposals that can be implemented immediately. We have already wasted too much time and, like masochists, we continue to waste it. We have no excuse for not having yet defined the European identity, which would have enabled us to adopt a common stand with respect to the Arab countries, among others.

It is true, of course, that on 16 November 1973, at the Conference of Foreign Ministers, Europe spoke with a single voice, but this was really under duress and after the European communiqué we have made no further progress.

In 48 hours, therefore, the Heads of State or Government will be talking in Copenhagen. I hope they will understand that, facing this long and cold winter, European solidarity can

no longer remain an empty phrase but must become a living reality.

This solidarity must not remain sectoral. This desire for cooperation is in fact marked by the presence of one whom I may call a tenth statesman: President Ortoli. I should like at this point to pay tribute to his skill and perseverance, which have secured him a seat at the summit conference table where he will, in a sense, be our representative.

The man in the street will come to realize, as he watches the incarnation of our hopes on television, that an economically and politically united continent of Europe can see the light of day; the Community's image could certainly be boosted. However, it will only be so if realistic measures are taken in Copenhagen. It might be proposed that the ministers of energy and industrial affairs of the nine countries could meet as a matter of great urgency so as to adopt a common position that would permit the immediate opening of negotiations with third countries, whoever they may be, on energy and also on all the other problems relating to the primary materials that we need. The governments could then propose a detailed energy plan in which the oil companies could perhaps be encouraged to extend their activities to the production of nuclear energy.

Less wastage, more balanced production and harmonization of production by all Member States would check the social and economic crisis threatening us.

It is no exaggeration to describe the situation as extremely grave. There is no point in beating about the bush, we all realize that every one of our countries is threatened by mass unemployment. In some countries steps have already been taken to close down industrial works for a time owing to a shortage of primary materials.

In this era of rapid technical advance, are we still to believe in omens? If so, then I should like to conclude by mentioning the colloquy just held in Strasbourg by the Liberal group and Young Liberals who, after long and animated discussions, agreed on a common communiqué directly concerning the subject which preoccupies the Community today.

It was time for this Summit Conference to be held. It was motivated not only by energy problems, for even without this crisis it would have been necessary in order to unblock our institutions.

I do not propose to make any further appeal to the Heads of State or Government—I have done so on a number of occasions already in this Assembly. I think we realize that they

Durieux

have a clear understanding of their responsibilities and that they are sufficiently aware of the gravity of their task. We have confidence in them as we have confidence in President Ortoli, who, as I have just said, may be regarded as our spokesman at this conference.

(Applause from the right and centre)

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

Mr Kirk. — Mr President, it is obviously right that on the eve of this Summit Conference, specially called a year in advance of the date planned, we in this Parliament should attempt to clarify our own thoughts about the very important matters which the Ministers and the Heads of State or Government will be considering in Copenhagen at the end of this week.

It might be said, I suppose, by a cynic that the Community is in a permanent state of crisis and that it rather thrives on crises as a form of energy that drives it forward, but I think few of us would deny that the crisis with which it is faced at the present moment is one of slightly greater proportions than those we have been accustomed to over previous years. For that reason, I am sure it is right that the Heads of State or Government should take counsel together to try to draw the grand lines of policy which we shall follow over the next few months.

I have detected in the course of this debate, and indeed in the discussions in the Political Affairs Committee—this is hardly surprising—a slight suspicion of summit conferences generally and even more than a slight suspicion of regular summit conferences, a suspicion which is reflected in an amendment which appears on the order paper.

I can quite understand the feeling of those who say: 'We have now set up a Community with certain institutions. Why should we then, whenever we get into particular difficulties, either create a new institution which was not provided for in the Treaty or resort to methods which are wholly outside normal Community operation?' I can understand this feeling but do not think I can sympathize with it to the extent perhaps that I should, because I think that those who make this distinction are confusing, as we sometimes do in this Parliament, the desirable with the attainable. Obviously it is desirable that a Community structured as ours is by Treaty should act through the structure that it has created; but I do not believe at this stage in the Community's development that that is attainable. I think that from time to time, in order to get over particular problems or to get new

directions in particular policies, we must rely upon—I hesitate to use the word 'institution', because happily it is not yet an institution—a gathering which is outside the Community structure to give us the necessary impulse and force to get over the particular problems that we have. I am, therefore, less frightened of regular summit conferences than are some Members of this Parliament.

I think there is much to be said, at this stage in our development, when so much—indeed, too much—lies in the hands of the Council of Ministers, for our relying on the heads of government to keep the impetus of the Community going, because, if they do not do so, the danger is perhaps as great that the impetus will die away through the fact that the political drive is not there at all.

Therefore I personally—and I think that my group would take the same view—do not share the suspicion voiced by Mr Bertrand and one or two others of a regular summit meeting. Perhaps one ought to be careful about how often it takes place: one does not want to depreciate the currency, which is always a danger. However, I think that there is a lot to be said for the heads of state or government coming together at regular intervals to review the situation—in particular, to review the grand lines of policy development and particular crises like the energy crisis with which we are faced at the moment, and to lay down the guidelines which the institutions of the Community—most notably the Commission, which will, I hope, take part in as much of this Summit Conference as possible, because I think it is important that the Commission should be there—will carry out.

Having said that, we have only to look at the state we are now in to realize how much the heads of state or government have to do. Most of us have been talking today—rightly so—about political cooperation and about decision-making centres. These are catch-phrases. We have to define what we mean by them. What do we mean by 'political cooperation'? We mean, first of all, cooperation among ourselves. The Community has not shown any great unity over the last few weeks. Let us be frank with ourselves about this. We may blame individual governments or nations; the fact remains that as a Community, whoever is to blame, there has been a sad lack of political cooperation or political unity of the kind that all of us in our most pious expressions like to put forward.

There is political cooperation with bodies outside the Community. Our relations with the United States, as those of us who were in the United States a short time ago will remember,

Kirk

leave a certain amount to be desired, not just at the political but also at the economic level. There is our relationship with third parties, as it were, the parties outside the alliance to which most of us belong—not all of us, I add, in the presence of the acting Chairman of the Council of Ministers.

The Atlantic connection is not the only connection. Are we absolutely happy that our relationship with the developing world is correct? Are we absolutely happy that our relationship with the Communist world, with the state-trading countries, is the one that is most desirable? Is it not a good thing that at this time of crisis the heads of state or government should get together on a fairly regular basis and review the situation?

What do we mean by decision-making centres? We know what we mean. I think that nobody has mentioned the words yet, but the need for some kind of political secretariat has never been more apparent than over the past few weeks. What is the situation we shall face at the end of the year? For the six months from 1 July to 31 December, the decision-making centre in political terms for the Community will have been the Ministry of Foreign Affairs in Copenhagen. The eight Ambassadors and the Permanent Under-Secretary of the Danish Foreign Ministry have met practically every day to review and discuss foreign policy in the way they should. On 1 January, all that will shut down in Copenhagen and Bonn will open for business. Eight different Ambassadors in Bonn and the Permanent Under-Secretary of the German Foreign Ministry will suddenly become the decision-making centre for the next six months. Then, on 1 July, the same process will repeat itself—it may well be in Dublin, though my mastery of the alphabet does not enable me to be sure.

That is all right for the time being, but we cannot expect to continue as a political centre while we carry on that type of operation. I am certain that one of the lessons to be drawn from the experience of the past six weeks, or two months, is the need for a political secretariat. Whether it is part of the Community institutions or not seems to be a largely theological question. As the son of an eminent theologian, I have long since learnt that theological questions are not only most difficult to resolve but are among the most futile to tackle.

The essential thing is that we should discover within ourselves, as a result of what we have been through, not only the need for a more effective use of the institutions that we have but greater courage in looking for the institutions

that we need. We are far too timid, both in this Parliament and in the Community. Far too often we tend to shy away from something because it would be embarrassing to mention it at a particular point.

I have no hesitation in saying—and I hope that the Conservative Group supports me in this—that the state of affairs we have now reached in the Community calls above all for frank speaking. I hope that the motion, in so far as the motion has any effect on what the heads of state or government do at the end of this week, will encourage the frank speaking that we need more than anything else at this time.

President. — I call Mr Bourges, on behalf of the Group of European Progressive Democrats.

Mr Bourges. — (F) Mr President, Mr President of the Council, Mr President of the Commission, dear colleagues, on behalf of my Group I wish to state the reasons for the hopes which we attach to the conference of the Heads of State or Government opening this week in Copenhagen.

It is not the first meeting of this kind, but it is the first to be held at a time when Europe is considering its future and the means of safeguarding the development and progress of our civilization.

Our Parliament, our institutions, our states, our Community are confronted with a new reality.

The energy crisis which we have to face has jolted us out of relative comfort and forced us to make brutally realistic assessments and to revise the premises determining the growth of our economies.

Already the danger of a slow-down in economic growth, of a diminution in the national product, has manifested itself as a consequence of prolonged restrictions in oil supplies. And this state of affairs is not linked solely with a particular political conjecture concerned with a single product. The world, and our Community especially, has to undertake the task of basing international economic relations on new principles. That shows the magnitude and the urgency of the effort of will in solidarity and of the effort of imagination in decision-making that are required of us, now and for the future.

In the short term we are likely to witness a cumulative effect of the fight against inflation, with a consequent depression, and to be forced to do battle both on the prices front and in the area of employment.

Bourges

It took the brutal shock of an exceptional situation, the challenge to our security in the energy field, to make us give thought to the conditions of our growth, and not of material growth alone; to make us realize that the crisis can be solved by Europe only acting as a whole, and to recognize that Europe cannot act effectively unless it be united politically.

This is why we welcome the conference of the political leaders of our countries as an event of essential import.

The conference was needed now and it comes at the right time: the hour of decision. It is also the way to our unification.

We testify to the fundamentally important work done by our institutions: the Council, the Commission and, obviously, our Parliament. We reaffirm the role that falls to us in the task of European unification, in the building of that Europe which we call the Europe of our desires. But we cannot fail to recognize the importance and necessity of action by the political leaders of our states, from whom we expect the realization of our aspirations.

The task which we assign to them and for which we pledge them our unreserved support is clear: to define a European identity founded on the solidarity of our peoples. And it is important at this stage to identify clearly the conditions which must be met if our aims are to be achieved.

No one could deny in the light of present developments that the affirmation of a political resolve requires—indeed demands—of us a greater economic solidarity. Well, the attainment of Economic and Monetary Union is threatened by the repercussions, different in each of our economies, of the energy crisis. These differences are more often sectoral than general, they may be differences of timing rather than of extent, but it would be pointless to deny the existence of these consequences.

We desire fervently a relaunching of the economic and monetary union together with effective measures for eliminating regional, sectoral and social imbalances.

We wish in particular the Regional Fund to be endowed with sufficient resources to permit concentration of aid.

We are also aware of the fact that progress towards economic and monetary union, in regional as well as in industrial policy, and in agricultural policy, should be accompanied by a vigorous revival in social policy and its progress towards that 'social union' of which Chancellor Brandt spoke so eloquently to this House.

If I speak of the advantages, not to say the necessity, of consolidating our economic and monetary union, it is not to set this up as one of the objectives of the coming Summit, but primarily because we must not forget that it is one of the essential elements of our Community's progress. The important and urgent aim is, obviously, political cooperation.

In *The Citadel*, Saint-Exupéry tells us that we must escape from the past, 'that granite block which has revolved'; to this I would add: escape, but taking its lessons with us.

It is important for Europe, whose responsibilities are not simply 'regional', but which has a world mission, to make its voice heard: in Tokyo and Copenhagen, certainly—but also in all developments which affect its existence and in such a way that it may play its proper role in the resolution of crises.

For in fact the world is neither bipolar nor Manichaeian and we well understand that the Middle East should not be a stake in the inter-bloc political game, but should above all be a partner of our Community, with which it has geographical and historical ties.

Despite the laudable efforts of our colleague, Lord Gladwyn, we have spoken but little here of the question of our defence. And yet the agreement signed on 22 June 1973 by Mr Brezhnev and Mr Nixon was a historic event in that it provides, in particular, that 'in any situation involving a nuclear risk...the United States and the USSR shall immediately consult and take steps to attenuate the risk'. As was recently emphasized in the Assembly of the Western European Union by Mr Jobert, if you will permit me to quote him, thus, in the name of *détente*, a world co-responsibility for the settlement of crises has been established.'

Europe cannot be satisfied with such a position. Loyal to our outside friends, we must face the responsibilities of our own destiny, and, in the first place of our own security. This forms an integral part of a foreign policy which in all situations testifies to Europe's presence and action in the cause of peace and international solidarity.

With this in mind, let us not fear to strike out and explore new paths which can lead to the political confederation of European States: meetings of Heads of State or Government, a greater political role for the Council of Ministers and for our Parliament.

We support the resolution proposed by Mr Giraud because it underlines the need for a European identity, because it calls on our Community to face its responsibilities fully, because

Bourges

it demonstrates the political resolve to attain these aims through the institutions of the Community and the efforts of our Governments. We see in it as much an act of faith in the common future of our peoples, as an assertion of our resolve to construct, working together shoulder to shoulder, in a joint effort, the European Union.

(Applause from the Group of European Progressive Democrats)

IN THE CHAIR: MR COUSTÉ

Vice-President

13. *Change in the agenda*

President. — Before giving the floor to the next speaker, I would remind the House that on Monday last the Bureau took a number of decisions concerning the holding of sittings. In particular, it was decided that no more than two night sittings may be held per part-session, and that these two night sittings can in no case be held on consecutive days.

As you know, the first night sitting, which took place on Monday, lasted until about 11.30 p.m., and tomorrow's agenda is so heavily loaded that a further night sitting is inevitable.

In addition, it was decided that this afternoon's sitting should be closed at about 7 p.m. and that those items that could not be dealt with should be deferred to the following sitting.

I think the Oral Questions tabled by Mr Gibbons might be dealt with this afternoon—which, even so, will probably bring us up to 7 p.m. and beyond—but the motion for a resolution on the energy crisis in Europe and the following items on the agenda will have to be dealt with tomorrow.

I repeat that, for obvious human and technical reasons, the possibility of a night sitting today cannot be entertained.

For these reasons, I ask those speakers who are about to take the floor to be as brief as possible.

I call Mr Armengaud.

Mr Armengaud. — (F) Mr President, this sitting's agenda included a report on the issue of securities quoted on the stock exchange and on the relevant prospectus. It will be impossible to deal with this question tonight, and as I have to attend the Joint Committee of the Senate and the National Assembly in Paris tomorrow,

I request that this report be postponed to the January part-session.

President. — I have received a proposal from Mr Armengaud to postpone the debate on his report drawn up on behalf of the Legal Affairs Committee on the proposals from the Commission of the European Communities to the Council for:

- I. a directive concerning the content, supervision and distribution of the prospectus to be published when securities issued by companies or firms within the meaning of the second paragraph of Article 58 of the Treaty are officially quoted on the stock exchange for the first time ;
- II. a recommendation concerning the content, supervision and distribution of the prospectus to be published when securities issued by States or their regional or local authorities are officially quoted on the stock exchange for the first time (Doc. 186/73).

Are there any objections?

That is agreed.

It is also to be understood that the motion for a resolution and the Oral Question with debate on energy policy are deferred until tomorrow.

14. *Conference of Heads of State or Government on 14-15 December 1973 (continued)*

President. — I call Mr Bordu to speak on behalf of the Communist and Allies Group.

Mr Bordu. — (F) Mr President, ladies and gentlemen, on behalf of my group I want to say first of all that while it seems natural that summit meetings should be institutionalized in some way, we find it difficult to approve their form and content.

The resolution in fact deals only in a very fragmentary fashion with the questions which will be discussed in Copenhagen. Neither the parliamentarians of the Member States nor perhaps even the governments themselves have participated in the preparations for the coming summit, and it is impossible to say whether they will be informed of its outcome. As often happens on such occasions, the Heads of State will tell the national political leaders only as much as they want to.

Well, we believe that the peoples are most directly concerned to know what is to happen to them.

Bordu

We stand for open politics, for a broad democratic debate, and are therefore against any strengthening of authoritarian tendencies. The form of these summit meetings marks them as yet another assault on national sovereignty. We ask: What is there to be discussed that cannot be made public?

This Parliament is at this moment giving its opinions on economic problems, on energy, etc., but it has not been consulted about the complex of problems to be debated in Copenhagen.

But the European Community is a whole and should be treated in its entirety. The harmonization of Community policies is expected to take on a new dimension, which, in the intention of the Nine, shall lead to the political union of the governments of capitalist little Europe, a union which is to result in a European Government whose decisions will be binding on all Member States.

It is thus intended to create a new political bloc of the capitalist states of Europe, a kind of political sub-bloc which would be equally dependent on the Atlantic bloc and in which a supranational authority would deprive each of the peoples of its right to self-determination of national policy.

This is an attempt by Europe's powerful bourgeoisie to stand up to the growing strength of the democratic workers movement.

We are in favour of a certain amount of harmonization in the social sphere, of genuine co-operation in certain areas, but not when it is directed against the workers' interests.

However, the harmonization planned for the Copenhagen summit concerns also, and no doubt as a matter of priority, the military field. All the indications are that Europe is entering upon a process of relaunching the European Defence Community which foundered in 1954. It cannot even be said of this new initiative that it will promote Europe's independence, since in fact it is to rely on American strategic power.

We are concerned, very seriously concerned, by this development which goes against the efforts for international *détente* and peace at a time when Chancellor Willy Brandt has just signed a treaty annulling the Munich *Diktat*, when talks on disarmament, cooperation and security are in progress. These alarming attempts to create a European military and nuclear policy deliberately aimed against the Socialist countries are detrimental to the cause of peace.

We refuse such a Europe, and we call upon all the peoples to protest strongly in order to give

a living reality to a genuine cooperation and genuine security on a pan-European scale.

We believe that Europe is inspired by a noble idea. It is one which echoes the desire for peace of million upon million of human beings who reject with horror the prospect of a new war and the destruction it would bring, incomparably more horrible than anything we have ever known. The obliteration of frontiers is a noble ideal for this Europe's youth. The image of young people armed, not with guns, but with books and flowers, talking to each other in all the various languages is an inspiring one. Re-armament or the nuclear arming of the little Europe of the Nine is not the road of the future when the way is open towards a Europe of co-operation and mutual understanding, a democratic and truly independent Europe able to cooperate peacefully both with the United States and with the Socialist countries, both with developing countries and, without distinction, with all the countries of the world. This is how we see progress into the future and the construction of a better and peaceful destiny for Europe.

President. — I call Lord Gladwyn.

Lord Gladwyn. — I should say at the outset that I am delighted to hear the spokesman for the Communist Group declare that he was seriously worried lest Western Europe should come together in any real sense. If he is worried, perhaps it means that we shall achieve the unity which we are all seeking. Of course I naturally understand that he would much prefer that we should join the great pacific Eastern European bloc under the aegis, if not the domination, of the Soviet Union. I quite understand that that is his view, but I do not think it is the view shared by any other Member of this great Assembly other than Members of the Communist bloc.

I hope that Ministers will pay at least some slight attention to the excellent report by our friend Signor Giraudo. It may not say anything new, but it says it very well. It does not set impossible objectives: it merely indicates things that obviously should be done if the Community is to progress at all.

It is becoming increasingly clear—a number of speakers have said this better than I can say it—that the Community is now facing its most critical hour and that only if its governments have the courage to go further on the road to unity is it likely to survive. It is useless for the various Members to think, for instance—and I am sure that they do not now so think—that

Lord Gladwyn

some of them may be able, by playing a lone hand, to get better terms than others out of the Arabs. Only by standing together and drawing the Arabs' attention to the fact that their actions will undoubtedly, from their own point of view, in the long run be counter-productive are we likely to make any impression.

I think it is obvious that there must now be what Mr Giraudo refers to as a 'Community centre for policy decision-making'. I do not think that this is simply a catch-phrase—very much the contrary. What is the point of taking certain decisions in Brussels, others wherever the President of the Council of Ministers happens to live, and yet others—no doubt the most important decisions of all—in so-called summit meetings which take place anywhere? Such absurd peripatetic tendencies can lead only to a dispersal of energy and to general confusion.

Brussels is the obvious place where all these meetings should take place, just as it is the place where all the institutions of the Community should be situated, save no doubt for the Court and certain financial institutions which might well be located in Luxembourg.

Quite apart from the decision-making centre, why should not the President of the Commission be present when important decisions are taken in whatever forum may be preferred by the Ministers? He is an eminently reliable person; he is chosen by the Ministers themselves and is thus presumably someone in whom they can have complete confidence. At least one would have thought that, if this were done, he could act as what I believe is called in film-making circles a 'continuity man'. The same would apply also to Sir Christopher Soames, the Vice-President, who could equally well be there, sometimes perhaps replacing the President but at other times in company with him, whenever these matters are discussed and in whatever forum they may be discussed.

Since all the decisions of the Ministers must be interrelated—there is, I think, no question about that—the President and the Vice-President could be of the greatest use in drawing attention to the presumptive effect of one decision on the other and generally in representing the European as opposed to the purely national point of view.

Are the Ministers perhaps frightened of Mr Ortoli? Do they think that his presence would somehow deprive them of a freedom of action which they would otherwise possess? Is that the fear? Or are they afraid that Mr Ortoli would sometimes even compel them to be reasonable, in which event it is surely a fear which ought to be rapidly dispelled as time goes on?

As for direct elections, I have never thought that they are likely to come about for some time, however desirable they would be. What we could have in the immediate future, however, is direct elections on a national basis, each nation producing, by means of its own choosing, sufficient numbers of parliamentarians who would be able to spend the necessary time in Strasbourg, or wherever Parliament is likely to have its permanent home, and thus transform the present Parliament into a living reality. If it is shortly to have more powers, as I rather think was indicated just now by Mr Fitzgerald, if I interpreted his remarks aright, it is evident that such a transformation must shortly take place.

We have great hopes that the coming Summit will be successful, but in my view it will be successful only if the Ministers at least pay some attention to the proposals contained in the admirable report of Mr Giraudo.

Mr President. — I call Mr Romualdi.

Mr Romualdi. — (*I*) I should like to join in the tributes paid by all the speakers to Mr Giraudo, rapporteur, who has raised a question of extreme importance and delicacy, which the European Parliament was bound to take an interest in and wish to make its main subject of concern at the present sitting. Many years ago we voted for the Treaties of Rome, though some exceptions were raised, in the name of my Party, because the prospects did not seem to provide an absolute guarantee for the development of Community Europe; we are therefore happy to note today that we are all agreed that there cannot be a genuine and stable economic Europe without a political Europe and there can be no political Europe without a unifying political idea, without a spirit of unity.

I have heard a great deal said in this Assembly, I have heard much concern expressed, but I have never managed to grasp any concrete proposal which might really help the Heads of State or of Government in Copenhagen the day after tomorrow, which might give them some hint as to how they should direct their future action.

What is happening is the result of the political vacuum, the political nullity for which Europe itself is responsible. It is certain that if Europe had succeeded in being a political Europe, in the full sense of the term, the fate of the Mediterranean peoples and of the whole economy of Europe might perhaps have been different. But once it was believed—as our Communist colleague has said—that Europe could arise on the ingenuous presumption that all the world around it was peaceful and that there

Romualdi

was no need to assert any will to power, it was obvious that these were the only possible consequences. And so we find ourselves today faced with the gravest of crises which concerns all the peoples of Europe and the whole world, and yet nobody knows how to get out of this situation. A French paper, *L'Express*, commenting in an article a few days ago on President Pompidou's initiative, wrote that Europe, having nothing to say, had decided to say it with one voice. I hope that Europe will indeed have something to say, since it is as well that it should examine its conscience as to what has happened so far and should recognize that, in order to have political unity you must have a will to political power. The interests of Europe cannot be guaranteed by anyone, and it must be careful not to become dependent or to remain dependent on one bloc or the other. Europe must make its own security policy, just as it must make its own economic policy and its own energy policy, while bearing in mind that it is integrated in the area of the Western world and that outside that area it cannot exist, because it cannot win its political independence, or, once it is won, cannot thereafter defend it.

These are the things which, in my humble judgement, should be present in our minds; that is why, even before considering what modifications in our institutions could bring us nearer to the possibility of constructing this political Europe, we must today, in spite of everything, welcome the Copenhagen Summit.

We too are concerned as to what might be the effect on Europe of the institutionalization of the Summit conferences, but if we had not had the initiative of a Summit conference today, how could we have had at least the hope of finding, if not a common voice, at any rate a line which would not show itself to the rest of the world as dividing one against the other? others?

This line of action is undoubtedly the best and we must all make our own contribution to it, naturally bearing in mind that if we want to make a real and serious contribution to the common political Europe we must start with the individual countries by creating the mentality and the political customs, and not only the public opinion, favourable to the great European nation. But, let us tell the truth, up to now, who has done all this? Certainly not Italy, but no other country either.

All this has been one way among others of disguising, safeguarding and expanding particular interests. But a genuine European consciousness has not yet come to birth; we are

still waiting for it. And it is for that reason that, while not expecting anything exceptional, we look to the Summit in the hope that, at least in the truly pressing concerns of the present moment, the men who represent our peoples will find the responsibility, the intelligence and the political will genuinely to create this Europe.

President. — I call Mr Ortoli.

Mr Ortoli, President of the Commission of the European Communities. — (F) Mr President, I shall not speak at length and I shall not go over again the points I mentioned a few minutes ago.

After reading the resolution submitted by the Political Affairs Committee and by Mr Giraud, I can say for my part that even though we have not discussed it in the Commission I share many of the feelings expressed. There has been much talk of the summit or summits. Of one thing I am certain, like almost all the speakers; it is essential that such summits should be held.

Several weeks ago we realized that there were data which we had assessed badly, of which we are now more aware and which are important to the political and economic future of our countries.

It is essential, therefore, that the responsible people should study these problems, assess them, measure them and make proposals for action. Another thing which the events of recent weeks have shown us is that, as Europe, we have not progressed as far as we thought. I submit, Mr President, that this is also very important and justifies a summit meeting.

Like everyone else, therefore, I am waiting for conformation that the Community is really a community, that it has a present and a future and that it commits us to a certain policy since this is a dimension which we at present lack. I speak as a man and as the president of an institution. I believe that very great difficulties lie ahead but I also believe that the prospects are very good. For my part, I should like to come back to the idea which several others have expressed. These things are important and it is equally important that there should be a Parliament to give expression to what has been said here. This amply justifies Parliament's role, not simply as a body which takes decisions but also as the expression of political feelings as a whole—the true function of a Parliament.

In as far as I can make my contribution to what is going to be said and, I hope, to what is going

Ortoli

to be done in Copenhagen, I can assure you that I shall remember all your recommendations.
(Applause)

President. — Thank you, Mr Ortoli.

Does anyone else wish to speak?

The general debate is closed.

Before proceeding to consider the motion for a resolution contained in Mr Giraudo's report, I wish to draw the House's attention to an important error that has been noted in the French text. The authentic French version is that which has just been distributed.

On the preamble and paragraph 1, I have no amendments or speakers listed.

Does anyone wish to speak?

I put these texts to the vote.

The preamble and paragraph 1 are adopted.

On paragraph 2, I have Amendment No 1 tabled by Mr Van der Sanden, Mr Bertrand, Mr Blumenfeld and Mr Patijn and worded as follows:

'Paragraph 2

reword the beginning of paragraph 2 to read as follows:

"2. that occasional conferences of..."

(rest of paragraph unchanged).

I call Mr Van der Sanden to move this amendment.

Mr Van der Sanden. — (NL) Mr President, thank you for this opportunity to make a number of further comments on this amendment. I intentionally refrained from taking part in the debate which has just been held.

In fact my Group's views on this matter are completely clear and were accurately expounded by my colleague, Mr Bertrand; the introduction given by Mr Giraudo, the chairman of the Political Affairs Committee, also has our full approval.

In itself the problem which is at the bottom of this amendment is fairly simple, but not in my opinion any the less important for that.

A number of speakers have touched on this problem in this Parliament. Mr Kirk was one of them, but I did not fully take his meaning. Our proposal is that the word 'occasional' should be inserted between the words 'that' and 'conferences' in paragraph 2. The reason

for this is to stress most explicitly that we wish to retain above all the institutions of the Community created under the Treaties. These institutions include this Parliament, the Commission and the Council.

We must not build yet another floor on the building represented by the European Communities as they exist at present which could only be reached by means of a lift which neither the Commission, nor the Council, nor the European Parliament could use.

I agree with all those speakers today who have recognized the necessity and inevitability, under the present circumstances, of the Summit Conference to be held this week. I also admit that such a situation could well arise again. I would be the last person to oppose the holding of such a summit conference if it did.

However the issue—as we have heard several times today—is that there is a definite tendency to try to institutionalize these conferences. So far I have not heard any words of assent on the part of this Parliament, neither in this Assembly nor elsewhere.

Therefore we wish to stress the need to state that Summit Conferences should be occasional and kept apart from the Community institutions.

If they are in fact occasional we shall in fact be lending weight to the rest of paragraph 2, since they will then represent a welcome opportunity to provide new impulses on the path to the new Europe which we would so like to create.

Mr President, I would just like to return for a moment to what Mr Kirk said. He stated that he could not understand why the amendment had been tabled. Subsequently however Mr Kirk repeatedly used such phrases as 'fairly regular' and 'from time to time' in speaking of the holding of Summit Conferences.

Seen in this light there is then no difference of opinion between Mr Kirk and myself at all.

I therefore sincerely hope that he and his Group will support this amendment since the issue is something which we support as a body and an objective which we wish to attain with the resources available to us as a Community.

(Applause.)

President. — I call Mr Radoux.

Mr Radoux. — (F) Mr President, when I spoke a few moments ago I emphasized the importance I attached to the paragraph to which objections were raised. This paragraph was the subject

Radoux

of a lengthy discussion in the Political Affairs Committee. The first text was quite different from the present one. The chairman of the committee will bear me out in this. We eventually chose a wording which we thought would be acceptable to everybody and for everybody. 'Occasional' is implied since one cannot say that such things are permanent. I submit, therefore, that this paragraph should not be changed since it might destroy the balance of what we wanted to do, which was to ensure true equilibrium between all the powers.

The text was worded so that each Community institution would be satisfied and so that the Heads of State or of Government would not think that their participation was accepted grudgingly since there are times—as I think Parliament will readily agree—when it is desirable that the Heads of State or of Government, because they are what they are, should have not only the right but also the duty to intervene when they think it necessary, in order to help the Community institutions.

President. — I call Mr Kirk.

Mr Kirk. — Mr Radoux has made my task very much easier, because he has said exactly what I wanted to say. We discussed this at great length in committee. The words I used in the debate were very carefully chosen. I am sorry if they did not come across right. I used the words 'from time to time', and they were chosen for exactly the same reason as we have not put any qualification in this recommendation.

The Heads of States or Government must be free to choose the way in which they wish to contribute to Community progress, and we have made it plain in this document that the progress must be within a Community framework and with the Community institutions. On that basis I would hope very much that Mr Van der Sanden will not press his amendment, because it would seem to me that, if he does, he will be asking Parliament to take a view which would inhibit, in a way, the absolute liberty of action which the Heads of State or Government must have.

President. — I call Mr Dewulf.

Mr Dewulf. — (NL) Mr President, one short comment on this amendment. Experience in recent weeks has shown that from the moment when a Summit Conference is announced the whole machinery of the Council comes to a halt. I find this particularly distressing. There has

been talk of a lack of decision-making in the Council. This is a problem with which we are familiar. Unfortunately it is not simply a matter of whether or not to revert to the majority voting rule. The Council structures are weak. The main thing is that the technical ministers and sectorial ministers take their decisions far too often without reference to any other ministers. As a body the Council has no overall policy and no political cohesion. This has nothing to do with the application of the majority voting rule. And in connection with this unsatisfactory method of working in which the technical minister or sectorial minister is given quite a lot of freedom and there is a complete lack of leadership and political guidelines, we can see that from the time when a Summit Conference is announced all the problems are referred indiscriminately to that Conference. This is a questionable state of affairs. On the other hand, Mr President, I am sensible to what Mr Kirk said. There is one sphere, namely that of foreign and defence policy in which the Summit Conference presumably has an important part to play in the initial stage.

There are also emergency or crisis situations in which it is the responsibility of Heads of State or Government to take a political lead.

I am well aware that these observations are only marginal.

I quite understand the reason for Mr Van der Sanden's amendment. I am also prepared to accept the words "from time to time" used by Mr Kirk if this will satisfy him.

However I believe that both the letter and the spirit of Mr Van der Sanden's amendment meet with my approval.

President. — I call Mr Lange.

Mr Lange. — (D) Mr President, ladies and gentlemen, if my understanding of this debate is correct no-one in this Chamber seems to care about the fact that summit conferences are replacing Community institutions. If this is in fact so, then Parliament should be prepared to state it clearly. We had a summit in 1969, we had one in 1972, we have another one in 1973. And we find that the announcement of a summit conference causes virtual paralysis of the activities of Community institutions. If that is the situation and if that is how Parliament also sees it, then it should, by the inclusion of this one word, which is practically identical in meaning with the phrase 'from time to time', make clear that it does not dispute the necessity of the Summit Conference for the Heads of

Lange

State or Government. Parliament should also make clear by this wording that it does not call into question the freedom of decision of the Heads of State or Government, but is merely anxious that, as from the beginning, at the time of introduction of the Davignon procedure, nothing should be developed outside the Community institutions.

I feel, ladies and gentlemen, that by using the word 'occasional' Parliament is making it clear that the device concerned is outside the Community and cannot replace either Community institutions or Community procedures. I therefore feel that we should approve this amendment, for it helps to clarify the situation.

President. — I call Mr Radoux.

Mr Radoux. — (F) This paragraph reads: 'considers that conferences of Heads of State or of Government can provide desirable opportunities for stimulus, and that, in this context, they should make use of existing Community institutions and their valuable experience...'

I had intended to abstain in a spirit of compromise—I very much like compromises—but after what I have just heard I feel I really must vote against, because the introduction of the adjective 'occasional' implies that we do not like meetings of Heads of State or of Government.

I would like to point to one of my colleagues—I won't name him because I don't want to embarrass anyone—that it is not correct to say that the announcement of a meeting of Heads of State or of Government paralyses the Council of Ministers. In fact, I would even go so far as to say before this House that the Council of Ministers is not playing its role, and that until it does so the Commission, Council and Parliament or, in other words, the community institutions, will be paralysed.

It is not because a meeting of Heads of State has been called that the Council no longer wants to do anything. The Council of Ministers does not do very much even when no meeting of Heads of State or of Government has been announced. Who today would dare to say that it is a bad thing that the Heads of Government are meeting in 48 hours?

Mr Dewulf. — (F) Who said that?

Mr Radoux. — (F) It is excellent that a meeting of Heads of State or of Government has been called and that this will be taking place

in 48 hours. The meeting was decided on before the events in the Middle East, precisely because it then seemed that the situation had taken a turn for the worse and because it was necessary to achieve everything called for by the Summit Conference of 1972.

I am obliged to vote against because I am in favour of summit conferences when the Heads of State or of Government—and I repeat it is their duty—wish to give a stimulus to the Community institutions. The latter need not be afraid that anyone wants to take their place. This is stated clearly in the paragraph in question, which was expressly worded to show that there was no question of replacement and that the only motive was simply to give a stimulus.

Mr President, I apologize for speaking at such length but I wanted to give clear expression to my thoughts. I am in favour of meetings of Heads of State whenever they are necessary, that is to say whenever they are a good thing for Europe.

President. — I call Mr Bertrand.

Mr Bertrand. — (NL) Mr President, I find it extremely surprising that this debate should be taking place since all of us in this House agree that the Heads of Government should meet at conferences whenever there is an obvious necessity to discuss certain problems and to give certain impulses of a political nature that do not emerge from the Treaties.

We now hear that various Governments have proposed that these conferences should be institutionalized by holding them at regular intervals. It is, however, normal that we as a Parliament should react to this by saying that we do not find this a desirable solution. We accept that the Heads of State should meet whenever there is a crisis or whenever specific difficulties emerge. But what we do not accept is that it should be decided—this we can undoubtedly say—that they should meet every six months, for example on the first Monday of the sixth and twelfth months of the year, whether there is a crisis or not, to discuss matters. On that we surely all agree.

If you all accept this, then accept the one little word, because we are saying very clearly that the summit conferences can sometimes provide new impulses. We merely wanted to emphasize, however, that this is not enough. If it had not leaked out that certain Heads of Government or State were in favour of periodical meetings, today's debate would not have taken place.

Bertrand

There is thus a political reason for this debate and for our wanting to establish our position. I would therefore urge Mr Radoux not to look for reasons that do not exist. We are all in agreement. I gave the text the same interpretation in committee as he has given here today, but I have reached the conclusion since our last part-session that we as a Parliament must underline this and make our opinion known. (Applause.)

President. — I call Mr Giraud.

Mr Giraud. — (I) Mr President, in my oral report today, in speaking about point 2, I said that conferences of Heads of State or Government were justified in moments of emergency. But the Heads of State or Government are the people who have the greatest political responsibility and who therefore know how to tell when these moments of emergency or crisis arise. With that comment, I think I have explained the meaning of point 2 in which it is said that the conferences can provide desirable opportunities for stimulus.

Faced with the statement of a certain Head of State who spoke of regular summit meetings, some people have thought it desirable to express an opinion against the institutionalization of summit meetings for the reasons set out here.

I do not want to go into the merits and as rapporteur I submit to the wishes of the Assembly, but I should perhaps point out that if the amendment is accepted to read (in Italian) *occasionali conferenze* the words *auspicabile occasione* should be replaced by *auspicabili momenti di impulso* to avoid repetition.

President. — Does anyone else wish to speak?

I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

Does Mr Giraud, who proposed just now to replace the word *occasioni*, wish to move an amendment and, if so, in what terms?

Mr Giraud. — (I) I propose that the word *occasioni* be replaced by *momenti*.

President. — Has the House understood the meaning of Mr Giraud's oral amendment?

Mr Spénale. — (F) Can we not say 'desirable stimuli' instead of 'desirable opportunities for stimulus'?

President. — Does Mr Giraud agree?

Mr Giraud. — (F) Yes, I agree Mr President.

President. — I call Mr Lange.

Mr Lange. — (D) The word *Anstösse* already appears in the German text. We surely don't need to take a decision on it all over again.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — On a point of order, Mr President. We are in the same muddle that we got into earlier. I do not know what amendment you are now putting. I do not know whose it is or what the English translation is. We cannot continue to have oral amendments without knowing what they are. I suggest we put to the vote whether we need this or not.

President. — I think it is rather a question of translation. I call Mr Spénale.

Mr Spénale. — (F) The text would become: 'that occasional conferences of Heads of State or Government can provide desirable stimuli...'

President. — I call Mr Kirk.

Mr Kirk. — Mr President, this amendment in the English text makes nonsense of the whole text. It is quite unnecessary. This is surely a pure matter of translation. I was against the original amendment, but instead of having a vote can we leave it to the translators to sort it out to avoid going through this process continually?

President. — Since we are confronted with a straightforward matter of translation. I think we can be satisfied with a simple editorial adaptation.

Does the House agree?

That is agreed.

On paragraphs 3 to 9, I have no amendments or speakers listed.

Does anyone wish to speak?

I put these texts to the vote.

Paragraphs 3 to 9 are adopted.

Does anyone else wish to speak?

I put to the vote the motion for a resolution as a whole, incorporating the amendment that has been adopted.

The resolution so amended is adopted¹.

¹ OJ No C 2, 9. 1. 1974.

15. *Oral Question No 141/73 and No 142/73, with debate: Common Agricultural Policy*

President. — The next item is a debate on Oral Questions Nos 141/73 and 142/73 by Mr Gibbons to the Commission and the Council of the European Communities respectively on behalf of the Group of Progressive European Democrats.

These two questions are worded identically as follows :

Subject : Common Agricultural Policy.

When is it intended to extend the Common Agricultural Policy to cover sheep and lamb products?

I call Mr Gibbons to speak to these questions.

Mr Gibbons. — Mr President, the reason why I raised this question this evening is that I found myself very surprised and somewhat concerned by the proposals that have been made by the Commission in its most recent document on the Common Agricultural Policy for the introduction of certain changes in the organization of the sheep-meat market.

I should like to welcome the proposals that the Commission makes for removing quantities of restrictions, because these have had a very distorting effect. I am glad that the Commissioner recognizes this and is proposing to do something about it.

What I cannot understand is why, in the case of sheep-meat, the Commission does not appear to see fit to provide an intervention price in the same way as there are intervention prices for beef, veal and other meats. In the absence of an intervention price, the essential security that producers must have in order to expand their operations will be lacking.

It strikes me as somewhat anomalous to find the Commission on the one hand failing to provide an intervention price for sheep-meat and on the other introducing special measures for the promotion and development of farming on hills and mountains.

Obviously, the most common type of livestock-farming that can be carried out in hilly and mountainous areas is sheep-farming. It seems rather odd to me that on the one hand we provide special aids for people to carry on hill-farming and on the other we withhold, without any apparent reason, the essentials that one

must have to provide a proper sense of security in which flocks can be expanded.

In my own country, there is no doubt at all that the total number of sheep could readily be doubled in a short time. It is worth remembering that one can get more rapid increases in the tonnage of meat as regards sheep-meat than is possible with beef or veal, because one can build up one's flocks more readily and in a shorter time.

I fancy it may be the Commission's opinion that the sheep-meat price will be related to prices paid for other red meat and that this related price will be more or less constant. If that is the belief, I think it will be found somewhat fallacious, because the relationship between other red meat and sheep-meat varies from place to place and is in no sense a guarantee to sheep producers of the security of the market. I believe that development will be inhibited by the failure of the Commission, so far at any rate in its proposals, to provide the vitally necessary guarantee that is inherent in an intervention mechanism.

I am glad that the Commission mentioned in its document the likelihood of a re-examination of trade arrangements with non-member countries in the light of international obligations. When one discusses sheep-meat in that context, one naturally thinks of the very large tonnages of sheep-meat imported from New Zealand to the United Kingdom and to the Continent as a whole, but particularly to the United Kingdom. I am well aware that certain guarantees were given in the Accession Treaty to the United Kingdom in the matter of imports of sheep-meat, but I think that this particular area should be kept under review. I believe that there are possibilities for lucrative alternative markets for the New Zealanders in the Far East. In any case, on balance, when one finds that production which could be readily obtainable is inhibited by imports of sheep-meat from places such as New Zealand, one wonders whether the guarantees contained in the Treaty of Rome are actually being achieved. What is most lamentable, and what I hold to be a shortcoming of the Commission's proposals, is that, granted certain special aids are being given to hill farmers, those affected by the absence of any intervention mechanism in the Commission's proposals are precisely those who most require assistance. The assistance they need most is the security of a guaranteed intervention mechanism.

I therefore ask the Commission to tell the House whether it is intended to introduce an

Gibbons

intervention mechanism, and, if not, why not? In what manner is its withholding justified? In what way does sheep-meat differ from other forms of red meat by which one meat may be fully equipped with an intervention mechanism but the others may not? This I cannot understand. I should be grateful if the Commission would enlighten me on this subject. It should also bear in mind the necessity to ensure at all times that people in member countries of the Community are not placed in a position of disadvantage which can be readily avoided.

As I say, I am conscious of the obligations entered into by the Community with Great Britain on behalf of New Zealanders, but in that context there should be room for re-examination with a view to the protection of the Community's own sheep producers.

President. — I call Mr Lardinois to answer the question put to the Commission.

Mr Lardinois. — (NL) Mr President, I should like to answer the questions that have been put and in particular the question on when the Commission intends to make a practical and detailed proposal for a market organization in sheep-meat. I am able to inform Parliament that the Commission thinks it will be possible to publish a report on the subject in the first half of 1974. I myself have some hope that a discussion can take place with the appropriate committees of the European Parliament in the first half of 1974. Otherwise I should not like to anticipate the contents of a market regulation of this kind, or at least go no further than what we have already said in the memorandum on the adjustment of the agricultural policy.

I am somewhat surprised, however, that there has not as yet been a discussion on this memorandum, whereas Parliament has already gone so far as to discuss the measures to be taken. I feel that this question is not the most urgent in view of the time that I have mentioned. In reply to Mr Gibbons' speech I should, however, like to say something about the reasons why we think that this market organization should not be made too 'difficult'. We want to make the structure of this market organization somewhat 'easier' than that of some other market organizations. One of the most important reasons for this is that we do not have any experience with a market organization of this kind nor with the intervention machinery used in one of the Member States.

Secondly, we have at the moment free movement of sheep-meat, at least between the original six

Member States. If we were to go over to a completely centralized system with guarantee prices and everything that goes with them, the free movement of sheep-meat that now goes on between the original six Member States would break down and be replaced by a situation in which there was no longer free movement. And then, I suppose, we should adopt monetary compensations measures.

I feel that the intention is not to issue market regulations which in fact result in a stop automatically being put to the present free market in the largest part of the Community. I am therefore of the opinion that if we intend introducing a system in this field, we should not in any circumstances introduce such anomalies.

Mr President, I can say no more on the subject for the time being since the Commission cannot go any further than what has been said in the memorandum.

(Applause).

President. — I call Mr Kavanagh to speak on behalf of the Socialist Group.

Mr Kavanagh. — Mr President, some time ago—to be exact, on 5 October 1973—I directed a Written Question to the Commission about this problem of the need for a market for sheep and lamb products. I have not had a reply to that question, but since the Memorandum on Improvement of the Common Agricultural Policy has come out it indicates that a market for sheep-meat—mutton and lamb—which up to now was not subject to a common EEC market organization is to be brought about in 1974. On behalf of the Socialist Group I welcome this decision.

The Commission suggests that a very flexible market system will be adopted. The Common Market organization to be implemented during the period 1974-78 would be based upon the principle that arrangements in the enlarged Community's internal market would be as follows:

'The common market organization to be implemented during the period 1973-78 would be based on the following principles:

1. The arrangements in the enlarged Community's internal market would be based on:

(i) fixing compensatory amounts between the original Community and Denmark and between the original Community and the United Kingdom and Ireland, the amounts to be based on the market prices and gradually scaled down;

Kavanagh

(ii) removing all quantitative restrictions and application of Articles 92-94 of the Treaty.

2. The present trade arrangements with non-member countries will be subsequently reviewed in the light of the Community's relevant international obligations.

3. Incentives for sheep farming:

(i) strengthening the premium system for the conversion of dairy herds to meat production;

(ii) measures envisaged in the framework of the Directive on mountain and hill farming and problem areas;

(iii) the possible extension of certain measures in this Directive to cover sheep-farming in other suitable areas.'

The urgent need for this, as the Commissioner has agreed, is due to the fact that the level of mutton and lamb prices in Great Britain and Ireland was almost equal on accession, but since accession and during the transitional period the prices of beef and veal will move progressively closer to those obtaining in the original Six and Denmark.

The lack of a common organization in mutton and lamb would distort the level of both producer and consumer prices. The development of sheep-farming could also help to improve the balance of the Community meat market. At the present time the Community consumption of sheep-meat is only 5 per cent of the total meat consumption, which compares adversely with the consumption of 37 per cent of pig meat and 32 per cent of beef and veal.

From what we can see in the document, expenditure from the guarantee section of EAGGF in respect of mutton and lamb under this Directive would possibly be only marginal. So far as it goes, I welcome the proposal of the Commission to set up the market organization for sheep meat in 1974.

President. — I call Mr Scott-Hopkins on behalf of the European Conservative Group.

Mr Scott-Hopkins. — I welcome the fact that the honourable Member from Ireland has brought the question forward. On behalf of the Conservative Group, I think that the answer given by the Commissioner is acceptable and right.

I am glad that the forthcoming proposals will deal with the sheep-meat section—lamb and mutton—and will be flexible. There are several problems to be overcome before we can go too

deeply into this. One or two of the points made by Mr Gibbons deserve a short comment by me.

First, whether we have an intervention price is not of primary importance at this stage. The most important thing is to get a common organization in the market but, bearing in mind that the purpose must always be to maintain the level of production of sheep—ewe sheep and lamb—to maintain the level of return for those farmers who engage upon it.

There seems to be a misconception that the hill-farmers who breed the lambs are those who fatten them. On the whole that is not so, certainly in the United Kingdom. The sheep are bred in the hills. The hill and mountain farming Directive will, I hope, give great help to those sheep farmers. That would be right. But rarely are the lambs fattened on the hills, because there is not the pasture land. I do not think they are fattened on the hills even in Ireland, though they may be. They are fattened in what we call in the inbye country, further down the hills on the lush pastures. The farmers there feed and fatten the lambs and send them to the market.

The only mention of them is in paragraph 3(3) of that part concerning the sheep regulations in the proposed Memorandum, which speaks of the possible extension of certain measures referred to by Mr Kavanagh in the Directive to cover sheep-farming in other suitable areas. Presumably what the Commissioner had in mind when putting down those words was that a balance must be kept between the hills and the inbye country.

My next point concerns the consumption of sheep meat, which is extremely uneven throughout the Community. In my country it is a very popular meat. It is eaten to a certain extent in Ireland, to a lesser extent in the Commissioner's own country—Holland—and to an even lesser extent in Germany. It is eaten to an almost minuscule extent in the other countries of the Community.

One of the prime objectives for any future policy, whether one of intervention or not, must be to increase the consumption in those countries where at present it is lagging far behind. Sheep-meat is a high-protein food. The balance between beef and other kinds of red meat and mutton and lamb is very exact. We see clearly how the price level and the consumption pattern move in relation to each other and those of white meat. I hope that consumption of sheep-meat will be stimulated by the Commissioner's proposals in the first part of next year.

The consumption pattern problem and the expansion of consumption are important in rela-

Scott-Hopkins

tion to the issue raised by Mr Gibbons about the import of New Zealand lamb into my country and the Community. The guarantees given on accession, which are embodied in the protocols, concern access to the Community of a certain quantity of New Zealand lamb, which has been very acceptable in my country because we have not been able to produce enough for our own needs.

It is a point of congratulation to the New Zealand farmers and the New Zealand board which deals with the matter that they have taken great steps to diversify their markets. They are selling a great deal of lamb to places other than the United Kingdom. But the point remains that an undertaking was given that access should be allowed for New Zealand lamb and mutton not only into the United Kingdom but also into the Community as a whole. That is important, but it does not have so much relevance unless we can raise the level of consumption throughout the Community. We must consider that and do the best we can.

Of course, it is right that we should in due course re-examine the undertakings which have been given, see how they operate and consider the existing pattern of trade. But the undertakings were given in the negotiations, and I am sure that nobody, least of all Commissioner Lardinois, has any intention of seeing that they are not carried out.

On the whole, I welcome not only the question but the Commissioner's answer. Many issues must be resolved in detail, and I look forward to hearing of them during the first half of next year. I have highlighted the unequal pattern of consumption, the need to balance the hill and the inbye country where the fattening is done, and the balance between all the red meats and all the white meats. They are important points which must be remembered in whatever flexible system of a common market is arrived at.

In general, I welcome the proposals.

President. — I call Mr Brewis.

Mr Brewis. — The hour is late, and I do not wish to detain the Assembly for more than a few minutes.

First, I congratulate our Irish colleague, Mr Gibbons, on raising the question. I was very glad to hear from the Commissioner that he expects to produce a report in the first part of 1974. In Scotland, we were pleased with the measures taken to help hill and mountain farming. It seemed logical that the common market should be extended to include sheep-meat, which is

produced to such a large extent in that country. Moreover, as my colleague Mr Scott-Hopkins has said, sheep-meat can make a tremendous contribution to the meat supplies of our Community. Contrary to what Mr Lardinois said on a previous occasion, when I raised the subject, about sheep-meat not being eaten to any extent in Holland, I want to tell him that the lamb and mutton from the Scottish hills is absolutely delicious. We have spent a great deal of time and trouble, through such organizations as the Scottish Quality Lamb Association, to improve the quality.

There is a good market for lamb in France but, owing to there being no common regulation, the trade is disturbed. When the price falls below a certain level, down comes a sluice gate and no more can be imported. That is contrary to the principles of our common market and the Treaty of Rome.

I do not know that I entirely agree with what Mr Gibbons said about New Zealand. The New Zealanders are doing a great deal to diversify their trade, but there are considerable difficulties in introducing more lamb into the diet of the Japanese and some of the Eastern countries. I therefore hope that what has been negotiated in the Accession Treaty with New Zealand will be respected. We need at present all the food we can get at the best possible prices.

President. — I call Mr Gibbons.

Mr Gibbons. — I thank Commissioner Lardinois and the other people who have contributed to the debate. I appreciate Mr Lardinois's information that he will be able to introduce some type of organization during the coming year. But, regretfully, I must tell him that I still do not know why there is no intervention mechanism. I appreciate that this may not be the time or the place to talk about it, although I think it is. I urge him to think about it again.

President. — I have no motion for a resolution on this debate.

Does anyone else wish to speak?

The debate is closed.

16. Agenda for the next sitting

President. — The next sitting will be held tomorrow, Thursday, 13 December 1973, at 10 a.m., 3 p.m. and 9 p.m., with the following agenda:

— Motion for a resolution on the energy crisis in Europe

President

- Oral Question No 137/73, without debate, by Mr Blumenfeld to the Commission on energy policy
- Motion for a resolution tabled by the Committee on Economic and Monetary Affairs on the proposals concerning economic and monetary union
- Report by Mr Delmotte on the regions and areas to be given priority treatment by the European Regional Development Fund
- Report by Mr Dewulf on the generalized tariff preferences
- Oral Question No 108/73, with debate, by Mr Blumenfeld and others to the Commission, on credit aid to State-trading countries
- Oral Question No 134/73, with debate, by Mr Van der Hek and others to the Commission, on the extension of the generalized preferences system to East European countries.

The sitting is closed.

(The sitting was closed at 7 p.m.)

ANNEX

Oral Question which could not be answered during Question Time, with
written answer

*Oral Question No 168/73 by Mr Cousté to the Council of the
European Communities*

Subject: axle weight of commercial vehicles

Will the Council indicate what progress has been made at Community level
towards solving the problem of the axle weight of commercial vehicles?

Reply

As you know, the problem of the weight and dimensions of commercial road vehicles, on which the Commission submitted a new proposal in June 1971, has been under discussion in the Council for several years.

After studying that proposal, the Council adopted general guidelines in May 1972 and these were the subject of consultation, in accordance with the procedures applying before the enlargement of the Community.

At its meeting on 22 November 1973, the Council had another opportunity to examine this problem, in particular as regards the maximum weight per single axle but could not reach an agreement. Fully aware of the importance and urgency of the problem, the Council agreed to return to it at the next meeting devoted to transport questions.

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IN THE CHAIR: MR McDONALD

Vice-President

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

The President. — The sitting is opened.

1. Approval of minutes

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

Are there any comments?

The minutes of proceedings are approved.

2. Documents received

President. — I have received the following documents:

(a) from the Committee on External Economic Relations the following reports:

- Report by Mr J. de Koning on the proposals from the Commission of the European Communities to the Council (Doc. 223/73) for three regulations opening, allocating and providing for the administration of Community tariff quotas for port wines, Madeira wines and Setubal muscatel wines falling within subheading ex 22.05 of the Common Customs Tariff, originating in Portugal (Doc. 287/73);
- Report by Mr J. Baas on the proposal from the Commission of the European Communities to the Council (Doc. 224/73) for a regulation opening, allocating and providing for the administration of a Community tariff quota for dried grapes falling within subheading 08.04 B I of

the Common Customs Tariff, in immediate containers of a net capacity of 15 kg or less (Doc. 288/73);

- Report by Mr D. Thornley on the proposal from the Commission of the European Communities to the Council (Doc. 174/73) for a regulation increasing the Community tariff quota for certain eels falling within subheading ex 03.01 A II of the Common Customs Tariff (Doc. 289/73);
- Report by Mr D. Thornley on the proposal from the Commission of the European Communities to the Council (Doc. 204/73) for a regulation opening, allocating and providing for the administration of a Community tariff quota for certain eels falling within subheading ex 03.01 A II of the Common Customs Tariff (Doc. 290/73);
- Report by Mr K. Thomsen on the proposal from the Commission of the European Communities to the Council (Doc. 240/73) for a regulation on customs treatment to be applied to certain fishery products originating in Norway (Doc. 291/73);
- Report by Sir Tufton Beamish on a Council regulation (Doc. 274/73-I) on the conclusion of an Agreement in the form of an exchange of letters amending Article 7 of Annex 6 to the Additional Protocol to the Agreement establishing an Association between the European Economic Community and Turkey (Doc. 292/73);
- Report by Sir Tufton Beamish on the proposal from the Commission of the European Communities to the Council (Doc. 274/73-II) for a regulation on imports of olive oil from Turkey (Doc. 293/73);

President

- Report by Mr G. Boano on the proposal from the Commission of the European Communities to the Council (Doc. 267/73) for a regulation fully or partially suspending the customs duties of the Common Customs Tariff on certain agricultural products originating in Turkey (Doc. 294/73);
 - Report by Mr E. Klepsch on the proposal from the Commission of the European Communities to the Council (Doc. 282/73) for a regulation extending the period of application of Regulation (EEC) No 1253/73 on imports of the wine products exported under the label of 'Cyprus sherry', originating in and coming from Cyprus, and the introduction of subsidies for similar wine products produced in the Community as originally constituted and exported to Ireland and the United Kingdom (Doc. 295/73).
- (b) Report drawn up by Mr L. Martens on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council (Doc. 246/73) for a regulation amending Regulation (EEC) No. 1411/71 on the fat content of whole milk (Doc. 296/73).

3. Change in the agenda

President. — Mr Blumenfeld informs me that, since he cannot attend today's sitting, he has requested that his Oral Question No 137/73, without debate, be placed on the agenda for the January part-session.

Are there any objections?

That is agreed.

4. Energy supply crisis in the Community

President. — The next item on the agenda is a motion for a resolution on the energy crisis in Europe, tabled by Mr Springorum on behalf of the Committee on Energy, Research and Technology (Doc. 266/73).

I call Mr Springorum.

Mr Springorum, Chairman of the Committee on Energy, Research and Technology. — (D) Mr President, ladies and gentlemen, the year 1973, once designated as the 'year of Europe', is now drawing to a very cool, not to say frosty, end. For many years now, everyone in our Community has been well aware of the weakness of Europe in view of its extreme dependence on

oil from the Near and Middle East. Yet nothing has been done to lessen this dependence. We are now having to pay the price for this neglect, and I think we can consider ourselves lucky that it is only in money that we have to pay for our faults and failures.

It is with great anxiety that the peoples of our Community are facing this winter, whose harshness or mildness will determine—naturally subject to the decisions of the Arabs—whether the present crisis is to develop into a catastrophe. The Committee on Energy, Research and Technology has been extraordinarily disturbed by the fact that in this difficult situation neither the Council nor the Commission of the Community has got to grips with the question. Yet every week of time saved is valuable.

I cannot tell you the reasons why the Council and the Commission have been so hesitant. I am only afraid that Member States are not unanimous in their analysis of the present situation and that some people are clinging to the hope that things will once again take a turn for the better and that the cup of bitterness will once again pass from us. I think we must all hope that. And this hope is certainly not entirely unfounded. But in our common energy policy we shall do very well to distinguish between the present oil-supply crisis—which may well be reversible—and the long-term production policy of the petroleum-exporting countries, which, because of the advantages of which those countries are now conscious, will in future certainly be retained to a certain extent. Anyone who has ears to hear must certainly have known for a year and a day that these countries would be constantly less and less willing to satisfy in full all the demands made upon their oil. Only a few days ago, the Secretary-General of OPEC, Dr Abderahman Kahne, told a UN committee that the oil hunger of the Western world had reached absolutely unreasonable proportions. The wasteful exploitation of oil must finally be stopped and he, Khane, hoped for the day when consumers, too, would ultimately understand this. Unfortunately, we still seem to be very far from such understanding. To take one example only: in my country a big paper mill applied for permission to replace its oil-fired plant with coal-fired plant. This was refused by the competent authorities and the *Land* government on the grounds that all the authorization papers were made out for oil-firing, and the business was told that if it used coal in the meantime it would be closed down. Another example: a few days ago the Commission was conducting negotiations with the Community iron-and-steel industry; it was maintained that at the most 20 per cent of the oil consumed could be replaced

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by coal or coke without the quality of the iron or steel suffering. These differences of quality, however, are so minimal as to be completely negligible. We all know that millions of tons of coke are lying on the dumps.

A third example. The Commission has submitted to the Council a directive for common taxation measures in the petroleum sector. In this paper complete exemption from taxation was proposed for heavy fuel-oil. But since no future energy policy is conceivable unless taxation is made to exercise certain directive functions, we in the Committee requested that the Commission again be asked whether this proposal should be allowed to stand. And we were given the answer here at the next sitting that this proposal on the structure of taxation would be finally adopted only at the end of the 1970's; as though the oil crisis played no part here! Apparently the Commission, too, is living under the delusion that everything will again be as it used to be. Not so, ladies and gentlemen; we must bear clearly in mind that we need a new long-term plan for energy, and that while this crisis with its momentary effects may possibly be overcome, the energy policy of the petroleum-exporting countries will certainly go on for a long time.

As a result of this we shall have to make use of all sources of energy, but their application must be guided so that the best possible use can be made of them. In some sectors petroleum is a vital necessity. But where other sources of energy such as natural gas, nuclear energy or coal: in these sectors oil must be replaced. However dependent we may be on oil from the Near East, we should at least try to reduce to a minimum our vulnerability to political pressure, and this principle should remain valid for a long time to come.

The Committee on Energy today submits to you a motion for a resolution which is deliberately confined to measures to be taken in the short term. I must say this in view of the large number of amendments proposed. We have suggested no more than a certain number of measures which can either be made effective overnight or be started straight away so as to bring about a certain easing of the crisis within a foreseeable length of time. The Committee on Energy will be submitting medium- and long-term proposals to you in the near future. This motion for a resolution is deliberately meant to be something different from the vast numbers of statements and visions of world policy which now trickle down to us from the leaders of all countries of the Community but which fail to offer any tangible content. The implementation of our proposals will certainly cause hardship to some people, and we appreciate that they are not

practicable without some measure of state intervention. But in the energy policy of the future we shall not be able to leave everything to the free play of forces. The measures proposed should have equal force in all the countries of the Community. We are surely entitled to demand at least this modicum of solidarity.

The proposals are roughly based on the fact that the shortage is greatest in what are called the lighter products, i.e., petroleum products such as gas-oil, naphtha and petrol, for which substitutes can be found only to a limited degree and whose prices have therefore risen substantially, or at any rate very much more than those of heavy products. For these products our proposals recommend, on the one hand, economical consumption and, on the other, an attempt to secure additional quantities through the conversion of heavy products into lighter products by vacuum distillation through cracking and coking. It is true that this would lead to a certain shortage of heavy fuel-oil, i.e., residual oil, but this can to a considerable extent be made up by coal, of which we have more than 30 million tons lying on the dumps at the present moment. Since in many sectors coal is still dearer than heavy fuel-oil, there will be some reluctance to make this substitution. This will necessitate either voluntary limitation agreements or else governmental measures.

I shall not go into the individual recommendations of the Committee on Energy: we shall have to consider individual points when we come to deal with the amendments. If the proposals are carried out they will not, of course, do away with the crisis, but they can certainly help, even each of them individually, to alleviate the crisis either immediately or in the near future. They are all urgent, and any further delay can only worsen the situation.

Please let us be quite clear about this: every crisis—including this one—weakens the Community to an extraordinary degree. If Member governments continue to follow the slogan 'Every man for himself!' and no longer heed the interdependence of the Common Market, then this Community must founder.

In the case of oil, the Common Market has in fact ceased to function: under the cloak of licensing, the free movement of oil and oil products has virtually come to an end. Other things will follow if this goes on, even if the responsible leaders continue to close their eyes and appear not to notice it.

There is still the hope that the Heads of State or Government, who begin their Summit Conference tomorrow, will realize that in the matter

Springorum

of energy policy, too, all Europe is in the same boat and that 'solidarity' is a slogan which is much proclaimed but not put into practice. The Commission, too, should finally refuse to be silenced and thereby help to ensure that all the peoples of Europe, who are looking for deeds and not words, approach the Christmas season with fewer worries than they have at present.

The Committee on Energy, Research and Technology urges the House to accept this motion for a resolution.

(Applause)

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

Mr Flämig. — (D) Mr President, ladies and gentlemen, if we understand the motion for a resolution rightly, its primary purpose is not to lay stress once again on the appeal for solidarity which we addressed to the Community and to the Member States after the oil boycott. Today's debate, which we are now opening, is certainly no rhetorical set piece of the kind which has become customary in every country in connection with the energy crisis today. The long and extremely thorough discussion in the Committee on Energy, Research and Technology has made it clear that this motion contains proposals for technical, industrial, commercial and general economic measures that are specific and immediately realizable with the aim of alleviating the energy crisis.

Looked at in this way, even the recitals become important. We are not thinking of the regrets expressed therein that the Council of Ministers has still not been able to agree on a possible solution. As it is, the Council has hardly regaled us with displays of vigour and solidarity. Neither are we thinking of the fact that the Commission has so far submitted no promising proposal for a solution of the energy problem. All this is unfortunately nothing new and was criticized by us in this House in the course of debates on energy long before the crisis.

We are thinking much more of the realization which finds expression here that the free market economy has its limits. The apostles of the market economy still go on proclaiming that the free play of supply and demand automatically settles everything for the best; but the behaviour of the market for petroleum and petroleum products in the past few weeks, since the beginning of the Arab oil boycott, affords the most convincing proof to the contrary. The powerful international oil companies, under cover of the catchword 'energy crisis', have obviously launched internal campaigns which certainly cannot be described as being typical of a free

economy but much more of a 'freebooters' economy'. The sudden shortage of crude oil is due much more to emergency stockpiling and buying for hoarding than to cuts imposed by the Arabs. The oil was by no means always directed to places where it was most urgently required in the Community's interest. It was not infrequently channelled to markets where the most exorbitant prices were obtainable. The heads of the international oil concerns have, I think, little occasion to blame the so-called oil-sheikhs, who have not only raised the price of their natural product and made it artificially scarce but are also, it is now beginning to be noticed abroad, delivering on the black market against enormous clandestine premiums. The sufferers from this unholy alliance between extortioners and profiteers are naturally the users.

It fits into the picture of a—here, at least—malfunctioning economic order that attempts are also being made to exclude, once and for all, unwanted competitors—competitors who have so far been successful in maintaining their independence of the powerful oil combines and their monopolistic distribution chains. For us socialists it is no new discovery that under present circumstances safeguarding measures of this kind may also be necessary which are not consistent with the rules of a free market economy there is nothing to prevent independent and self-reliant enterprises from being ruined, i.e., precisely those which we so urgently need in order to stand up to the powerful international big business which is the economy's dictator.

It is unfortunately true that rationing does not do away with the energy shortage. It is nevertheless capable of spreading the shortage evenly and in the hour of need of maintaining least a modicum of justice. This applies to the regulation of the flow of petroleum and petroleum products within the European Community. It is, however, questionable whether the same is true within the Member States themselves. Personal circumstances are so different in each family that it is virtually impossible to establish rations that are absolutely fair, especially if they are uniform. Rationing at national level should therefore be only a last resort.

Let it be quite clear, Mr President, that we are not speaking in this resolution of the foreign-policy measures which must be taken to do away with the causes of the oil embargo. We are speaking much more—as the title itself indicates—of immediate technical and economic measures. That is why there is no mention in the resolution of nuclear energy, for example, or of the use of new sources of energy or the

Flämig

development of research. All these major projects can only be the subject of a medium- or long-term plan as set out under point 5 of the resolution and as the chairman of our committee has already said. In any event, it is certainly not necessary to go individually into each of the eight points of the resolution: they are largely self-explanatory.

I should therefore like to limit myself to discussing a few questions which were of particular importance in the discussions within the Socialist Group. One example is point 6 (d). This asks for nothing more and nothing less than that the safeguarding of energy supplies should take precedence over the protection of the environment. In the opinion of the Socialist Group, this should not mean that the rules and principles of environmental protection should now be jettisoned. This point deals solely with the maximum values for sulphur emission from heavy fuel-oil in power stations. It is a relaxation which in any case should only be temporary.

If anybody regrets the absence of a recommendation on nuclear waste, we would ask them to be good enough to remember that nuclear power is not calculated to provide any short-term relief. It can only operate in the medium or long term, according as we succeed in speeding up research and development. But here, too, the question of environmental protection must not be overlooked. Paraphrasing a well-known saying of Luther's, we might well ask, 'What shall it profit us if we master all energy and thereby injure the health of ourselves and that of our children and grandchildren?'

We do not conceal the fact that serious doubts were raised in our group whether point 6 (f) was practicable. Years ago, we demanded the transfer of personal traffic from individual transport to public transport. The transfer of long-distance bulk goods transport from road to rail strikes us as a reasonable proposal. It only remains to be hoped, Mr President, that the European railway authorities are able to make adequate numbers of trucks and locomotives available for the purpose.

The simplification and acceleration of the procedure for authorizing energy supply facilities strikes us as urgently necessary.

In recent years we have sinned in this respect. It is not enough to put pressure on the authorizing bureaucracy. We shall also have, at long last, to agree upon regulations and standards so as to allow, for example, the production in series of light-water nuclear power stations. The situation must also be ended in which every single component of a power station

has to be re-tested and re-approved by the technical control authorities.

The motion for a resolution calls for an increase in coal output. The question arose in this connection whether pits with uneconomic seams that have been closed down and subsequently flooded should be worked again. That can hardly be meant. The resolution is certainly intended to make clear how dangerous it is to allow oneself to become too dependent on coal imports from overseas. What is needed is to step up the Community production of lignite and bituminous coal where this is economically defensible. In some Community countries tremendous lignite deposits are lying idle which could be opened up for opencast working. There are also bituminous coal seams which are worth working again as the break-even point rises, and that is clearly what is meant here.

It is stipulated in the resolution that the maintenance of jobs must be given priority. For us socialists this part of the resolution is a sort of credo. The aim naturally is to prevent the energy crisis from becoming the pretext for a general economic recession, with mass unemployment and all its consequences. In this connection we especially welcome the recommendation that assistance must be given to the economically weak sections of the population to compensate for the disproportionate rise in fuel-oil prices. We regard this as a social duty not only of the national parliaments—to the best of my knowledge, one of them has already debated a bill to this end—but also as a duty of the Community.

Now, only a few comments on point 6 (m). This recommends the elaboration of an offer of co-operation to the oil-exporting countries. But there is a limitation: this collaboration is to be confined to the technical, industrial, commercial and general economic spheres. This paragraph is therefore not to be interpreted as suggesting that the European Community surrender to pressure. Obviously, political action and political solidarity among the nine Member States are required to meet the pressure of certain Arab States by political means. We must remember that it is not only the Arab States which export petroleum. We must also bear in mind that we shall not master the crisis in the long run merely by sharing the shortage as fairly as possible inside Europe. The oil-exporting countries will unfortunately be in possession of a fairly long lever arm for many years to come. Their point of view—at any rate, so far as the Arab countries are concerned—is by no means explained solely by their enmity towards the Israelis. Warning signals from the oil-producing countries were to be detected long before the

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outbreak of the Yom Kippur War. They made it quite clear that they were not prepared to go on seeing the international oil groups exploiting their natural resources at constantly rising prices on the principle of maximizing profits. They also criticized the fact that many petroleum-consuming countries treated one of the most valuable sources of energy as a reservoir for hauling in billions in taxation, while the petroleum producers were fobbed off with mini-prices.

This is not the place to discuss the duty of the petroleum-producing countries towards the Third World.

Our agenda does not allow us to discuss political measures and counter-measures in this connection. But it is certainly proper, in addition to action in the Community countries, to introduce measures in the European Community itself with the object of guaranteeing a regular supply of crude oil at prices which are reasonable for both parties. We can well understand that the governments of the oil-exporting countries no longer wish to discuss this problem solely with the representatives of the oil-importing countries. Negotiations of this kind must speedily be opened if we are in earnest in wishing to master the oil crisis.

This brings me to my conclusion. The Socialist Group can support the immediate programme as set out in this motion for a resolution. It has a few defects, and it is questionable whether other measures must not also be incorporated. This resolution nevertheless for the first time puts forward specific proposals and thereby goes much further than the wellmeaning declarations so often made by Community institutions.

Mr President, we hope that our Member States will be convinced that it is not enough to render lip-service to solidarity but that decisive and effective technical and economic measures are essential.

Thank you.

President. — I call Lord Gladwyn on behalf of the Liberal and Allies Group.

Lord Gladwyn. — This remarkable motion for a resolution by Mr Springorum is, I know, principally and very properly of a technical nature; and I shall refer to that in a moment. Before doing so, I hope that I may be permitted to make since, after all, this is a grave political problem. just a few remarks of a general political nature,

Mr President, one is becoming used to surprises in the Middle Eastern crisis, but I must say that the thing which has surprised me personally most is the very heavy and exceptional reduction in Arab oil exports to Western Europe; for, if policy is in any way dictated by reason, revenge for possibly unwise pronouncements in the circumstances by the Dutch Government hardly seems sufficient motive for the Arab action.

The action of the Arab governments must presumably be based on the expectation that the Western European governments, if they are progressively deprived of oil, will be able in some way to bring pressure to bear on the Israeli Government to yield to Arab demands in the forthcoming peace talks, or even perhaps before the peace talks begin. But the plain fact is that, whatever their wishes or their sentiments, or indeed whatever their policies, the governments of Western Europe are in no position to do anything of the kind. The breaking off of relations with Israel, besides being excluded for obvious reasons of honour, would not, I think, have any material effect on the Israeli attitude, except perhaps to make the Israelis even more desperate than they are at the moment, and even if European States declared war on Israel the actual effect on the political situation would be negligible.

It is obvious, indeed, that for better or for worse the Western European democracies, pending the formation of a genuine European Union, are powerless to influence the issue and it is for this reason, if for none other, that they have declared their intention not to arm one side or the other—in other words, to remain neutral. What else, Mr President, could they do?

The reason for the Arab embargo on oil exports to the United States, however much we may deplore it, is at least easier to understand. Although the United States are ultimately less dependent than Europe on Arab oil, the embargo is having a serious effect on a power which can obviously affect the issue. It is for the United States to decide how best to react to this challenge.

The Western European democracies are allied to the United States and they must therefore hope and believe that the United States' long-term policies will succeed; and if they do not succeed, so much the worse for Europe and so much the better for the Soviet Union.

But pressure on Europe can only affect United States policy indirectly by increasing the power

Lord Gladwyn

of the United States' chief adversary, namely, the Soviet Union. It is here that the Arabs appear to be cutting off their nose to spite their face; for if by any chance Russian influence were to extend westwards in Europe, it is clear that the whole world balance of power would be shifted to the benefit of Russia, which would then undoubtedly obtain control of the Middle East as well, and in that event the fate of the rulers of the non-Communist Arab States would be entirely predictable and probably quite unpleasant.

Even the vision, Mr President, of an entirely Moslem Jerusalem might be less attractive to the faithful if Arab Communists with Russian advisers were then in control of the Holy City.

I can only hope that such considerations as these are being drawn to the attention of the rulers of Saudi Arabia and Kuwait, who should also be informed, I think, that whatever the sacrifices—I think this has come out in the speeches which have been made up to now—that may be entailed, the European Economic Community is going to do its best to see that such oil as there is is equitably distributed among its members and is not going to allow outside pressure, for whatever reason or from whatever source, to break it up.

In taking up such an attitude, the Nine countries—speaking, it must be hoped, with one voice—should also say that while they can understand Arab insistence on the increase in the price of oil, and even a certain reluctance to produce it in unlimited quantities, they cannot understand why there should be a counter-productive boycott of entirely innocent nations, and that if it continues they can only warn the Arab States concerned that the consequences to them may be very grave.

In the long term, if the recent Arab action can not only produce a sense of European unity but result in a tremendous long-term effort by the Community to make itself dependent on sources of energy other than oil, even though that might result in an abandonment of the mirage of perpetual growth, it may well have a salutary effect. Perhaps the shock of the present crisis was really what we needed. In any case, if even this does not enable us to proceed quickly on the road to European union, I greatly fear that nothing ever will.

To return after a rather long diversion to the motion for a resolution by Mr Springorum, I think it is obviously an excellent short-term programme. It is not, as I understand it, intended to be anything else. It depends on the willingness of Member States of the Community to cooperate on a basis of equality. Indeed, it also

introduces and suggests an element of dirigism—one might call it that—which, as a Liberal, I might perhaps object to in principle but which I believe, and I am sure my colleagues would agree, is essential in the rather desperate situation in which we find ourselves.

I am sure I speak for all members of my group when I say that in a general way we support the report. There are many amendments, our attitude to which will be decided when we come to them.

Thank you, Mr President, for allowing me to speak for so long.

(Applause)

President. — I call Lord Bessborough on behalf of the European Conservative Group.

Lord Bessborough. — I am grateful to Mr Springorum for having brought forward his motion for a resolution today. As he has explained, it has been discussed in our Committee on Energy, Research and Technology at some considerable length. Unfortunately, neither Mr Normanton nor I was able to be present throughout the two main discussions in committee. I regret in particular that Mr Normanton is not able to be present at this debate, especially as he is our rapporteur on a common energy policy and produced a most useful and comprehensive report which was debated at our last plenary session.

Neither Mr Normanton nor I was at first completely happy with Mr Springorum's resolution, as we thought that some of the measures listed in paragraph 6 were perhaps not wholly relevant in certain countries. The situation in each territory of the Nine differs considerably. But Mr Springorum has been so good as to take account of some observations made by my honourable friend Mr Normanton in redrafting his motion for a resolution.

Although our group has not tabled any amendment to paragraph 1 of the motion, some of us feel, in justification of the cancellation by the energy ministers of their meeting on 25 and 26 November, that that meeting had been overtaken by events and that the matter had become largely a political rather than a technical problem, and a problem of great political urgency. Even if I understood the reasons for the cancellation of the meeting, I am none the less sorry that it did not take place. However, I recognize that in the present situation we should allow time for current diplomatic negotiations with the oil-producing countries to mature before advocating further specific political courses of action.

Lord Bessborough

There is something I would particularly urge and press for now and in respect to the future, something which I hope colleagues will fully support. It is that the nine Member States, when faced with an external threat, from wheresoever it may come, should not immediately react independently and unilaterally but should at once ask for an urgent meeting of the Council of Ministers, at Foreign Minister or other appropriate ministerial level—even perhaps, in certain circumstances, at Summit level, as is to happen tomorrow.

At such a meeting they should agree on a joint reaction to the given circumstances and on a short, medium and/or long-term policy to deal with the crisis in question.

It is clearly very difficult, if not impossible, for governments to coordinate policies when each has made separate and independent policy statements in advance. I agree very much with the sentiments expressed during the debate on Mr Giraudo's report yesterday afternoon, in particular with the need—which was also mentioned by my friend Mr Kirk—for a political secretariat and the need, in my view, ultimately for a true European Government. This is the spirit, and it is also in the spirit of burden-sharing, in which our group's amendments have been tabled. I am grateful to my friend Mr Normanton and my noble friend Lord Reay for drafting them. We shall speak to them briefly when they arise.

I shall not delay the House by repeating many observations which were made in committee or in the very comprehensive debates which we held during the last plenary part-session on the reports by Mr Flämig and Mr Normanton and my own on energy, technology and proposed cooperative research and development in alternative energy sources. I shall not repeat anything I said then. All those debates were very comprehensive and I think they dealt with every conceivable kind of energy source. I suggest that those debates and the reports which were discussed during those debates are well worth reading again. They deserve careful re-examination. I think this would prove extremely useful to all Members of this House.

I need hardly say that the current problem in so far as Britain is concerned, which could well affect the Community at large, is the present shortfall in coal output which is likely to arise as a result of the 'go-slow' situation—'*la grève du zèle*' in the mines and also on the railways in my country. This is of crucial importance when efforts are being made to try to reduce our dependence on oil and to exploit other sources of energy, and not only other sources,

but other oil sources such as those in the North Sea.

We must all clearly save and conserve our existing resources, as Mr Springorum emphasized. I hope that in this connection the Commission will bring forward its proposals as soon as possible. We are awaiting them impatiently and I hope that Mr Simonet will have something to say to us on them this morning.

Of course rationing can be introduced. Certainly in the United Kingdom ration books have already been issued as a precaution, even though they are not yet being used. Other measures have also been taken or can be taken in the future to reduce our consumption of fuels. I support Mr Springorum's motion for a resolution and congratulate him on it.

(Applause)

President. — I call Mr Leonardi on behalf of the Communist and Allies Group.

Mr Leonardi. — (I) Mr President and colleagues, as Mr Springorum rightly said in his introductory statement, we are concerned here today with a resolution on urgent measures which individual states are invited to adopt within their respective national limits and with their own laws. I do not think it possible in fact to speak of Community support, that is to say of regulations valid in all our countries, in view of the fact that we have not been able, over the last fifteen years, to arrive at a common energy policy and further in view of the fact that the countries which find themselves in the greatest difficulties today are precisely those which have always been most strongly opposed to a Community energy policy because they relied above all on the big international companies which are now no longer in a position to guarantee their supplies.

The object, therefore, is merely to recommend certain measures to individual states. We have already, on another occasion, indicated what are, in our opinion, the root causes of the present crisis: reliance on the big international companies for the supply of Europe (and therefore remoteness from the supplying countries and their real problems), application of the laws of the market, which has led to acceptance of the criterion of the lowest price whenever it was a question of choosing suppliers and constituting our energy systems; neglect of internal resources and of all efforts at scientific research.

I have no intention of repeating all these considerations relating to the energy problem as a whole; I shall, however, dwell a little on the urgent measures proposed today.

Leonardi

I desire in the first place to remind you all of what has been the major responsibility not only of the Commission and the Council, but also of this Parliament, that over the course of the years resolutions and documents have always been approved on this subject which in no case included a basic criticism of the policy followed within the Community. That is why I have spoken of the responsibility of Parliament; I mean, obviously, as a body whose will is determined by the majority; only we, in fact, have always voted against proposals of this kind.

Coming to the immediate measures proposed, I would say straight away that they certainly cannot be haphazard but that they must respond to a certain logic if we do not want them to end, in a very short time, by making the situation worse.

I should like to add that, in our opinion, it is a good thing that necessity has led to a recognition of the need for public intervention, the development of alternative forms of energy and the establishment of direct contacts with the producer countries destined from now on to bring the big international oil companies to terms. These principles emerge from various points of the resolution.

All this indicates, in the last analysis, that necessity may teach its own lessons. It is naturally difficult to distinguish between measures with immediate effect and immediate measures with a long term effect. For example, if we take the paragraph of the motion for a resolution asking for the formulation of a new energy policy adapted to the new situation, we see that this is a sound request, but that it cannot cure the state of shortage. We support it, but I should like to point out that while it is urgent it cannot solve the immediate problem.

Under letter (f) of paragraph 6 it is asked that goods transport should be transferred from the roads to the railways. This, too, is a sound proposal; we have always supported this idea, but so far as our country is concerned, we are short of goods trucks and we shall therefore have to arrange to construct the necessary trucks to transfer goods traffic from road to rail. This proposal, too, sound as it is, will have no immediate effect.

Subparagraph (e) relates to the extension or construction of plants which convert residual oils into light products. This is another sound proposal which will have no immediate effect.

Under letter (i) it is recommended that preparatory measures should be taken to increase coal output in the Community. This too will not help to alleviate the immediate difficulties.

Letter (m) says that the Community and Member States should immediately present offers of co-operation in the technological, industrial, commercial and general economic sectors. This is very right and proper because it will help to change the relations between supplier countries and consumer countries, but this provision, too, will have no immediate effect in solving the present crisis. I should therefore like to recommend Parliament, when it has to decide upon what is proposed in this resolution, to consider the fact that there are problems which must be solved rapidly, while these proposals have no immediate effect.

We must use the present state of necessity to set ourselves in motion and to do something in this sector which we have been talking about for years, about which we have a vast mass of documents and therefore a large store of available knowledge, but about which no provisions have been made which have the slightest significance, which explains the grave difficulties in which we now find ourselves.

At this moment we can get provisions accepted which under normal conditions would be considered somewhat undesirable. In one of my amendments I suggest the transfer of passenger traffic, as far as possible, from private transport to public transport. It might be objected against me (I shall speak on this amendment later) that this cannot soon result in any great advantage, any great saving. It nevertheless launches a passenger transport policy which we all know to be essential in our countries and which it is extremely difficult to get accepted in normal times because there is opposition to these provisions which the majority of us deem necessary.

I simply wanted to say this to open the discussion; I shall go into greater detail when speaking on some of the amendments I have proposed. I am of the opinion—like other honourable members who have spoken—that precisely because of this situation of necessity and crisis we must make the effort to adopt immediate provisions and others less immediate so as to begin to do, if we so desire, what we can.

President. — I call Mr Van der Sanden.

Mr Van der Sanden. — (NL) Mr President, esteemed colleagues, we held a general debate on energy in this Parliament last month, and I for my part therefore have no further observations to make of a more general nature. We have before us a proposal which deals very specifically with emergency measures to counter the crisis which has arisen within the Community. At all events I would like to stress that these

Van der Sanden

measures are intended for the European Community as a whole. I will therefore disregard the situation in the individual countries. It will be clear to all of us that this is how we as Members of the European Parliament have to act without simply considering our own interests. These are matters which concern the Community as a whole; employment is affected in every country by the crisis which we are experiencing at the present time and which could have serious consequences. Hence, more generally speaking, I can sincerely support any measure which could help to reduce or alleviate the crisis and thus contribute to a solution of the problems to be faced now or in the very near future by 250 million Europeans. The main point I wished to speak on today is that in assessing this resolution we should remember—and here I agree with Lord Gladwyn—that we will not in fact be able to maintain certain rules of free market economy.

On the other hand I disagree with my colleague, Mr Leonardi when he makes a case, as I believe he did, for the total socialisation of transport.

I believe that Mr Springorum's motion for a resolution expressly states that we should very much bear in mind the importance of certain measures taken in the interest of employment.

Well, there is employment in the transport sector too. The transfer of bulk transport from the roads to the railways is only permissible if the possibilities offered by free economy, i.e. private initiative, no longer exist.

I would like to stress the very great importance of not using what is I hope a temporary crisis to throttle the interests of private industry. I hope that is very clear, Mr President.

The issues at stake today are forcefully expressed in paragraph 3 of the motion for a resolution tabled by the Committee on Energy, Research and Technology which mentions rationing.

This is not a matter of ideology or principle: this is practical politics. The question whether rationing should be introduced or not in the individual Member States is a purely practical question of adjusting to the circumstances as they develop.

I would be the last person to advocate rationing as the ideal solution. I would be the last person to say, for example, that we as the European Parliament should now state that rationing will be necessary as from tomorrow in the countries of the Community. On the contrary it is my view that rationing should be left until the right moment comes.

However the Parliament cannot say when the right moment is and consequently I have great

objections to the wording of paragraph 3, that rationing should be considered as a last resort. It is not, since in some ways rationing is simply a way of ensuring equity.

I would like, in this connection, to put to you the following four points.

Firstly, rationing is a measure to be taken by the authorities—perhaps the national authorities. This means that it is subject to parliamentary control and therefore Parliament can exert considerable influence, if it considers this to be necessary, on such measures.

Secondly, I should like to point out that rationing makes it possible to distribute supplies according to need. For example the need of a man or woman using his or her car exclusively for travel between home and work—and here I restrict my comments to the petrol problem, since this is naturally uppermost in the minds of the people, although we should not lose sight of the situation in the domestic heating oil sector—is naturally of quite a different order than the need of those who have to earn their daily bread by travelling. Now, in a situation where a genuine shortage is impending there is no criterion, if rationing is not adopted, for distribution according to need and it is the man at the pump, the garage attendant, who decides whether Mr A or Mrs B has to go without petrol. This is a completely arbitrary situation and I believe that, given the various different needs and the fair distribution of a limited amount of energy, such as we can expect in the coming months in our countries, the need to distribute according to need justifies a paragraph in which rationing is not seen as the last resort.

Thirdly, it is said that rationing cannot be contemplated for the very simple reason that it would give rise to a black market in petrol coupons. Those members of this Parliament who have as many grey hairs as I do naturally shrink from the system which we experienced in the period 1940-1945. But without coupons there would be a black market in petrol, in diesel oil, in domestic heating oil and indeed in energy itself, so that I feel that this argument can be dismissed.

Finally, my fourth point. We must appreciate the fact that price movements are taking place which are not entirely due to the rising prices forced up by the oil-exporting countries.

So if we allow complete freedom to continue in conditions of scarcity, it will be much harder for the authorities to control the price movement than if we could create a measure of fair distribution by way of a rationing system.

Van der Sanden

Those, then, were the four points I wished to put forward against the present wording of Paragraph 3 of the motion for a resolution.

Mr President, I too would like to put a question to Mr Simonet. In my view it would indeed be possible for other countries to introduce rationing. I do not know whether they will, nor, perhaps, does any other member of this Parliament. Lord Bessborough has already stated that Britain has made preparations for rationing. As we know, the Netherlands is to introduce rationing on January 7th. Other countries of the Community may well also, sooner or later, have to introduce rationing.

So, my question to Mr Simonet is: Will the Commissioner take steps either to have Eurocoupons printed or to make the coupons issued in those countries which have introduced rationing valid in those countries of the Community which introduce rationing at a later date? I say this, not because we, as members of parliament, have to travel extensively—that question I would like to disregard altogether but because this also affects employment. The word 'employment' also appears in our colleague, Mr Springorum's, motion for a resolution.

Another reason is the large areas of the Community which are dependent on tourism. Although we are now in the depths of winter, I am not thinking so much of winter sports, but in the coming months, sooner than we think, tourism is in danger of being gravely affected if we do not introduce Eurocoupons or make the coupons issued by Community countries which have already introduced rationing convertible.

I would like to put this problem specifically to Mr Simonet in the hope that the Commission will be able to find a genuine Community solution to this problem.

President. — I call Mr Bordu.

Mr Bordu. — (F) Mr President, ladies and gentlemen, my honourable friend Mr Leonardi has dealt with one aspect of the question under discussion and I shall deal with another.

I would begin by saying that it is not enough to acknowledge that energy problems have now reached a certain pass; we must recognize that we are reaping the results of a whole course of energy policy from which we must draw lessons both for the immediate present and for the future.

Governments had settled down into a certain complacency, conferring exorbitant privileges on oil obtained at a ludicrous price in the light

of the tremendous needs of the producing countries, these developing countries for whom our commiseration is not enough. I should like to say that it would be useless, dangerous and contrary to reality to seek in consequence to make the producer countries responsible and to develop an anti-Arab campaign in this connexion.

Black gold has provided the big oil companies with scandalous profits. They are now trying new speculations by making use of the crisis for which they bear a heavy responsibility alongside the States which are devoted to them. Everyone knows here that these companies are tempted to enhance the price of petroleum products, which would yield them further profits, at the costs of the users, but also at the cost of the economy.

Everyone is undoubtedly convinced of the need for a political settlement of the oil question. We must indeed concern ourselves with the situation of conflict in the Near East, a latent conflict which brings the State of Israel, alongside the United States, into opposition with the Arab countries, who enjoy the sympathy of the democracies concerned with the right of peoples to dispose freely of their own territories.

Peace in this region in fact depends on the settlement laid down by the UN Security Council; on that settlement depends the right of existence of all the states without exception, including the Palestinians. To disregard this problem, on which also depends a relaxation of oil deliveries, would be to condemn ourselves to possible new adventures which might be more serious than previous conflicts.

Our attention has been called to the idea put forward, and occasionally repeated, of European solidarity in the distribution of shortage. How can people fail to see that such a line would mark a *de facto* approval, alignment on the most extreme positions; in reality, certain countries must revise their policies, the consequences of which are now becoming as clear as daylight! Solidarity of this kind might lead to a campaign against the Arab countries, with all the risks involved. Can we, should we, take these risks in the name of the oil companies? Solidarity of this kind would strengthen the bond linking the interests of the oil firms, who, for the last fifteen years, in the EEC countries and elsewhere, have developed with impunity a policy of rejecting all forms of energy other than oil.

At the same time, the ideological drums are being rolled with a view to getting the workers to submit to the crisis, dramatized, moreover, to perfection. In this way it is desired to make

Bordu

them pay for the consequences of a more fundamental and more serious crisis of which oil is only one of the aspects and which is shaking the capitalist system as such. The workers want nothing to do with this sacred union.

Energy, the major problem of our time, depends on a new policy. All past conceptions based on colonialism must be revised and we must embark upon a new system of relations.

In the case of oil, is the solution a Community solution?

We think that the suppliers will decide. In the immediate future it seems that the essential thing will be for the states as such to conclude stable, long term agreements based on reciprocal interests, to prevent the domination of the market by the international oil cartel, itself dominated by eight companies, of whom six are American. It is possible, if the States so decide, to develop advantageous co-operation in the energy sector with the neighbouring countries, with the socialist countries and with the developing countries.

In parallel, however, and the lesson is now frequently drawn, it is desirable to develop all national resources in the longer term coal, uranium, water power and tidal power as well as new sources of energy.

Once again, it must be recognized, that the problem is to settle the conditions in which mankind will ensure the satisfaction of the needs of man rather than to persist in advancing solutions directed towards the earning of private and selfish capitalist profits.

President. — I call Lord Reay.

Lord Reay. — Mr President, it will have been noticed that we as a group have tabled an amendment to Mr Springorum's motion for a resolution. The amendment is No 5 and it will be moved later by Lord Bessborough. It takes note of the serious implications for the Community of the current prices and urges the Council to maintain solidarity between Member States. I should like to expand a little on how I personally see the crisis at the present time.

We have reached a critical moment in the development of our societies. All our countries face an uncertainty and a measure of threat which I doubt if they have experienced since the reconstruction of Europe began under Marshall Aid after the last world war. In these circumstances no one can say how seriously we shall suffer or even which of us will suffer worst.

The country that today feels itself closer than the rest to the edge of disaster may be joined or replaced by another tomorrow. In these circumstances I believe it is of paramount importance that we should strengthen—not weaken and not postpone—our unity.

We serve everyone's interest except our own if we allow this crisis to divide us or if we allow it to be believed that a competition for advantage can be established and maintained between Member States of the Community.

From the point of view of policy, this has two outstanding consequences. Firstly, we must maintain a single position on the Middle East question, whatever differences in the past there may have been, because this question constitutes the central interest of those countries which are now applying their advantage against us. Secondly, the hardships that result from the policies of those countries with that advantage, whether or not those policies are a response to current Community policy on the Middle East question, must be shared and must be seen to be shared equally between us. No one country should be permitted to feel that she might not receive, if she needed it, the assistance of the rest; no one country should be allowed the opportunity to strengthen retaliation against the others for the assistance which it expects but which it is not receiving. It must be strongly doubted whether the Arab countries would find it in their interests to punish severely the Member States of the Community for assisting each other.

If Western Europe is crippled for that reason, what sanctions are the Arab countries left with to secure our support for an objective of far greater concern to them—reasonable and overdue concessions from Israel? If they cripple Europe at any time for any reason, whose strategic interest would they be serving? Certainly not their own. They might be serving Russia's interest, for it cannot be supposed that Russia has abandoned its attitude of competition against the capitalist world and its related attempts at infiltration and subversion elsewhere.

But it is quite wrong to talk of the crippling of Europe as being the only result of more severe Arab sanctions. The aggressions of Europe could also be aroused. It would be wrong now to specify counter-measures, but if the pain inflicted were severe enough to provoke it, and if the advantages of maintaining the present diplomatic and peaceful approach had already been lost, the time might come when Europe would indeed be willing to return some of the punishment it was receiving.

Lord Reay

If that is so, would it not be better now to risk that situation on a matter that is of vital importance to us, at a moment of our own choosing, rather than when it is forced on us, and when we have more strength rather than when we have less, which might be the result of allowing the present situation to continue? In any case, it looks increasingly as if it is an illusion to suppose that any single European country can through its own diplomacy secure immunity for itself from sanctions which are applied to the rest.

Mr President, one thing is certain. In the end we shall have to recognize the solidarity of the Community. Let us, therefore, have the courage to assert now that we cannot accept instructions to postpone this destiny.

(Applause)

President. — I call Mr Patijn.

Mr Patijn. — (NL) Mr President, the energy crisis has now been with us for a good two months. It is good thing that, after the November part-session, we should now reconsider what is to be done in the Europe of the Nine. I stress 'Europe of the Nine' since the last 50% reduction in production decided on by the Arab countries last weekend will affect the whole of Europe, including this time the so-called friendly countries.

I would like to confirm that it has now become clear that the boycott of the Netherlands is in effect a boycott of the whole of Europe in view of the enormous amount of oil imported via Rotterdam, and that even a solution of the Arab-Israeli conflict in the Middle East, which would help to alleviate the boycott, would not solve the energy crisis.

In this connection I would like to comment that I shall presumably never be able to convince Lord Bessborough, and that I am much more in sympathy with the views of his colleague in the European Conservative Group, Lord Reay, who spoke less bluntly on this subject. We earnestly hope that the Middle East conflict can be settled at the conference table in Geneva. We cannot be grateful enough to Mr Kissinger for his efforts in this respect. However the reduction of oil production in the Middle East is something we have to tackle with the oil producing and oil consuming countries. During the Copenhagen Summit Conference the Heads of State and Government will have to examine economic developments in the Member Countries in the light of this. They should provide the stimulus for joint decisions on Community measures.

In this connection I would also like to ask what the significance is of the presence in Copen-

hagen tomorrow and the day after of seven Arab foreign ministers. I would be grateful if the Commission could possibly provide further information on this point.

Next week we are to discuss, in the Netherlands, a Bill giving the Government extensive powers over Dutch economic life now that a difficult economic situation has arisen as a result of the oil crisis.

In this connection I would also like to refer to a number of questions which I had put with my colleague Mr Van der Hek for question time but which had to be removed from yesterday's agenda due to the debate which we are now holding.

I wish to refer again to a question which I put to Mr Simonet last month. I would like to know what discussions the Commission has had during the past few weeks on the energy crisis.

In particular, can the Commission inform me about the proposals which it tabled at the Council meeting of 3 and 4 December, providing, according to papers and other sources, for a crisis committee, price harmonization and rationing of crude oil?

Did the Commission really submit these proposals or did it abandon them once it became clear that the initial reactions of some Member States were not favourable?

Is the abandoning of proposals in the face of negative reactions from the governments of some Member States not in conflict with the Commission's right of initiative?

Mr President, four years ago the Court of Justice clearly stated¹ that solidarity was the basis of the whole Community system, as laid down in the EEC Treaty.

In this connection I would like to have an answer on one specific subject. This concerns the question put by my colleague, Mr Van der Hek.

This question concerns reports according to which one Member State, in which there is unfortunately still a state-trading monopoly for crude oil, was backing out of this commitment to solidarity.

Could the Commission please tell me whether this is in fact the case and whether it considers that this can be reconciled with the Treaty. Mr President, I have tabled a number of amendments. I hope that you will allow me the opportunity to explain these individually when we debate the various paragraphs.

(Applause)

¹ Jurisprudence de la Cour, Volume XX, page 541.

President. — I call Mr Brewis.

Mr Brewis. — We are all ruefully aware of the immediate shortage of oil products and the effect it may have on our European economy and, by a chain reaction, on the demand for primary products from the developing world.

However, I think that in this debate we should look at alternative sources of energy supply, both in the near and in the more distant future. In the distant future there are great possibilities in the production of hydrogen once certain technical problems of producing it cheaply have been solved. Euratom is carrying out researches into that, and I should like to know what action the Commission is taking to reinforce those studies. One of the advantages of hydrogen is that it can be transmitted much more easily than electricity, with which the need for pylons disfigures the landscape. Oil pipelines can be used.

In the near future we must press forward vigorously with the exploitation of North Sea oil. In the past few days there has been confirmation of another great oilfield situated off the Shetland Islands, and there are vast areas still to be explored. Estimates of possible oil production from the North Sea are of as much as 500 million tons a year.

But it is disappointing that no oil can come ashore until 1975 and that there is an estimate of only about 100 million tons by 1980. Let us direct our energies toward shortening those time scales, though the immense difficulties facing the technicians must be borne in mind. The oil wells may be 20 metres below the sea, waves may be 30 metres high and winds of over 160 kilometres an hour have been met.

Oil platforms are needed for the well heads, made of concrete or steel. Each is comparable in size with the Eiffel Tower and needs about 50 000 tons of material in the case of steel. The directive on shipbuilding proposes grant aid of five per cent for ships, but oil rigs and platforms are excluded because technically they are not ships. That decision seems wrong and should be reviewed. Funds from the European Investment Bank should be earmarked, as well as assistance from the new Regional Fund.

Many other items of equipment are required, such as supply ships and special steels for underwater pipelines. As regards the discoveries off Scotland, the special steel is not fully available in Britain and much of it has to be brought from Japan. Clearly, steps must be taken to see that such steel can be produced in Europe. Special skills are also needed for coating the

oil pipes. I am happy to say that a Dutch firm, the Bredero Company of Utrecht, has set up in business in Scotland.

There are other problems concerning infrastructure. I do not know the position in Norway and other countries having a share in North Sea oil, but the nearest landfall in Scotland is either remote from the main markets or even inaccessible, as in the case of the Shetland Islands. Immense expenditure will be needed on roads and harbour installations at these bases.

I hope that the Commission will study these problems in conjunction with national governments to make sure that no bottlenecks occur in the supply of material or the provision of services or infrastructure. Any delay in exploiting these European resources would be tragic in the present circumstances.

IN THE CHAIR: MR BEHRENDT

Vice-President

President. — I call Sir Brandon Rhys Williams.
Sir Brandon Rhys Williams. — The emergency resulting from the oil boycott by the Middle Eastern countries makes this the most important debate since the enlargement of the European Community.

There is still a great deal of facile optimism about the energy situation. Many people have not yet woken up to the reality of the emergency. We shall be deceiving ourselves if we think that the shortage of oil will be over within a few months.

Long before the boycott was imposed as a result of the outbreak of hostilities in the Middle concerned about the needs particularly of the energy position had been becoming increasingly concerned about the needs particularly of the United States, with its rapidly rising potential for the consumption of oil. Even if shipments from the Middle East are resumed at the level of August and September this year, we are still obliged to bend our minds to solving a particularly grave threat to our standard of life.

We shall also be deceiving ourselves if we think that prices will return to previous levels. What the oil producers have learned from the present shortage and its effect on Western democracies is that the prices they were charging earlier this year—much increased as they were over the levels ruling earlier in the decade—are still much too low or, from their point of view, much lower than they need to be. Yesterday Europe was shocked to learn of the auction of a small parcel of Iranian oil at

Rhys Williams

a price four times that which was ruling in September. Although we may not expect a quadrupling of the price of all our oil supplies simply because of this one parcel having been sold at this sensational price, we have to recognize that the price of oil is tending very rapidly upwards.

Already money has been piling up in the Middle East because of the increasing dependence of the democracies on Middle Eastern oil supplies. If prices rise as we have cause to fear they will, the accumulation of capital in the hands of a limited number of countries—a very small part of the world's population—will begin to imply that money has no meaning any more because the sums of money will be so vast that there can be no prospect of their being spent in a rational way.

I think, too, that we shall be deceiving ourselves if we assume that any country, particularly in the European Community, can escape from the effects of the shortage by some diplomatic manoeuvre of its own. I do not know whether the British Government may have been under this illusion or whether the French Government is possibly under this illusion, but if we look at the technology of the oil industry and the coal industry and the complexity of the different sources of supply, the different outlets and the different systems and means of distribution, we must surely recognize that already the European Community is so closely associated that it is not possible to conceive that one country can isolate itself from the rest in terms of its energy needs.

We shall also be deceiving ourselves if we imagine that this is the last time the oil weapon will be used in this way, that possibly a settlement in the Middle East may be brought about by international pressure on Israel during the course of a few weeks and that after that we shall return to normalcy and the Arabs will forget the lesson of the crisis they have caused so suddenly and seemingly at so little cost to themselves.

Seeing this emergency in a political context, we have to recognize that this is the indirect use of Russian arms to offset the balance of power against the democracies. We have to recognize that democracy as a whole is under threat as a result of the crisis. The reactions to the crisis in the different democracies already show that our whole way of life is in danger.

In the circumstances, how should we defend ourselves? Firstly, by moderation. I think that sabre-rattling or talk of the use of force would be absolutely useless and quite inappropriate in

dealing with the Arab people. Threats of intervention and even Mr Kissinger's rather unwise suggestion of retaliatory measures would simply make the situation more dangerous and possibly result even in the destruction of the oil installations. We must certainly defend ourselves in unity. We need a Community policy for distribution. I do not know whether it is a matter for the Commission or for national governments to institute an emergency programme for dealing with the fair distribution of supplies in the interests of all our economies. If ever the democracies needed to stand together, however, surely the time is now.

I should like to make a specific recommendation, which is not my own but which I think is wise. That is, that we should forthwith set up a European Community oil-buying consortium, staffed by people who have an intimate knowledge of commercial purchasing procedure. We should make it quite clear to each of the major producers of oil, particularly in the Middle East, that we intend to purchase on the basis of long-term contracts and that the quota which each oil supplier can expect to supply to the European Community over a period of seven or 10 years will be related to the quantity which is supplied in 1974. I do not believe that this sudden further unity of the Arab oil-producing states is as strong as all that, and I believe that if we unite on our side as a purchasing authority we shall find that we are able to do much better for ourselves than if we each try to make separate deals. I say this having had some years' experience of large-scale industrial purchasing.

Yesterday Mr Kissinger, in his speech in London, made a most important suggestion. This was that the United States, Japan and the democracies of the European Communities should act together to find their own solutions to the energy problem. Where questions of research are concerned, this is a most important initiative. It is vital that we should take it up and accept it at once, because we cannot deny that we have an immense amount to profit from the strength of American technology in this field.

I think that there are lessons for our economic situation which we must not forget but which we may have an opportunity to deal with more appropriately this afternoon, Mr President.

I believe, too, that as politicians we have to make it clear to our people that we have ahead of us some years, possibly, of serious austerity. All the glitter, the waste and the excess which have given a meretricious character to the capitalist and democratic system in recent years and which I think all of us in our hearts have much disliked is to go, because the price of oil will

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transform our economies and it will no longer be possible or appropriate to live in the way in which we have or to exploit the earth's resources in the way we have done in recent years. For the rest of this decade we must be united in our resolution to defend as best we can our standard of living and, more important still, our freedom of speech.

(Applause)

President. — I call Lord St. Oswald.

Lord St. Oswald. — Mr President, I enter this debate privately, individually, to put forward some thoughts, some facts and some conjectures.

The basic conjecture—not a very daring one—is that the free world is unlikely to feel any timely relaxation in the oil crisis until a solution is reached, or at least visible, to the problem of Israel and the Arabs.

In what I shall say I am not implying that the kind of internal measures put forward by Mr Springorum and by other honourable Members this morning can be neglected or delayed.

This is an artificial crisis, in that it has been consciously created to inflict discomfort and suffering upon millions of individuals and confusion upon the economy of most of the world. It is artificial and deliberate, because the Arab oil-producing states are employing what they themselves refer to as 'the oil weapon'. They exult in its possession and the power which they believe it gives them. I hope and trust that they are in fact over-estimating that power, but we cannot deny the existence of the weapon. They are seeking, or so their words and actions seem to declare, to use it to force the developed nations of the free world to abandon Israel to a stage short of extinction, but with eventual extinction as the final effect.

If that is the master plan of the Arab nations, they are seeking to force us into an act so totally dishonourable that it would undermine for ever the moral standing of these nations, nine of which are partners in this Community.

That design of the Arabs may or may not be a matter of conjecture. What follows is more open to argument, as I will be the first to admit. There is nothing original in observing that the Arabs, capable of great ruthlessness on occasion, have subtle minds and are among the most intelligent races of the world. I think that they conceive this new oil weapon to have a double capability, moral and physical, and I see them as trying to apply that capability in two stages. Their eventual and more apparent aim is to make us abandon Israel. An intermediate and still more significant aim is to make us fall out

with each other, to quarrel greedily and unbecomingly among ourselves. How they would gloat if they could see us behaving in such a way!

If they could effect, or even appear to effect, the disintegration of the Western nations, to commence such a process by withholding a primary product from some while supplying or partially supplying others, what kind of support could Israel expect from such a disarray? By playing upon the ever-present factor of human selfishness, they may hope to undermine us before they turn back to demolish Israel.

If that is their tactic—and I pay them the ironic compliment of believing that it may be—it becomes crucially important for us to disabuse them of any illusion they may nourish that this can be done. Our unity is the newest, the best, the most permanent and the most convincing possession we have. We must declare our solidarity and live up to it when it is challenged.

None of this does away with the immediate and intractable fact of international life today. However united we may be, it is with the Arab nations that we have to deal, and the oil weapon is in their hands. The Arab-Israeli problem lies between us, and it is that problem which has to be overcome.

Illustrious men have applied illustrious minds to this problem, so far without success, and it is patently improbable that I shall provide a solution today. The major nations have never before felt such an urgent need to solve the Arab-Israeli problem, and in that circumstance some hope may lie.

I am opposed to uttering threats which cannot be carried out—what my honourable friend, Sir Brandon Rhys Williams, has called sabre-rattling. I am totally opposed to forcing Israel, after the sacrifice and the example which we have observed at a safe distance, into a situation of constant danger and constant anxiety. Nor do I believe that we could impose or hope to impose such terms upon a nation which has survived such ordeals at such cost. No more do I consider that Israel's present implacable stand on the occupied territories is tenable, though on strategic grounds, with survival at stake, it is to me more understandable after the recent war than it was before. Nothing short of a new situation can, I believe, even ease the deadlock.

Mr President, if I appear to be straying beyond the central theme of this debate it is because the solution of the oil crisis, however little we like it, is firstly and primarily in the Arabs' hands, and we must influence them by such means as we possess. So long as those nations

Lord St. Oswald

may be determined upon the liquidation of Israel, I do not see that we can come to any terms.

Egypt, through the mouth of President Sadat, has declared more than once that that is no longer Egypt's aim. Other nations, notably Syria and Iraq, however, have not renounced that aim—at least, they have not renounced it publicly. Perhaps they would follow Egypt's more peaceful lead if the problem of the Palestinians were resolved. This might be done, in my submission, if the nations of the West, together with the Soviet Union, Japan and the rich nations of the Middle East, subscribed enough money and expertise to make the desert blossom like a rose, as the Israelis have done. This would create a new situation.

There are vast areas of desert open to such an operation, for conversion and for profitable occupation by today's homeless Palestinians. Vast quantities of finance would be required. It is, I think, right—indeed, it is obligatory—to recognize that injustice exists on both sides and that the Palestinians are a genuine cause of Arab indignation. The Arab nations have in truth done little enough to alleviate the situation themselves on behalf of the refugees. They have preferred to retain and display them for their own propaganda, for instance, in the Gaza Strip. But if there could be international agreement to provide them with homes and an honourable livelihood, with the West and East working together, a solution which the world needs could, I affirm, be found.

There would inevitably remain, not for ever but perhaps for many years, the acute need for Israel to feel physically—militarily—secure behind far narrower borders than the land she has lately conquered by force of arms—by force, by skill and by valour, it is true. Even those qualities do not enable, any more than they entitle, a nation to live its life in fortress conditions in perpetuity. That is not a life bearable for a people so industrious and creative as the Israelis. It would be especially unendurable to that kind of nation. But it is the life they will wish upon themselves if they seek to maintain the frontiers of their military advance.

I can see no way of providing such security for them except by a strong and reliable international force stationed upon the frontiers, a force upon which the Israelis could totally and realistically depend for as long as it remained necessary. That would also be at a heavy cost to the rest of the world but better than the price we are paying now, whether or not oil remains a critical factor.

All this would require, as I see it, an initiative by the West, convincing both sides of our good will towards them. To convince, in this situation, we have, as a *sine qua non*, to set an example of dependability and good will towards each other.

(Applause)

President. — I call Mr Simonet.

Mr Simonet, Vice-President of the Commission of the European Communities. — (F) Mr President, in the course of yesterday's policy debate and throughout today's discussion, we have sensed in the different speeches the anxiety felt by all the speakers, which, moreover, reflects the anxiety which has invaded European public opinion, a controlled anxiety, but one which we have reason to fear might at any moment change into anguish or even panic, with all the psychological, political and economic consequences involved.

I am convinced that if we want to avoid reaching such a point which would be tragic for the future of the Community, for the prosperity of the countries which make it up and their population, and perhaps for the stability of their political regime, we are faced at this moment with an essential duty. This duty is to devote ourselves to a rigorous and lucid analysis of the situation, disregarding none of its aspects, even the most unpleasant, and to infer from that a certain number of measures to be taken. With regard to these measures I should like us not to be trapped in what I would call false dilemmas, that is, a mistaken dichotomy in the debate on the alternatives envisaged for getting out of the present situation.

I call a false dilemma the controversy which sometimes arises between those who stress the need to formulate a long-term energy policy which would relieve them from a certain number of painful immediate choices, and those who sometimes, on the contrary prefer immediate measures in the belief that the situation will subsequently return more or less to normal and that we shall thus be spared the necessity of a rigorous policy in future years.

I also call a false dilemma the opposition which exists, or seems to exist, between those who think that we should concentrate our efforts on the political plane so as to deal with the political causes of the embargo, and those who consider that, on the contrary, we have few means of treating these political causes and that we should concentrate on limiting the polit-

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ical and economic consequences which flow from these political causes.

I also call a false dilemma the real opposition which exists between those who, at the point we have reached, continue to believe that the main effort should be concentrated on bilateral negotiation and those who are convinced that there is no other way except a Community approach.

To me these are, I repeat, false dilemmas and I hope to be able to demonstrate this straight away, since I do not think it possible to isolate the immediate difficulties from the longer term difficulties with which we are faced; this means that I do not think it possible to adopt immediate measures without linking them with a longer term policy, or to disregard the present crisis or the measures it calls for, since if they were not taken, there is reason to fear that there would never again be a common long-term energy policy.

Similarly, when we speak of causes, we cannot disregard them, of course, but we should recognize that the effects which flow from these causes may themselves be the origin of such political and economic upheavals that they become the ingredients of a political situation at least as serious for Europe as the one we are experiencing today in our relations with the producer countries.

Finally, that dichotomy which is drawn between the bilateral approach and the Community approach seems to me to be largely artificial: we are not in a state of political power or economic stability which can allow us to neglect any of the avenues we should follow, in parallel and simultaneously, to try to get out of the present difficulty and so to tackle future difficulties in the best possible conditions.

With regard to that opposition which I have described as over-simplified, between the short-term and the long-term, I repeat that we cannot take short-term measures without linking them with the common long-term energy policy we want and for which precise proposals have been in existence for some months. But from another angle, neither can we disregard the serious consequences of the present situation and the fact that it calls for immediate measures.

It is true, as several of you have already said, that the present crisis resulting from the decision taken by the Arab producer countries is one moment in a profound revolution which has occurred in the political and economic order, the

forewarnings of which have been perceptible for several months.

In the political order, first, I call it a revolution that the Arab producer countries have for some months, and even for some years made more and more clear their unshakeable determination to take their economic destiny in to their own hands and use the potential development resource which their oil reserves represent for them, not in the light of our needs resulting from a growth in the demand for energy products, which we must admit has often been anarchic, but in the light of their aspirations and the imperatives of their own development.

It will be enough for you, if you have not already done so, to re-read the speech made by President Boumedienne a few days ago at the Conference of Arab countries, to recognize that things, as Mr Springorum has said, will never be the same again, because we have entered upon an entirely new phase of our political and economic history and our relations with the producer countries.

We must now take the measure of their aspirations, their ambitions and their interests and we must recognize—and believe me, this in no way reflects that slightly masochistic state of mind which one sometimes finds today—we must admit, that for many years past, through the medium of the oil companies we have exploited the oil producing countries, and at the same time, moreover, we must recognize in good faith that we were much less critical or much less aggressive towards these multinational companies, since, while they unquestionably drew substantial profits, the constant pressure exercised on prices also undoubtedly provided a favourable impetus for our economic development. That is finished and we shall have to reshape our economic policy and probably make a certain number of painful choices.

After speaking of the oil companies, I pass immediately to that other aspect of the revolution which we are experiencing, which I have called a veritable economic revolution.

All the data which underlie the economic development of Western Europe, and probably of the whole of the industrialized world, will have to be reconsidered. We shall have to re-orient our production system, to allocate more substantial resources to the creation of alternative sources of energies and probably to channel increasing amounts of public funds, which will mean putting a brake on private consumption, since nothing is free.

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Starting from there, we shall therefore have to present to public opinion a certain number of difficult choices, and the possibility of inducing the public to decide in line with the general interest will call for a measure of courage, coherence and force on the part of the political authorities in our respective countries at national level, but also at supranational level, which cannot be sufficiently stressed. Every day, or almost every day, we witness new manifestations of the economic revolution. Two days ago, and this is not news to those who have read this morning's papers, there was an auction sale of free oil, that is to say of oil which was not sold to an oil company under contract with a producing country, but of oil which was at the full and free disposal of the producer country.

This oil was sold at 17 dollars a barrel. It was Iranian oil for delivery within the next six months. A price four times as high as the average price of the last few months is something extremely grave in itself, but when we know the relation which the producer countries have decided to introduce between this commercial price and the posted prices, that is to say, the prices on which royalties and taxes levied are calculated, we immediately realize the extremely grave repercussions this might have on the equilibrium of our economies, on the trend of prices, but also on the quantities available, since, as you know, part of the royalties levied by the producer countries may be taken either in kind, that is to say, in oil, or in cash. In these circumstances, there will no longer be any producing country which will still be prepared to supply oil to the oil companies or, more exactly, to take its levies in cash. The oil producing countries will keep it and will then sell it on terms along the lines of those which we are now experiencing.

That is what makes me say that this opposition between the short-term and the long-term does not exist and that, in taking the measures we must take in the short-term, we should think about what we shall have to do in the next few months, because we must say that if we do not take short-term measures we shall be swept away by the maelstrom of the energy revolution with which we are now faced.

It has also been emphasized that it was first necessary to envisage the causes of the situation in which we now find ourselves. That is true, and several speakers have shared this view, or at least have appeared to see the validity of it, which, I must say at once, is my position.

It is true that the origin of the present crisis is, of course, a political fact, namely the Israeli-

Arab conflict, and, starting from that, a desire to bring pressure on the European countries to contribute towards solving this conflict along lines which the Arab countries deem favourable to their aspirations and interests.

That is true, and it is natural that attempts should be made, through bilateral channels or on the international plane, to deal with the causes which have originated the present crisis.

But it must be clearly recognized that this attitude is likely to become dangerous for us from the moment when the supporters of this view, correct in itself, think that they must not tackle the effects, that is to say, that they must not limit the impact of the embargo on the Community countries, because by that very fact they would not be getting at the causes. In acting in this way, there would indeed be a danger of aggravating the causes and reinforcing the embargo, because the Arab countries might infer from the fact that we want to limit the effects for a certain number of countries, that we want to get round the embargo, that the Community wants to limit its consequences for this or that country specifically affected and therefore to avoid coming to grips with the present difficulties for the reasons I have just given.

I must recognize straight away that if, basically, a well founded choice is made which consists in saying 'Let us tackle the causes', then two things must be accepted.

In the first place, this strategy has so far yielded only limited results. It has not stopped the Arab countries from taking as from today the decision to impose a further reduction of production and exports, which this time, as I understand it, draws no distinction between those who had so far been the subject of preferential treatment, and the others.

Secondly, neither has it stopped them from announcing, a few days ago, their determination to use a second means of pressure using the availability of the substantial capital which they have placed in the different financial markets.

But emphasizing the limited success of this strategy does not, I repeat, mean that it is to be condemned. I think that in a situation such as we are in now we should have several irons in the fire, or in other words that we should follow several national, Community and international policies to try to solve the short-term problems and the longer-term problems.

When I say that it is a false dilemma, it is because I am convinced that the effects in

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relation to which we desire to show caution are in danger of themselves very soon becoming the causes of a fundamental challenge to our prosperity and the destruction of Community cohesion, as well as the causes of grave economic and social, and even political difficulties in which the regimes in each of our countries might be severely shaken.

Therefore, here too, I think we must avoid the over-simplification of differentiating causes and effects; we should adopt a political approach, if possible Community, but, if that is impossible, bilateral, but we should also, here and now, concern ourselves with the effects at national level, at the level of Member States and at Community level.

In this connection, I come to that other opposition sometimes invoked, between a bilateral approach and a Community approach. I reiterate that in the absence, at present, of a Community approach on the political level, the bilateral approach becomes unavoidable.

All of us here hope—and I think this aspiration is clearly taking shape even in political circles which had so far displayed some hesitation—that Europe will be given a political dimension, but until that happens, it is natural to envisage solving the problem bilaterally.

I do not think, either for the present or for the future, that we can go on disregarding the absolute necessity for a Community approach represented by concrete measures taken without delay.

The situation is already sufficiently grave for the Community as a whole—in addition to the efforts made at other levels, and parallel with them—to take cognizance of these difficulties and try to solve them.

With regard to employment, we have reasons to fear a rapid doubling of unemployment followed by an appreciable fall in incomes, production and investment, which would be in danger, for the first time for more than ten years, of resulting in a zero growth rate, or even a negative rate, which would perhaps satisfy those who are convinced that the future of industrial society lies in economic performance reflected in a zero growth rate, but which will hardly satisfy the workers, the European families, in short all those who in previous years have been in the habit of seeing their standard of living rising steadily.

Another consequence which we already know is likely to become alarming and to have serious

effects on economic policies, is the deterioration in the balance of payments. We have been used to living with surplus trade balances and sometimes with favourable balances of payments.

The impact of the almost stratospheric prices we are going to experience on our balances of payments, and particularly on those of a certain number of Member countries, is likely to be catastrophic. Starting from there, these effects, which I deliberately call catastrophic, will spread through all the Community countries, whether or not, moreover, they have a political guarantee, the precarious character of which has been apparent since the advent of conflicts between governments and oil companies.

We shall all be afflicted by the evil. We shall all suffer from it, and we shall proceed together, supporting each other along the road of regression and decadence.

The time has therefore come to take measures, and the Commission, for its part, would like to see them following five guidelines.

I would tell Mr Patijn quite clearly that there is no question of the Commission renouncing its right of initiative, but I would add that it has never thought that the exercise of this right should be confused with waving a flag regardless of the consequences of its action.

We are anxious to conserve our right of initiative and to make sure that it is not attacked, but we are also anxious, in view of the eminently political character of the problem, to arrive at tangible results at the level of the bodies in which the political decisions must finally be taken.

Furthermore, the inevitably hushed atmosphere of the Chancelleries which conduct the bilateral discussions of which I have just spoken calls for a measure of discretion and sometimes even of secrecy which it would be absolutely incongruous for the Commission to disregard. It follows that any disruptive attitude, which might satisfy some or other among us and might give public opinion or part of it the impression that we were doing something, would be equally out of place, since it would not be reflected in any tangible result.

With regard to our determination to assume our political responsibility, I think I can say that on the part of the Commission it is complete.

The following are the five guidelines which, in the opinion of the Commission, should be the subject of political decisions which would enable

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it to make formal proposals in the form of the text of regulations, directives or recommendations.

First and foremost, Europe must be kept supplied, which again brings us to political action because before you can share out, which is the second element, you must, of course, have the oil. Sharing out non-existent resources is an exercise which may be intellectually satisfying, but which is economically ineffective. Assuming that the political conditions are sufficient so that oil continues to reach us, it must be shared out fairly by creating a Community body for that purpose responsible for directing the crisis, if I may put it that way, or at least responsible for taking the technical decisions stemming from this willingness to share out fairly the economic and social burden of scarcity.

If, at a higher level, we have to conduct an international discussion, which, whatever we may think, will one day prove unavoidable—and which is already unavoidable among the industrialized countries—it is equally necessary that in the action of this Community body the Community shall speak with a single voice, as has often been said, that it shall be able to defend its interests and convey its concern to the other consumer countries.

Finally, I repeat that it is necessary to work out within the shortest possible time, criteria for the distribution of oil resources modelled on the criteria used within the OECD, and here again I repeat that the Commission will have to speak with a single voice.

The first guideline, therefore, is that supplies must be ensured and distributed on the basis of Community criteria, with the conviction that if this is not done everyone will founder in the long term.

The second idea is that we must be informed, which is not often the case, whatever people may think, of what is going on, especially of oil movements. This is, moreover, the purport of a proposed regulation which we have submitted to the Council of Ministers.

Thirdly,—and this action has already been launched in the absence of a formal political decision—we must consider with the electricity producers what more or less short term substitutes exist. It is true that a certain number of measures should be taken forthwith. This applies to some of those, excellent in principle, contained in the Committee's motion for a resolution, but which cannot take effect for a long

time to come. We therefore think that they should be envisaged and studied here and now.

Substitution means that in future, instead of using fuel oil, for the production of electricity, for example, we shall make use of other sources of energy. We have calculated that, under ideal conditions, this would represent a saving of half the products at present consumed, or 16 million tons of fuel oil compared with the 32 million tons at present consumed for the production of electricity.

Next, at Community level, we should once again, in the spirit of equity which should guide us, put a brake on consumption, either by harmonizing the voluntary measures at present asked of consumers in most Member countries, or by starting already to study more compulsory measures. This study is under way. Without being able to promise one of the speakers that the Commission will one day turn itself into a body for the issue of ration cards, I think I can say that we are already today studying with Member States, who will have the final responsibility for issuing such ration cards if necessary, the possibilities of harmonizing this measure so that it can be decided from the Community point of view which is common to all of us.

Finally, the price system must be harmonized and the consequences must be controlled from the point of view of the traffic in petroleum products which might result from any inconsistency between the price structures of the different Member countries. This harmonization is necessary because, at the present moment, at the risk of over-simplifying the situation, there are, on the one side, the countries which do not apply price control or which do not have an interventionist price system, and on the other side there are those who, in view of the importance of energy products in economic life as a whole, fix prices more or less imperatively.

It is certain, and this might be a temptation for one Member State or another, that if, in a period of shortage, prices are left absolutely free in one of the Member countries, this would create a demand for petroleum products refined or available in other countries, including if necessary the running down of stocks, which it would be impossible to check by appealing to the goodwill of the producers and refineries, which would therefore involve at a given moment the introduction of restrictive measures, some of which are already in effect for the reason which I have given, and which would lead to the virtual end of the Common Market. There must therefore be two sets of measures

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for which, here again, we have a firm proposal to make: in the first place to harmonize price systems, and in the second place to empower the Community authorities to regulate, and where appropriate, to limit, if that appears essential for evident reasons of distortion of trade or manifest shortage in any country, the export of petroleum products from one Community country to another.

On the specific point which, if I have rightly understood Mr Patijn, was to be raised by Mr Van der Hek, I would answer, first, that it is quite true that at the present moment there is a discussion going on between the French government and the oil companies with a view to enabling the oil companies which refine and distribute in France to review the undertaking they have entered into with the French government to guarantee that country's supplies.

From another angle, we think that the proposal we made more than a month ago would enable us, at Community level, to cope with the possible temptations for one government or another arbitrarily to limit exports to other consuming countries of the Community. That is why, I repeat, measures of price harmonization and measures of control, which should be within the power of the Community authorities, are complementary.

These are short term measures which do not relieve us of recourse to longer term measures, some of which are referred to in the Committee's motion for a resolution and some of which have been the subject of earlier proposals of the Committee. But we think that these are measures which should be taken in the short term in parallel with the political action which must continue, and it is in connection with these measures that a policy decision must be taken. When I speak of a policy decision I mean by that that it must be operational, that is to say, that it must not limit itself to repeating the necessity for Community solidarity or the desire to see a common energy policy worked out without delay; I call an operational policy decision a decision on the measures I have just listed, but which could therefore, once they are introduced, and once the decision on policy is adopted, give rise to the rapid completion of texts, and the rapid taking of complementary decisions to put all these measures into action.

I think it was Cardinal Richelieu who said that the whole art of politics was to render necessary what was simply possible. I would rather invert the proposition by saying that at the present moment, in the light of the acuteness of the crisis with which we are faced, there are so

many things necessary that, in spite of the relative paralysis of our institutions and the weakness we are now displaying, these things should be possible and must, therefore, be given material shape by practical decisions taken forthwith; if not, there are so many factors involved that we should be in danger of seeing the cohesion of our Community permanently shaken and the prosperity of each of our countries and our populations compromised, and perhaps we should also be in danger of seeing sown in each of our Member countries the seeds of a grave social and political instability which would be harmful for all of us.

(Applause)

President. — Thank you, Mr Simonet.

Does anyone else wish to speak?

The general debate is closed.

We shall now consider the motion for a resolution.

On the preamble and paragraphs 1 and 2, I have no amendments or speakers listed.

Does anyone wish to speak?

I put these texts to the vote.

The preamble and paragraphs 1 and 2 are adopted.

On paragraph 3, I have three amendments, Nos 1, 4 and 9, which can be considered jointly.

These amendments are worded as follows:

Amendment No 1 tabled by Mr Patijn and Mr Laban on behalf of the Socialist Group:

'Paragraph 3

This paragraph should read as follows:

"3. Believes the fair rationing of existing inadequate energy sources among the Member States and among consumers in a Member State to be a possible way of countering the shortage".'

Amendment No 4, tabled by Lord Bessborough on behalf of the European Conservative Group:

'Paragraph 3

Replace "but would consider it only as a last resort" by

"such measures to be implemented by Member States in a manner which will be seen to reflect their willingness to act in concert in facing what is a common crisis".'

President

Amendment No 9, tabled by Mr Leonardi on behalf of the Communist and Allies Group:

'Paragraph 3

Delete the words "... but would consider it only as a last resort".'

I call Mr Patijn to move Amendment No 1.

Mr Patijn. — (NL) Mr President, I can be very brief. For its part, my group is certainly not opposed to Paragraph 3 in its present form, but we thought that if one mentioned the 'fair rationing of existing inadequate energy resources' the basis for this should be clearly stated.

The original text states that rationing is 'a possible way of countering the shortage' but that it is 'a last resort'. This is too vague for us. We believe that two things should be possible; we also wish to specify them. The first of these is fair rationing of existing energy sources among the Member States as an expression of their solidarity in a crisis in which the reduction in production affects them all.

The second is a rationing among consumers in Member States, since both industry and the transport sector and the individual consumer are concerned with the oil crisis. It seems to us to be necessary to stress that fair rationing among all these groups of interested parties in the Member States is appropriate. I hope that the House will adopt this amendment.

President. — I call Lord Bessborough to move Amendment No 4.

Lord Bessborough. — I have been thinking a great deal about this. At first I was rather opposed to the amendment tabled by Mr Patijn but, in view of what he said and of discussions I have had with Mr Springorum, I think I should personally drop my opposition to this amendment and accept it and suggest that my honourable friends should be free to vote for it or not as they think best. In these circumstances, if Mr Patijn's amendment is adopted I shall not move Amendment No 4 which is in my name.

President. — I call Mr Leonardi to move amendment No 9.

Mr Leonardi. — (I) I am in favour of rationing. We would prefer to do without it, but in the event of shortage, rationing seems to me to be the fairest way of distributing insufficient resources. But this must be done within individual states on the basis of their own laws. With regard to the other two amendments under the

same paragraph, asking on the other hand that rationing should take place in the context of the different States, we do not agree, for the reasons given in my speech. I would add that this would set off mechanism which would need much more time and which would be subject to the precondition of an agreement on energy policy which does not exist and which for the moment seems somewhat difficult to achieve. That is why the immediate measure must be rationing within individual states.

President. — What is the position of the author of the motion?

Mr Springorum. — (D) Mr President, the Committee intended to make it clear that rationing should be introduced only when no other means was available, and therefore that rationing should not be brought in so long as supplies were still in such a condition that they could be helped out in other ways. Rationing is in the last resort for many governments the simplest and most primitive way of sharing out the shortage.

I now understand from the words of the speakers of the Socialist Group that they adopt the same interpretation. I should therefore say on behalf of the Committee that we agree with the proposal of the Socialist Group that we should add the words 'but would consider it only as a last resort': that is, in the event of rationing not being avoided by savings or substitutions such as we anticipate in our proposals.

I see there is general agreement. I therefore make this proposal on behalf of the Committee.

President. — The author of the motion proposes adding to the text of Amendment No 1 the words, 'but would consider it only as a last resort.'

Does anyone else wish to speak?

I put to the vote Amendment No 1 in the modified form proposed by the author of the motion.

Amendment No 1 so modified is adopted.

Amendment No 4 is accordingly withdrawn.

I am sure the author of Amendment No 9, Mr Leonardi, will agree that Amendment No 9 has thus become superfluous.

On paragraph 3, I have Amendment No 5 tabled by Lord Bessborough on behalf of the European Conservative Group and worked as follows:

'Paragraph 3a (new)

President

After paragraph 3, insert a new paragraph worded as follows:

"3a. Considers that the energy crisis, and the manner in which Member States respond, has serious political implications for the future of the Community, and urges the Council of Ministers to coordinate national measures with the objective of maintaining and strengthening solidarity between all Member States of the Community."

I call Lord Bessborough to move Amendment No 5.

Lord Bessborough. — I think that my noble friend Lord Reay and I both explained the sentiments which are behind this amendment. I was glad to hear from Mr Springorum that it is also acceptable to him. I do not think there is anything further I need say. I beg to move this amendment.

President. — What is the position of the author of the motion?

Mr Springorum. — (D) I think that with a slight modification we can fully accept this amendment if we change the wording in the fourth line from 'and urges the Council of Ministers' to 'and urges the Commission and Council of the European Communities', since out of all the institutions of the Community the Commission is the decisive one which should be concerned here. If the mover of the amendment agrees, we would welcome the amendment.

President. — The author of the amendment agrees. The words 'and urges the Council of Ministers' are therefore replaced by 'and urges the Commission and Council of the European Communities'.

I put to the vote Amendment No 5, thus modified.

Amendment No 5 thus modified is adopted.

On paragraph 3, I have Amendment No 6 tabled by Lord Bessborough on behalf of the European Conservative Group and worded as follows:

'Paragraph 3 b (new)

After paragraph 3, insert a new paragraph worded as follows:

"3b. Urges the Council of Ministers to concert a policy to promote the development of other sources of energy."

I call Lord Bessborough to move Amendment No 6.

Lord Bessborough. — I do not think that in the circumstances it is necessary for me to move this amendment. I appreciate from what Mr Springorum says that this is longer-term. In any case, we have already mentioned the Council of Ministers in the previous amendment. So I withdraw this amendment.

President. — Amendment No 6 is accordingly withdrawn.

On paragraph 4, I have no amendments or speakers listed.

Does anyone wish to speak?

I put paragraph 4 to the vote.

Paragraph 4 is adopted.

On paragraph 4, I have Amendment No 3 tabled by Mr Spénale and worded as follows:

'Paragraph 4a (new)

After paragraph 4, insert new paragraph worded as follows:

"4a. Requests that, in taking the measures required to regulate the market, survival of independent undertakings in the energy sector be firmly safeguarded."

I call Mr Leenhardt to move this amendment in place of Mr Spénale.

Mr Leenhardt. — (F) Mr Spénale has asked me to present his amendment which requests that the survival of independent undertakings be safeguarded.

The starting point of this amendment is a written question No 292 by Mr Spénale on the oil crisis and the position of independent undertakings, a question which we regret that the Commission has not yet answered.

The tabling of this question has brought Mr Spénale a voluminous mail from a number of independent undertakings in several Member countries, especially Germany, France, Italy and Belgium, which reveals the extreme difficulties experienced by these independent undertakings in obtaining supplies: they cannot do so either on the European market or on the markets of the East, where contracts have not been renewed, or on the national market. In these circumstances it is important that we should prevent these independent undertakings from being strangled, and that for two reasons. First, they have a very important role to play in certain sparsely populated regions where the big companies have not bothered to organize their distribution networks. If they no longer got their supplies there would be schools which

Leenhardt

were no longer heated and transport would have to be stopped.

Secondly, we should not allow the cartel of the big companies to be strengthened by the elimination of the independent undertakings.

The consumers therefore have a twofold interest in the maintenance of a free sector in oil distribution.

President. — What is the position of the author of the motion?

Mr Springorum. — (D) I think I can say on behalf of the committee that there is no objection to the inclusion of this point 4(a) in the motion for a resolution.

President. — I call Mr Lange.

Mr Lange, Chairman of the Committee on Economic and Monetary Affairs. — (D) There is absolutely nothing to be said against the request to which this point calls special attention.

After the explanation of the rapporteur, I too have no objection to the inclusion of this point 4(a) in the motion for a resolution. I merely wanted to inform the House, since the report by my honourable friend Mr Artzinger on competition has been postponed until the January part-session, that at the next meeting of the Committee on Economic and Monetary Affairs we shall again be getting to grips with this point. Not only must the trading opportunities of the independent and the small and medium-sized petroleum undertakings be guaranteed; oligopolistic behaviour must, of course, in return be brought under corresponding control. This will therefore be dealt with in a separate paragraph of the motion for a resolution which we shall discuss at the January part-session. I merely wanted to tell the House this.

President. — I call Mr Lagorce.

Mr Lagorce. — (F) I should like very briefly to support Mr Leenhardt's proposal by citing an example.

Discrimination between retailers who are under contract with the oil companies and independent retailers is disastrous for the local authorities, particularly in France. In practice the supply of domestic fuel-oil for hospitals, schools, etc., is by tender. The independent retailers are usually the successful tenderers because they are satisfied with lower profits than the minimum demanded by the oil companies and therefore submit the lowest tenders. Indirectly it is therefore such valuable institutions as the

hospitals and the schools which suffer from this state of affairs.

President. — I call Miss Lulling.

Miss Lulling. — (F) In my turn I should like to support Mr Spénale's amendment.

In my country, through the Commercial Supplies Office which has survived from the last war, we have just created an emergency pool.

In this emergency pool we compel the big companies to supply certain quantities to the small independent firms which supply the small consumers, especially those which have no central heating but use fuel-oil stoves.

From the example of this pool, which is already operating in my country, I wanted to show, in support of Mr Spénale's amendment, that, provided the government has the necessary instruments, this idea can be put into practice.

President. — I call Lord Bessborough.

Lord Bessborough. — The Conservative Group accepts this amendment.

President. — I put Amendment No 3 to the vote. Amendment No 3 is adopted.

On paragraph 5, I have Amendment No 10 tabled by Mr Leonardi on behalf of the Communists and Allies Group and worded as follows:

'Paragraph 5

At the end of this paragraph, add the following text:

“, and aimed at securing, through an adequate programme of research, maximum utilization of alternative energy sources, including those available in the Community;”.

I call Mr Leonardi to move Amendment No 10.

Mr Leonardi. — (I) Mr President, I venture to speak to stress the point that when you call for an energy policy you must also affirm the need to undertake scientific research, using the means already available.

President. — What is the position of the author of the motion?

Mr Springorum. — (D) Mr President, I would ask for this proposal to be rejected, especially on the following grounds. The Committee unanimously agreed to put forward in this resolution only certain measures which must be

Springorum

taken immediately and which would have a definite immediate effect. We are now in the process in the Committee of discussing together the medium and long-term problems and of working out solutions. The question of supply which is still under discussion, of which research forms one element, is a long-term problem. We shall be coming to this problem.

I should be grateful to Mr Leonardi if he would withdraw his amendment and express his point of view in the Committee.

Mr Leonardi. — (I) No, I shall not withdraw it. What has been said is really quite meaningless. I therefore maintain my amendment.

President. — Does anyone else wish to speak?

I put Amendment No 10 to the vote.

Amendment No 10 is rejected.

On sub-paragraphs 6(a)-(c) I have no amendments or speakers listed.

Does anyone wish to speak?

I put these texts to the vote.

They are adopted.

On sub-paragraph 6(d) I have Amendment No 8 tabled by Mr Verhaegen and worded as follows:

'Paragraph 6

Add the following text to subparagraph 6(d):

“, at the same time, however, respecting the minimum requirements with regard to environmental hygiene;”.

I call Mr Verhaegen to move Amendment No 8.

Mr Verhaegen. — (NL) Mr President, this amendment stems from our concern for the environment. There were three basic considerations:

- 1) that a temporary relaxation or abolition of the maximum values for sulphur emission from heavy fuel oil in power stations should not cause any permanent irredeemable damage;
- 2) that temporary relaxation of these protective measures should not provoke a chain reaction in other sectors; and
- 3) that it is necessary to protect the economically weakest sections of the population, who have not only to work but also to live in an unhealthy environment.

President. — What is the position of the author of the motion?

Mr Springorum. — (D) I have no objection to the enlargement of the resolution proposed in this amendment; it operates merely as a clarification.

President. — I put Amendment No 8 to the vote.

Amendment No 8 is adopted.

On subparagraphs 6(e) and (f). I have no amendments or speakers listed.

Does anyone wish to speak?

I put these texts to the vote.

They are adopted.

On subparagraph (f), I have Amendment No 11 tabled by Mr Leonardi on behalf of the Communist and Allies Group and worded as follows: 'Paragraph 6

After subparagraph (f) of this paragraph, insert the following new subparagraph:

“conveyance of passengers should be assured as far as possible by public transport”.

I call Mr Leonardi to move Amendment No 11.

Mr Leonardi. — (I) Here again, after advising the transfer of goods traffic to the railways and saying something about air traffic, I think it would be appropriate also to say something about passenger traffic which should be transferred as far as possible to public transport.

President. — What is the position of the author of the motion?

Mr Springorum. — (D) I would ask Parliament to reject this amendment. Our motion for a resolution merely says 'transport of bulk goods should... as far as possible be transferred from the roads to the railways...'

It is clear that so long as there may be a conflict of interest between road transport and rail transport a more limited formulation is necessary.

We have also said in our motion for a resolution that we want to maintain jobs and in this connection the consideration arises that this will no longer be possible without other measures if we immediately limit private transport by statutory measures.

President. — Does anyone else wish to speak? I call Mr Yeats.

Mr Yeats. — I urge the acceptance of the amendment. It seems absolutely clear that one

Yeats

of the greatest sources of waste of oil products lies in the millions upon millions of motor cars, often with only one person in them, going into our cities every morning and coming out every evening. It seems elementary that this Assembly should call upon the various governments to provide as much public transport as possible for passengers, not merely by road but also by rail. Without such an amendment the motion would be very much weakened.

President. — What is the position of the author of the motion?

Mr Springorum. — (D) I must once again emphasize that we are dealing here with short-term measures. Of course, public transport should be improved and extended in the long-term; but at the moment no immediate change should be attempted through any measures whatever.

President. — I call Mr Leonardi.

Mr Leonardi. — (I) In my original speech I pointed out, as indeed Commissioner Simonet has also said, that this is a set of immediate and less immediate measures, and the problem is to choose the path of common sense and one which corresponds to the genuine public interest. I therefore press my amendment and I reject as completely invalid the excuse that it cannot be accepted because it deals with a measure which does not take immediate effect.

President. — I call Mr Flämig.

Mr Flämig. — (D) I should like to say on behalf of the Socialist Group that we do not support this amendment, but neither are we opposed to it, and so we shall abstain from voting for the following reason. The amendment is sound in itself. It is true that in connection with more extensive measures we must ask ourselves whether private transport can continue along the lines it has followed so far. But I agree with what Mr Springorum has just said. It is not appropriate to this resolution, since it is impossible within one, two or three years to develop public transport to such an extent that it can make a genuine contribution towards solving the energy crisis.

President. — I call Mr Noè.

Mr Noè. — (I) Mr President, when we discussed the problems of Transalpine traffic, I myself introduced and supported an amendment to the resolution asking that precedence should be given to rail tunnels over road tunnels. And this

amendment was accepted. This was obviously something which could take effect only in the long term, since until the structures are changed we cannot hope to obtain concrete results.

Moreover, as Mr Springorum, the chairman, has already said, it is already part of our Committee's programme to begin to consider medium- and long-term measures; in that body, in the context of an organic complex of measures, we can also introduce concepts of this kind. At present, however, it would merely confuse the chronological order of things. We are therefore against the amendment.

President. — Does anyone else wish to speak?

I put Amendment No 11 to the vote.

Amendment No 11 is adopted.

On subparagraph 6(g) I have Amendment No 7 tabled by Lord Bessborough on behalf of the European Conservative Group and worded as follows:

'Paragraph 6

Reword subparagraph 6(g) to read as follows:

"6(g) air traffic into or from Community airports should be limited sufficiently for there to be no significant waiting time on take-off or landing at the airports."

I call Lord Bessborough to move Amendment No 7.

Lord Bessborough (*not read by speaker*). — It appears to me that perhaps paragraph (g) was unduly restrictive, certainly in the English text. It says: 'domestic air travel should be limited sufficiently...' It seems to us that this should be extended to air travel throughout the whole Community—indeed, to flights into or from the Community. There is likely to be just as much wastage of fuel on some longer hauls as on very short-haul flights.

President. — What is the position of the author of the motion?

Mr Springorum. — (D) Our resolution says 'domestic air travel'. What is meant is short-haul air traffic. But we have in the Community considerable distances, if one thinks only of the London-Rome connection for example, which cannot be mastered by other means of transport. On the other hand we have short-haul traffic which crosses frontiers. Perhaps the mover of the amendment would be satisfied if we said 'short-haul air traffic' or 'air traffic over short distances' for which the use of other means of transport might be expected.

President. — That means, Mr Springorum, that you are proposing that paragraph 6(g) of the motion for a resolution should be worded. 'Short-haul air traffic should be limited...'

Lord Bessborough, do you accept this compromise?

Lord Bessborough. — Yes, I think that is fair enough. I shall accept that.

President. — The proposed wording of subparagraph 6(g) would therefore begin: 'Short-haul air traffic should be limited...'

I put to the vote subparagraph 6(g), thus modified.

Sub-paragraph 6(g), thus modified, is adopted.

On item (h) of paragraph 6, I have no amendments or speakers listed.

Does anyone wish to speak?

I put subparagraph (h) to the vote.

Sub-paragraph (h) is adopted.

On subparagraph (i) of paragraph 6, I have Amendment No 12 tabled by Mr Leonardi on behalf of the Communist and Allies Group and worded as follows:

'Paragraph 6

At the end of subparagraph 6 (i), add the following text:

"with a view to making greater use of it as a source of energy through the application of new techniques".'

I call Mr Leonardi to move Amendment No 12.

Mr Leonardi. — (I) Here again it does not seem to me to be right to expect an early increase in coal extraction in the Community. We must indicate what the objects are. For that reason I have proposed the application of new techniques. It is in fact unthinkable to use coal for locomotives according to the old methods; new techniques must be used and coal must therefore be used in different ways.

President. — What is the position of the author of the motion?

Mr Springorum. — (D) We have deliberately made this paragraph very cautious, since in fact it is still impossible to say exactly how energy supplies will run in future. It is, however, certain that preparatory measures will be taken which, if necessary, will make it possible to

step up extraction. We very deliberately do not wish to provide in this short-term programme for anything which goes beyond the short-term.

I must therefore ask that Mr Leonardi's amendment should be rejected.

President. — Does anyone else wish to speak?

I put Amendment No 12 to the vote.

Amendment No 12 is adopted.

On subparagraphs (j) to (l), I have no amendments or speakers listed.

I call Mr Lagorce.

Mr Lagorce. — (F) Mr President, point (j) speaks of 'giving priority to the maintenance of jobs' and point (k) of 'assistance to the economically weak sections of the population'.

Combining these two concerns, could we not also think of doing something for workers reduced to technical unemployment as a result of the present energy shortage?

Perhaps point (k) covers this possibility, but it does not expressly say so, and this extension might be contemplated.

President. — What is the position of the author of the motion?

Mr Springorum. — (D) Since there is no written amendment submitted, I am unfortunately not in a position to say anything about it. I would therefore ask for the amendment to be rejected.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, I should like to say to my honourable friend from my own group that point (k) is quite deliberately intended to help those whom, for example, the German Bundestag has in mind today when passing the second and third reading of a bill which provides for specific aid in fuel oil for the economically weak sections of the community.

This is what is meant when point (k) calls upon the governments of all Member States to take immediate measures in the individual states to help the economically weak sections of the population.

Point (j), on the other hand, primarily concerns the sector we alluded to previously in connection with public passenger transport, when we said that it must take priority over individual

Fellermaier

transport, for all measures designed to maintain jobs are also measures to avoid social deterioration. I think that the points just made by my honourable friend are fully met by the formula proposed by the Committee under points (j) and (k).

President. — The matter is thus clarified.

I put these items to the vote.

Subparagraphs (j) to (l) are adopted.

On subparagraph (m) of paragraph 6, I have two amendments which can be considered jointly:

- Amendment No 2 tabled by Mr Patijn, Mr Broeks, Mr Laban and Mr Vermeylen deleting this item;
- Amendment No 13 tabled by Mr Leonardi on behalf of the Communist and Allies Group and worded as follows:

'Reword subparagraph (m) of this paragraph to read as follows:

"(m) direct links should be established with the oil-producing countries, and a cooperative relationship encouraged through immediate offers in the technological, industrial, political, commercial and general economic fields".'

I call Mr Patijn to move Amendment No 2.

Mr Patijn. — (NL) Mr President, when we were debating the resolution in Mr Normanton's report on 13 November last we rejected an amendment tabled by Sir Tufton Beamish on behalf of the European Conservative Group. The content of that amendment was basically the same as the present subparagraph 6(m), although here it is stated more specifically than in the amendment.

I should like to say that I and the other persons supporting this amendment certainly support the intention represented by the programme referred to in subparagraph 6(m). I would refer to what my fellow-Socialist Mr Flämig said about it in this Parliament. However, we cannot say in November that we may 'perhaps' take political and economic counter-measures, and then say in December in a resolution on the crisis—the same crisis as last November—that we are suddenly in favour of a kind of Marshall plan.

The Conservative Group must not now argue that the paragraph concerned was not voted on last time owing to an oversight by the President. This is the argument the Conservative

Group tried to maintain on that occasion. I must state clearly what its wishes are, since we cannot do one thing one month and another thing the next. Our intention last month was different, and I would therefore request the House to delete subparagraph 6(m).

President. — I call Mr Leonardi to move Amendment No 13.

Mr Leonardi. — I withdraw the amendment and accept the Commission's text.

President. — Amendment No 13 is withdrawn.

What is the position of the author of the motion on Amendment No 2?

Mr Springorum. — (D) I would remind the House that Parliament, at its November part-session, never said that counter-measures should be taken. What it said was rather that counter-measures might be considered on certain conditions and in certain circumstances. That is a very big difference. Here we say that we call on the Commission to submit offers of co-operation. We consider this to be extremely important, since the flow of oil from the Near East can be guaranteed in the long term only if long-term co-operation with the Arab States is established. We regard this mandate to the Commission as extremely important. The committee therefore considers that this paragraph must be retained.

President. — I call Mr van der Sanden.

Mr Van der Sanden. — (NL) Mr President, I am able to agree with Mr Patijn's observations on subparagraph 6(m), but on the other hand I do not believe that this point is even relevant to the present resolution.

What is it that we are talking about, in fact? We are discussing emergency measures to counter the energy supply crisis in the countries of the Community. Starting from the present situation, we are endeavouring to take measures on the basis of the possibilities offered to us within the Community. These are measures which touch on the sphere of foreign policy and which can only be decided upon by the Council of Ministers—certainly not by the Member States. I believe that if the Member States try to encourage this kind of measure they will be undermining rather than fostering the possibility of a Community energy policy. Therefore I am in favour of the deletion of subparagraph 6(m) although not for the same reasons as Mr Patijn.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, Mr Patijn's objections are remarkable. Anyone who remembers the midnight hours of the last energy debate knows well enough that there was no consensus in this House on the question how far countermeasures should be adopted in the event of pressure from the Arab states being stepped up.

No one in the House wants to cause a worsening of the situation for the sake of a formula. But the House, which in its resolution of that time nevertheless did suggest that it might be advisable to consider such counter-measures in the event of pressure being stepped up, is also not free of responsibility.

There is at least, Mr Springorum, something misleading in the committee's formula. Your committee invites the Community and the Member States to work out offers of co-operation. I do not know whether, in the political situation in which we find ourselves at this moment, and in view of the Arab attitude, we should go so far as to submit an offer of co-operation at this stage. Co-operation is a much wider and more comprehensive concept than an offer of negotiations in the technological, industrial, trade and general economic spheres. For this reason, I wonder, Mr Springorum—and this is naturally also a question to my honourable friend Mr Patijn—whether we cannot agree simply to speak of negotiations here instead of an offer of cooperation. In the immediate political situation this is more neutral and more appropriate.

President. — I call Mr Broeks.

Mr Broeks. — (NL) Mr President, as always, I listened with great interest to what Mr Springorum had to say. This time, however, I must say that I was unable to follow him. I remember very well the night debate we had on the energy crisis. At the time, the majority of this Parliament agreed that counter-measures could be taken under certain circumstances. I believe that this may be necessary. However, I am unable to reconcile the text I read here in subparagraph 6(m) with what we agreed then.

This despite the fact that the text which the Dutch members have received is weaker than that submitted to our German friends. They have *Kooperationsangebote* (offers of cooperation), which has been shortened in the Dutch text to *aanbiedingen* (offers). This is certainly not the same. Mr President, I find it regrettable that such mistakes can arise in the text. The German text goes further than the Dutch.

I presume that the German is the original text. Our objections to this text are much greater than to the Dutch translation.

I fail to understand why, if it is decided one month that counter-measures can be taken in certain circumstances, a month later we say: 'We do not want to take any measures at all; we come to you with the question whether we can help you in some way so that you might perhaps help us in return.'

I find that what the Arabs have done amounts to a considerable threat.

This threat exists not only now, when the boycott has been triggered off by Arab views relating to the war with Israel.

A similar boycott could be enforced whenever the gentlemen in the Arab States felt like using coercion.

I believe that we as a Parliament must adopt a clear position and that we should not accept a half-hearted attitude, saying one thing one month and something else the next.

President. — I call Mr Flämig.

Mr Flämig. — (D) Mr President, we must distinguish between political measures and technological and economic measures. In this resolution we are not talking about political measures. But when we talk about immediate technical and economic policy measures we cannot overlook the fact that the oil-exporting countries have their hands on a powerful level. We are speaking here, not only of the Arab countries, but also of the oil-exporting countries as a whole; they exist in other parts of the world, too.

What we are trying to do here, moreover, is to get the Community and the Member States to consider together, how, by uniting, they can bring to bear the concentrated strength of this vast consumer market in the negotiations. That is a genuine immediate measure. We therefore understand the request of my honourable friend from the Netherlands. But I think it is wrong to say in this connection that we will not discuss all sorts of questions with these oil-exporting countries. I would therefore ask the House to understand why the Members of the Socialist Group have been allowed a free vote.

President. — I call Lord Bessborough.

Lord Bessborough. — We thought a good deal about this paragraph. At one time we thought that perhaps it would be better to leave it out,

Lord Bessborough

but we agree that it should remain provided the words 'of negotiations' are added after 'offers' in the second line. It would then read:

'the Community and the Member States should immediately work out offers of negotiations of cooperation in the technological, industrial, trade policy...'

I do not know whether that can be worded a little better. I think it will suffice like that, but I do not know how it would be translated. Would that be acceptable to the chairman?

President. — Lord Bessborough has just suggested how the text might be reworded, but without making a formal amendment. I think we must know exactly what we are going to vote on, and would ask you to make an effort to this end.

I call Mr Lange.

Mr Lange. — (D) Mr President and colleagues, it is naturally right that we should not deal here with any political decisions. It is also right that at some time or other somebody must come down to these things. I could, however, indicate the proper political forum to which we should pass this resolution. The Summit Conference opens tomorrow at Copenhagen. Representatives of the Arab oil-producing and oil-supplying countries will be present there. I would therefore strongly recommend that we should not take the risk in Parliament today of adopting an attitude different from that of four weeks ago in the resolution on Mr Normanton's report, or of accepting a formula which might seem to indicate a different attitude.

In view of this political situation, I earnestly ask that subparagraph 6(m) be dropped. That would, I think, be a suitable position for this Parliament. The Heads of Government would then, without being able to refer to Parliament, come to an appropriate decision on their own responsibility. If difficulties should arise during the discussions of the Heads of Government in Copenhagen. I would not wish a reference to be made to Parliament.

Under these circumstances I think we should delete subparagraph (m) so as not to call into question the attitude adopted last month.

President. — I call Mr Noè.

Mr Noè. — (I) Mr President, in the light of what Mr Lange has said I should like to propose that the discussion of this subparagraph be adjourned to the moment when, probably in the month of January, we discuss medium-term measures.

In effect, this is a medium-term measure since it cannot change the situation we are in at present. I therefore do not think we should drop the paragraph, because it might be valid, but that we should discuss it at leisure in January when the situation will be clearer and when we ourselves will be engaged on a fuller and more wide-ranging examination.

Vice-President Simonet has said that these are related aspects of the same way of thinking: when we take a step forward we shall not be repudiating what we have said today, but we shall be able to decide at greater leisure on suggestions of this kind.

President. — Mr Noè, does this mean that you wish the whole motion for a resolution to be deferred to the January part-session or do you simply want subparagraph 6(m) deleted?

Mr Noè. — (I) Mr President, for practical purposes I propose that this subparagraph be deleted today, while making it clear that my proposal does not mean abandoning the question, but reconsidering it in a month's time when the situation will be riper and when we discuss long-term problems in the committee.

President. — Mr Noè, we can either delete the text or reword it; but I cannot see how we can delete a text and then insert it again somewhere else.

I call Mr Patijn.

Mr Patijn. — (NL) Mr President, I support Mr Noè's proposal. When explaining my amendment I also stated clearly that I am not opposed to the proposed measure, but paragraph 7 of our resolution states: 'Reserves the right...in addition to these short-term measures'. It must be admitted that this is not a short-term measure, and also our attitude is not compatible with the one we displayed last month. So subparagraph (m) must be deleted here too and we should perhaps instruct our Committee on Energy, Research and Technology, in a separate paragraph, to study separately the matter referred to in the original subparagraph 6(m).

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) I had previously invited the House to reach an acceptable compromise by replacing the words 'offer of co-operation' by 'offer of negotiations'. But the turn now taken by the debate suggests that the House would be very evenly divided. I think on such an important question—and particularly in view of the latest requests to speak—the best solu-

Fellermaier

tion would be for the House to decide to refer subparagraph 6(m) back to the Committee on Energy, Research and Technology for further consideration and fresh proposals. Under the Rules of Procedure this suggestion takes precedence. I therefore ask, Mr President, that it should be put to the vote.

President. — I do not think the rules of procedure of any parliament entitle one to refer a single subparagraph to a committee. On the other hand, the Rules do permit us to refer a document to the committee responsible on a request from that committee.

I call Sir Brandon Rhys Williams.

Sir Brandon Rhys Williams. — I should say only briefly that I think the word 'cooperation' might well seem rather obsequious and I can well understand that our Dutch colleagues in particular do not like paragraph (m) if the word 'cooperation' is included. I think Mr Fellermaier made a very statesmanlike and wise suggestion when he said that that should be changed. If that were done I would support paragraph (m).

If we are offering our money to Arab States in particular, we must offer them good faith as well. In exchange for the money we are paying them in ever-increasing volume, we must offer them the best we can. What we have to offer these countries is our technology, our industrial capacity, our know-how and the assistance we can give them in the development of their own countries. This is something we should not neglect. This is, I think, an important point. I hope that Parliament will be prepared to accept it with the amendments suggested by Mr Fellermaier.

President. — Can we resolve the matter in this way: I suggest asking the committee responsible to re-examine subparagraph (m), without, however, referring it formally.

Otherwise, we shall have to vote.

I call Mr Lagorce.

Mr Lagorce. — (F) Mr President, I should like to emphasize the difficulty of applying this subparagraph (m). It raises the question of offers of co-operation to the oil exporting countries. But these countries fall into different categories. In the Arab world alone, there are at least two, the Persian Gulf countries and the North African countries.

I emphasize the links which bind certain Mediterranean countries, such as France, to the North African oil exporting countries, if only

because these oil exports are also accompanied by exports of manpower. It happens that in France, and perhaps also in Italy, a large part of immigrant labour comes from North Africa.

I think these offers of co-operation cannot be the same, they must be differentiated. This seems to me to be an additional argument for dropping point (m).

President. — I call Mr Lange.

Mr Lange. — (D) Mr President, after your remarks I can withdraw my request to speak.

President. — What is the position of the author of the motion?

Mr Springorum. — (D) Mr President, I think your proposal is first class and I should welcome it if Parliament can agree.

President. — I call Mr Laban.

Mr Laban. — (NL) Mr President, as I had wished to make the same proposal as you I no longer wish to take the floor.

President. — Then the position is as follows: subparagraph (m) of paragraph 6 will be deleted on the understanding that the Committee on Energy, Research and Technology will reconsider it.

I put this to the vote.

It is agreed.

I put the whole of paragraph 6 to the vote.

The whole of paragraph 6 is adopted.

On paragraphs 7 and 8 I have no amendments or speakers listed.

Does anyone wish to speak?

I put these paragraphs to the vote.

Paragraphs 7 and 8 are adopted.

I put to the vote the motion for a resolution as a whole incorporating the various amendments that have been adopted.

The resolution so amended is adopted¹.

I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Now that we have satisfactorily finished Mr Springorum's motion, I should be very grateful if in the official report

¹ OJ No C 2, 9. 1. 1974.

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of this morning's sitting—because a very important point of principle has been raised—it could be stated under what Rules of Procedure we shall manage to deal with paragraph 6(m). All I am asking, Mr President—I am not querying—is whether you will publish in the official report the Rules of Procedure under which you took the action you did to which the House has agreed.

President. — I had hoped I would not have to make a decision on a point of this kind. For the moment I cannot oblige you, but so far as I can see there has been no contradiction.

The proceedings will now be suspended until 3 p.m.

The House will rise.

IN THE CHAIR: MR DEWULF*Vice-President*

(The sitting was suspended at 1.30 p.m. and resumed at 3.05 p.m.)

President. — The sitting is resumed.

5. Communication and proposals from the Commission on the transition to the second stage of economic and monetary union

President. — The next item on the agenda is the motion for a resolution submitted by the Committee on Economic and Monetary Affairs on the five proposals from the Commission of the European Communities to the Council concerning work on economic and monetary union (Doc. 260/73).

I call Sir Brandon Rhys Williams.

Sir Brandon Rhys Williams. — Mr President, I often have the experience of speaking in an empty chamber, and it seems as though my experience is not going to be different today. Possibly as colleagues come back from their lunch they may be able to pick up the threads of what I have to say about the important recent developments in the economic and monetary situation.

The resolution that is before Parliament this afternoon is relatively brief. The reason for that, I am bound to say, is the fault of the Commission, in that these very important Five Proposals which are now before colleagues in Parliament were received too late for their many detailed and important specific recommendations to be

considered by our committee. Our committee was unable to give thorough study to these proposals and therefore, quite rightly, I agree, did not feel disposed to comment in the form of a long and detailed resolution on the many new points which the Commission has incorporated in this long paper.

I felt, nevertheless, that with the imminence of the meetings of the Council of Ministers, and of course now of the Summit Conference in Copenhagen, colleagues in Parliament would wish to have some guidance from the rapporteur as to the points they should look for in considering the Five Proposals and the matters which I personally felt to be the most significant. I have therefore tabled, in the form of Amendment No 1, some fairly detailed considerations which colleagues may read in which I have put down my own preliminary reactions so that colleagues during the present session may consider the Five Proposals in the light of my own thinking; but I recognize that my points will require more thorough examination at the appropriate time. Mr President, I do not, therefore, propose to move my amendment unless colleagues in this debate strongly urge that my reactions ought to be incorporated in the resolution.

On the other hand, there are certain points which have to be made this afternoon. Although the resolution before Parliament is inevitably scrappy and imprecise, our most significant comments about the present economic situation are to be found there, but in the preamble.

I have often been critical of the Commission this year, because I have felt that its proposals were too symbolic and not sufficiently subtle, and not perhaps aimed at the essential problems of stage two of economic and monetary union. But these five proposals are much more to the point. Perhaps we can hear from Mr Haferkamp, whom we are delighted to welcome to our debate this afternoon, what the reaction of the Council has been at its initial consideration of these Five Proposals and what he hopes for next—and whether perhaps he hopes that the Summit Conference in Copenhagen will take these proposals seriously so that we can indeed make progress.

In our preamble to our resolutions, we have drawn attention in particular to the cyclical economic and monetary trends in the world at large which pose a threat of a setback to Community prosperity. My own concern in this connection is not only worldwide high interest rates but one's whole doubt over the progress of demand and the hesitation which has begun to be felt over investment programmes; and also the rapid reflow of Eurodollars to the United

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States, changing a glut of liquidity in Europe into a scarcity of risk capital. These dangers are still latent, but the immediate threat arises from the Arab-Israeli war, which now, even more since the resolutions were drawn up, can be seen as the most immediate danger to Europe's economy.

We had a useful debate on the energy emergency this morning, but certain points should be made in a purely economic context. Many people, seeing the collapse of confidence in the stock exchanges and hearing talk on all sides about rapidly mounting unemployment, have said to themselves 'Here we are again in the same situation as we were in 1930 and 1931, when we had a crisis of capitalism through the slump, the world depression and the loss of general confidence.'

But the situation today is quite different, virtually the opposite of the situation in 1931. Then there was plenty of spare capacity, and the problem was that people did not have the purchasing power to keep industry going. Now the purchasing power is all too abundant, not only within the Community but in the world outside, and the problem is our difficulty in getting goods produced because of the energy crisis. We do not face the same situation as in 1931, and the remedies applicable then will not necessarily be applicable now.

In the classic phrase, there is too much money chasing too few goods. If that situation has come to a head already in 1973, how much worse is the threat of runaway inflation during 1974, when production will inevitably be limited by the shortage of the necessary heat and electricity and other forms of energy to keep our factories going at full stretch!

I foresee that there will be high profits for those who can produce the goods required, but there will also be losses and even bankruptcy for those who cannot because of the shortage of energy. Therefore, there will be a rise in unemployment, through no fault of the individuals or businesses affected. We shall see shortages which mean a physical disruption of our way of life; hardships and windfalls without any fair or acceptable explanation; social unrest, which is inevitable in the circumstances; and perhaps even instability of governments. In 1974, the Community faces an administrative challenge which will test our public servants and our industrial leaders to the maximum.

We also refer in our preamble to the instability of prices of commodities. There have been fantastic increases in the prices of such essentials for industry as zinc and copper. Sugar, one of the staples of our way of life, is at sensational,

all-time record prices, and there are very high prices for wool. The whole range of mineral and crop products, and now particularly oil, has been rising very rapidly in price in the past year.

I think that the experts are right who say that many commodities would have passed their peak in August and September, and perhaps might even now be facing a collapse in advance of the general reduction in business confidence of which I spoke earlier, if it had not been for the outbreak of the war in the Middle East in the autumn. The war has created a sort of Korean war boomlet in commodities, but this time on top of an existing boom.

This unheard of, runaway increase in commodity prices is particularly adverse for the main importing countries. I am thinking of Japan and particularly Great Britain, which are so heavily dependent on the prices of their imports. The difficulties which the British economy faces arise principally from this problem and all our forecasts of our trade terms are proving wrong because of the effect of the quite unexpected Middle East conflict.

In our preamble, we have also drawn attention once again to the perennial problem of inflation. We see rises in costs of production pushing prices up and steep rises in wages taking place. In particular, I understand that there are very substantial strikes at present afflicting the German economy. Certainly in Britain we are facing strikes of a most disruptive kind which undoubtedly have their origin in political factors.

Our democracies are in the middle of a great social experiment, working out all the consequences of universal suffrage. This experiment is taking place in increasingly adverse circumstances for our economies, because the increases in real wages which, we would hope, could be derived from improvements in technology and in efficiency are being negated by the additional burdens being placed on our economies by the other factors, particularly the very steep rise in the prices of imports.

The pressure of demand from countries now enjoying the unprecedented incomes to be derived from commodities will be another inflationary factor in 1974. I am not only thinking of the Arab countries, but of all the countries which are piling up reserves of European currencies and also of the currencies of other democratic countries in a way that makes one giddy. One wonders how the money will ever be spent.

Other factors making for inflation and loss of confidence in paper currency are the instability

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of capital and the problems of the exchange markets, which have not fully readjusted themselves after the Nixon shock of 1971. The new fluidity in the exchanges is still not fully tested. We do not fully understand how the exchange markets are operating, but there is a general distrust of paper currency which is reflected in the high price of gold.

The International Monetary Fund is also moving towards a system of paper credit with built-in inflationary elements, as a result of compromises with pressure groups with no interest in the stability of money. This is another factor, I fear, contributing to the worldwide tendency towards inflation and the depreciation of paper currencies.

Within the Community, where we are likely to be seriously affected by a shortfall in production, the impact of shortages of goods in a situation of rapid inflation will place extreme strain on monetary management. Nevertheless, I believe that a brutal restriction of credit would be inappropriate, however obvious it might seem, because of the damage it would cause to the industrial and social fabric and because of its discouraging effect on investment.

I want to place particular emphasis on this point because, if there ever was a time when we needed to maintain our investment programme, it is now when we are facing from all quarters, from within our Community and from outside, the urgent need to increase our productive capacity. To take any steps which would discourage investment within the Community now would simply be eating the seed corn.

I want to place particular emphasis on this point chamber in the Council of Europe, and I should like to say it again now—that we must invest our way out of inflation, because that is really the only satisfactory key to it. If we are to keep spending power in line with purchasing power, we must do it through the current account, by raising taxation, I am afraid, rather than through the capital account, by destroying credit for genuine investment.

The highly complex balance of forces in equilibrium which we call democracy is now facing a supreme challenge. In this situation disunity means ruin. This is a resolution which I am sure Parliament must accept. In our preamble, therefore, the committee have said—and we hope that the Summit Conference tomorrow will take note of this conclusion—that Member States must now accelerate the convergence of their economic and monetary systems and strengthen the solidarity of the Community as an urgent response to the present threat to stability, growth, full employment and external

economic equilibrium. The resolution was adopted unanimously in the Committee on Economic and Monetary Affairs, and I most earnestly commend it to Parliament. This is the most important message we can give to our voters, to our governments and in particular to the Summit Conference this week.

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission of the European Communities. — (D) Mr President, the rapporteur in his introduction asked whether it was possible to say anything today about the state of discussions on the Commission's proposals. I will gladly do so.

As you know, the Council of Ministers dealt with the Commission's proposals for the further development of economic and monetary union on 3 and 4 December. The Council of Ministers will continue these discussions next Monday. The Council is thus at present considering the Commission's proposals for the further development of economic and monetary union. The conclusions they will reach must, in my opinion, be measured against the objectives of economic and monetary union which the Council itself has laid down and which the Heads of State or Government have confirmed. I should like to start by once again calling attention to these objectives before I say something about the stage reached in the discussions.

We must bear in mind that rather more than a year previously, in October 1972, the Heads of State or Government had stipulated that the conclusions must be reached in the course of 1973 which were necessary to facilitate the transition to the second phase of economic and monetary union on 1 January 1974 with a view, as specified in the Paris Communiqué, to its completion not later than 31 December 1980.

The Heads of State or Government thereby confirmed a principle which the Council had put forward in its resolution of 22 March 1971: in this resolution the Council declared that, on the assumption of continued political support from governments, the achievement of economic and monetary union was possible within the present decade.

In this same resolution of the Council it was stated that these measures should ensure that, at the end of the process—that is to say, in 1980—the Community constitutes a zone within which people, goods, services and capital can move freely, without any distortion of competition and without creating any structural or regional inequalities, under conditions which allow eco-

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conomic transactors to develop their activities on the Community level.

The resolution went on to say that, in the second place, an independent economic area should be established within the international system, characterized by full and irreversible currency convertibility, the abolition of margins of exchange rate fluctuations and the irrevocable fixing of par values, which are an indispensable precondition for the creation of a common currency, and that a Community central bank system should operate in this field, endowed with those powers and responsibilities in the economic and monetary sector which enable the institutions to ensure the management of the union. For this purpose the appropriate economic decisions will be taken at Community level and the institutions of the Community endowed with the necessary powers.

Mr President, this means no more and no less than that it was then decided that the Community of 1980 should be a single zone. Since this declaration, one-third of the time allowed for the completion of this union has already run out. The Commission therefore stated in its report to the Council of 28 June 1973, which we have also discussed here, that the deadlines can be met only if the political commitments are followed up by speedy and specific action. The Commission has presented to the Council not only the reports but also the proposals necessary for this speedy and concrete action. The objects of these proposals are, first of all, to make up for the deficiencies of the first phase of economic and monetary union and, secondly, to make it clear that with the entry into the second phase the Community is taking a further and essential step on the road to economic and monetary union. The discussions that have so far taken place on the proposals have shown that, as things stand, the Council is obviously prepared to accept only part of them namely, the proposal to set up an Economic Policy Committee, the proposal for regular prior consultation on all major economic measures and the directive for the promotion of stability, growth and full employment, with one major exception. The Council is obviously not yet prepared to accept: firstly, strict prior consultation in the event of a change in currency values, in the form proposed by the Commission; secondly, the inclusion in the directive for the promotion of stability, growth and full employment of some of the proposed measures in the field of fiscal and budgetary policy in all Member States; and thirdly, the whole of the measures proposed by the Commission which would make the European Monetary Co-operation Fund an effective instrument of general monetary policy. It must in particular be noted that the Council

is not yet prepared to give the Fund the administrative structure it needs for its task, to begin the pooling in the Fund of the foreign exchange reserves of the Central Banks, or to decide on the changes in short-term monetary support recommended by the Commission.

The part of the Commission's proposals which has been accepted by the Council is certainly highly important; but it will represent a decisive qualitative step forward in the direction of economic and monetary union only when those proposals of the Commission which have not yet been accepted also become effective.

If it is desired to achieve by 1980 the targets set by the Heads of State or Government and by the Council itself, then people must be prepared to transfer a substantial part of national economic and monetary policy to the Community or at least to orient it on Community policy. It is characteristic that people are now hesitating to accept just those proposals of the Commission which would put this principle into practice. An example is the exclusion of instruments of fiscal policy from the directive on stability; a further example is the hesitation about the proposals dealing with the Monetary Fund. But we cannot move into the second phase of economic and monetary union unless national cyclical, fiscal and budgetary policies are more closely and firmly oriented upon the Community. Neither can we make progress in the direction of a common monetary system and at the same time allow cooperation between the Central Banks to follow the old lines. To sum up, you cannot in the long run claim autonomy in economic policy and at the same time proclaim economic and monetary union.

We have only seven years left to the oft-repeated and solemnly-established target of 'economic and monetary union not later than 1980'. It is impossible to postpone any longer the decisions calling for the inevitably necessary qualitative change from national to Community policy. At its sitting next week, the Council will not reach all the specific conclusions necessary for this purpose. It will, however, then have to enter into a policy commitment that it will arrive at these conclusions according to a fixed time-table in the course of next year. Only if it does this will the breakthrough to economic and monetary union be brought about: only then will it be possible to observe the deadline of 31 December 1980 for the completion of this union, and only then will there be any prospect that the projected European Union will be crowned with success.

Sir Brandon Rhys Williams has referred in this connection to the importance of the Summit Conference. The Commission also looks to this

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conference for a fresh impetus in the matter of economic and monetary union. We all know—and we have discussed this in this House yesterday and today—what effects the present situation—the energy crisis and so forth—may have on the economic and monetary situation of our Community in the widest sense. It is unthinkable—and this has been made perfectly clear in the discussions here—that each of the nine Members can solve its difficulties in this sphere on its own. It is precisely in this connection that the rapid progress of economic and monetary union has especial importance and must also be given a fresh impetus by the Summit Conference—and not only a fresh impetus, but the Heads of State or Government must also make the necessary provisions to enable their Ministers in the Council to translate that impetus into specific conclusions and measures. I greatly hope that we shall see this in the course of the next few days.

(Applause)

President. — Thank you, Mr Haferkamp.

Before proceeding to the debate, I propose that the list of speakers be closed.

Are there any objections?

The list of speakers is now closed.

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

Mr Artzinger. — (D) Mr President, ladies and gentlemen, may I first congratulate the rapporteur, Sir Brandon Rhys Williams, and express our warmest thanks. His report was very instructive and correctly summarized the discussions in committee. I should also like to offer our warmest congratulations and thanks to the Vice-President of the Commission for informing us, right at the start of the debate, of the state of discussions in the Council. I shall be coming back to certain points later.

The Christian-Democratic Group, for whom I speak, welcomes the forthcoming transition to the second phase of economic and monetary union. Mr Vice-President Haferkamp has repeatedly indicated in press releases that it is immaterial to him whether we speak of 'a' second phase or of 'the' second phase. In practice we can say that this worries us, too, less than the question of what will be actually done during this phase to create economic and monetary union. I remember reading that this is to be treated as a 'phase of consolidation with a forward-directed impetus'. Something of this sort is hinted at in Mr Haferkamp's observations namely, that we should concern ourselves with

making up the leeway of the first phase as fast as possible, and then, with fresh wind in our sails, set course for the old objectives. Precisely this is what we want to encourage the Commission to do.

We also welcome the desire to supplement and, to some extent, standardize the instruments available to Member States. We cannot, however, agree with the attempt to do this by means of a directive. In our opinion, this method affords no guarantee that we shall thereafter find a similar range of instruments in all Member States. When, in addition, we hear Mr Vice-President Haferkamp say that the Council is not yet even prepared to accept certain instruments of fiscal and budgetary policy, then I am afraid that the effect of this directive which the Commission has submitted will be less than we had hoped. In this list of objectives we fail to find the fourth component, external economic equilibrium. Until we have economic and monetary union, external economic equilibrium remains an objective to be aimed at by Member States. I should therefore like to know why it is not explicitly referred to.

We also welcome the proposals for the further development of the European Monetary Fund. I am deeply disappointed with what Mr Vice-President Haferkamp has told us about the Council's discussions. I, too, greatly hope that the Commission will be able to bring the Council to a decision—or however else it may be formulated—that the necessary conclusions will be reached during the course of next year, and on this subject, Mr Haferkamp, I would be a little more flexible on the question of endowing the Fund with its own resources. They need not amount to 500 million units of account, but a beginning should in any event be made on the pooling of currency reserves. It seems to me to be, at least psychologically, more important to make a start on this than to give the Monetary Fund a strategic reserve, although this is naturally an interim objective which provides a focal point for the future European Central Bank which is not to be undervalued.

We also welcome the many recommendations on tightening up the work of Commission and Council. We are very happy to hear that a single economic policy committee will operate instead of the three which have so far existed, and I think that this will certainly be a help with the work. But, Mr President, ladies and gentlemen, if in this way we do not undervalue or conceal the positive side of this packet, it is equally our duty to state our objections.

Our first objection concerns the procedure under which these proposals had by force of circum-

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stances to be dealt with by Parliament. I understand that the Chairman of the Committee on Economic and Monetary Affairs will shortly be speaking on this. But I must say that it is a quite impossible procedure to expect a committee to draft a motion for a resolution about proposals which the members of the committee do not hear of until the part-session has begun. We had no opportunity to study the proposals beforehand; all the information we had was confined to press-releases.

And the first paragraph of the resolution very properly says that we regret that because of the belated submission of the document it has not been possible to consider the proposals in detail. It is not our impression—I should like to make this perfectly clear—that there was any evil intention. But we should like to stress that we wish the Commission to devote as much care and attention to its dealings with Parliament as it does to its dealings with the Council. We are—and we must set great store by this, not for our own but for Europe's sake—an institution of equivalent standing and must be respected as such.

Next, we have a very serious point to make—namely, that in the whole of this extensive package there is not the slightest suggestion of making a start on institutional reform. By that I do not mean the extension of the powers of the European Parliament—we are man enough to fight for that ourselves—but in our resolution of 5 July we demanded an extension of the competence of the Commission as well as that of our own. We fail to understand why the Commission makes no use of the support which Parliament offers it in order itself to recommend to the Council that its competence be reinforced.

Mr Vice-President Haferkamp, in the course of your speech you made a very memorable remark: 'You cannot in the long run claim autonomy in economic policy, as Member States are still doing, and at the same time proclaim economic and monetary union.' Very true! But we fail to find in your proposals the conclusion to this very sound judgement. It seems to us that these proposals have been framed solely with an eye to the possibility of getting them through the Council. That is no bad tactics for a politician, but all the same we should like to see a little more fighting spirit. The Council may turn them down, but it is your duty to make the proposals. I read an account in yesterday's *Frankfurter Allgemeine* according to which it was reported 'from Commission circles' that, unlike the earlier crises around the years 1965-66, the crises which had broken out since 1971 had each helped to undermine the Community. I will not go along with this. But the report goes on to

say that this is not due to the decision-making structure but to a change in the attitude of the governments.

Mr Vice-President Haferkamp, I will not father that news-item on you. I do not think you make things so simple for yourself as that news-item indicates. I should only like to say that the boot is on the other foot. It is owing to the decision-making structure that we have made no progress and still regard economic and monetary union as a distant goal. The attitude of the governments has certainly not improved, but it will become very much worse if the development of Europe does not progress any faster. What you have just said, Mr Haferkamp, about the renunciation of sovereignty by Member States is certainly relevant to this: it could not be otherwise. We take the view that anyone who aims at such a lofty end as economic and monetary union must also accept the means. If you are not prepared to accept the means, then you must in all honesty renounce the end; that is more intelligent and more honest than muddling through under the pretext of pursuing an end. We therefore think, Mr Haferkamp, that the Commission must make proposals towards institutional reform. In a resolution forwarded to the Heads of States or Government at Copenhagen, we yesterday called for the establishment of a political decision-making centre for Europe. We equally badly need an economic decision-making centre if progress towards economic and monetary union is to continue. I heard Mr Kirk say yesterday, when speaking on this political decision-making centre, that we must not confuse the desirable with the attainable. It is perfectly clear to us that the establishment of an economic decision-making centre may not be attainable today, as we desire. But we think that when you set yourself a political target, you must go a little beyond the current position in the matter of means also; you must also pursue the apparently unattainable.

In conclusion, Mr Haferkamp, I should to encourage you to pursue what is apparently unattainable today, so as to make it attainable tomorrow.

(Applause)

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

Mr Lange. — (D) Mr President and colleagues, I hope I shall not create any confusion by combining the role of group spokesman with that of committee chairman, since we are dealing with a technical subject.

Sir Brandon Rhys Williams, describing the discussions in committee, for which I should

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like to thank him, pointed out that this motion for a resolution has a somewhat remarkable form which right from the start cannot satisfy us and which very likely does not satisfy the authors either. But in the prevailing circumstances, we had no alternative but to proceed in this way. In effect, the resolution falls into three parts, of which the first comprises the first three indents and the second the next five indents, though this part should really not have indents but letters so as to distinguish it from the first three indents, since the whole political content of the resolution is set out under these five indents.

What is set out under paragraphs 1 to 4 is simply the conclusions which follow these five principles of policy, wrongly set out under indents.

I therefore propose to my honourable colleagues—and this is addressed to the rapporteur and my colleagues on the Committee on Economic and Monetary Affairs—that these five indents in the second part—that is to say, the last five—should be replaced by the letters (a), (b), (c), (d) and (e). In this way the thing is made quite clear and everybody can understand that they are not dealing with a normal preamble. Otherwise, as Sir Brandon Rhys Williams has pointed out, some things contained therein might go unnoticed which we do not want to go unnoticed. Perhaps we can agree more fully about this later. From my—or rather, our—point of view, this would be a desirable editorial presentation.

Sir Brandon Rhys Williams has covered a relatively wide field, and I think he was right. We should include in this field not only the present situation in all the various political spheres—not only in Europe, not only the interests of the European Community, but also in all the different sectors of world politics. Today more urgently than ever before, the Community needs to present itself to the outside world as a Community. For this reason I deem it essential that the Council should reach the formal decision, not later than 17 December, which will facilitate the pursuance of economic and monetary union. Unfortunately, we must come to a formal decision, since at the beginning of economic and monetary union an equally formal decision was made, based on a three-phase theory which has long since been overtaken by events. But this decision must be enacted.

In this connection, honourable colleagues, the Socialist Group emphasizes that it considers it necessary to accept Item 1 of the Commission's document on work on economic and monetary union on the part of the Council, entitled 'Draft Council Resolution on the implementation of

the second stage of economic and monetary union in the Community'.

This is an essential precondition, because only then will it be possible to carry out that which some sections of the Community regard as a 'consolidation phase'.

There are two things we must do in the next phase of development; the first is to make up what has been lost as a result of certain countries' neo-nationalist selfishness, and the other is at the same time to take further decisive steps towards harmonizing economic and monetary policy—which, of course, includes the simultaneous harmonization of other political sectors affected by these fields. This is therefore the first decisive point to which the Socialist Group attaches importance: it might appear to be solely on formal grounds, but in fact this is a highly political question, which accounts for our keen interest.

The Socialist Group can certainly support with its full strength the Commission's proposal that the present confusion among committees on the Council side and between Council and Commission should be brought to an end and that an organ, if it may be described as such, should be set up for the direction of medium- and long- or longer-term economic policy. That is Item 5 of this packet: 'Draft Decision setting up an Economic Policy Committee'.

That, then, covers everything.

In this connection, however, Mr Vice-President Haferkamp regrettably tells us that the Council have merely agreed to co-ordinate and consult on questions of exceptional economic importance. This therefore means another loss of general co-ordination. I do not imagine that at its sitting of 3 and 4 December the Council announced any intention of accepting these things in such an unrestricted sense. It has likewise not remained unknown that Item 3, 'Proposal for a Decision of the Council concerning the achievement of a high degree of convergence of the economic policies pursued by the Member States of the European Economic Community', representing in essence time-schedules for consultations by Member States on economic and monetary policy, has been further watered down or has been submitted for acceptance in a watered-down form. This strikes us as a very bad thing.

Now, my dear colleagues, the Commission's proposal on the furtherance of stability, growth and full employment is, in our opinion, wholly inadequate. According to the Vice-President's report, the Council has rendered it even more inadequate. The proposal is inadequate for its purpose simply because it gives the European

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institutions no Community instruments of their own, but requires the Member States once more to acquire possibly additional instruments. They are to achieve this or that in the fields of economic, cyclical, structural and monetary policy, but without arriving at uniform results throughout the Community and possibly even achieving or causing contradictory developments in different parts of the Community.

We therefore urged the Commission to submit a regulation instead of a directive. But it was explained to us on behalf of the Commission that this raised so many difficulties of constitutional policy and constitutional law in the individual Member States that they abandoned the idea of a regulation. At the last sitting of the Committee on Economic and Monetary Affairs we emphatically indicated—and the Socialist Group unreservedly supports this—that we attach importance to a regulation which stops short of the last unsurmountable difficulties of constitutional law. But the Commission should not capitulate in the face of possible constitutional difficulties without putting up a fight. This is therefore a point, Mr Vice-President, which the Commission will certainly have to look at again.

Now comes another point. We have been pressing since the autumn of 1970 for the introduction of a European statute—I deliberately use the German expression *Gesetz*, or statute, which is not the same thing as a directive or regulation—on the promotion of stability, growth, full employment and external economic equilibrium. That was the intention of this Parliament, and it has been repeatedly confirmed in our resolutions. Our demand to the Commission is therefore that it should supplement its own draft in regard to the necessary safeguarding of external economic equilibrium. In internal discussions I have repeatedly said, 'Just have a look at the Statute of the Federal Republic and copy it for the purposes of the Community'. For the problems are really exactly the same for the Member States and for the Community. This House must therefore clearly ask that a regulation for the furtherance of stability, growth and full employment be supplemented and reinforced so that the Community institutions may have Community instruments available to them. This links up with what you, Mr Vice-President, had to say in connection with the activities and possibilities of the European Monetary Fund.

But, here too, it looks as though the Council is not prepared to make available a really decisive instrument. If, for example, we had a regulation on stabilization—'goal-oriented' from our own point of view—this would ensure the necessary articulation, or slaring together, of mone-

tary and economic policy, which we have always advocated here in this Parliament as steps to be taken or measures to be introduced simultaneously. Incidentally, we have always agreed that, in accordance with general developments, sometimes one and sometimes the other may take the lead without our pressing for equality to the nearest millimetre. That cannot be in anyone's interest. I would therefore emphasize once again, on behalf of my group, how important it is for us that this Monetary Fund be equipped with the necessary funds and that a start be made on the pooling of currency reserves, but in such a way that they are deposited and not transferred. This is also the purport of earlier resolutions passed by this Parliament. Only the power to dispose of currency reserves permits the Fund to take monetary measures with economic conditions necessarily imposed under quite specific circumstances, as set forth in the relevant document. I need not dwell any further on this, since we have frequently discussed it in this House. This 'articulation' must, therefore, be made.

Now the other point. Ideas of prestige in connection with basic capital should, in fact, be dropped. We do not need these 500 million units of account as basic capital. The Commission has also shown that it is prepared to drop this idea of prestige and under certain conditions to countenance deposits well under the sum proposed here.

Now, one last remark. Before the summer vacation—also on the basis of a report presented by Sir Brandon Rhys Williams at that time—we emphatically called for the strengthening of the institutions and came to the conclusion that the delays in the development of the Economic Community into an economic and monetary union were almost entirely due to the negligence of the Council, and in this connection we demanded unlimited legislative and supervisory powers for this Parliament. On the other hand, we asked for corresponding executive powers for the Commission, which are due to it under the Treaty, and called upon the Council to relinquish the executive powers it had arrogated to itself. But all this is completely lacking, and I regard this as a very, very bad state of affairs. For we should have discussed, in this connection, how the institutions are capable of forwarding the development of economic and monetary union.

Mr President, all in all, the resolution presented by the Committee on Economic and Monetary Affairs can be supported. We accept it, but I must make it quite clear, as Chairman of the Committee on Economic and Monetary Affairs, that the committee reserves the right, as Sir

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Brandon Rhys Williams has made clear in his statement, to come back to this matter at the appropriate time. We shall see what courage the Council has on 17 December. We may then possibly resume this debate, Mr President, at the January part-session. I thank my colleagues for their patience. Once again, we support the resolution, and I hope that the House can accept the editorial amendment I suggested at the beginning.

(Applause)

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission of the European Communities. — (D) I will merely make a few comments and not go into the very many details which might be considered. Mr Chairman Lange has indicated the need to resume this debate. I, too, consider this to be very important.

First of all, a comment on a technical detail whose significance I would in no way wish to underrate—namely, the fact that the documents reached the Committee very late. This is obviously a technical error. For the Commission's part I have done my best to inform the committee and this House without delay. The Commission reached its decision on the evening of 14 November and you were kind enough to give me the opportunity the very next morning outlining the general principles of the proposals to this House. On 15 November, a Thursday, the Committee on Economic and Monetary Affairs were given an exhaustive report from me and the following Monday, 19 November, the documents were despatched by the Commission in the official languages to the members of the Committee. I can give no information about the period between 19 and 29 November. But we cannot go faster than getting out the text in all languages within five days...

Mr Lange. — (D) The text was incomplete in two official languages.

Mr Haferkamp. — (D) That was a fault, but it cannot be said that the texts were not issued in all the official languages. I have already apologized for the fact that the translations in two of the official languages were materially defective, and I willingly repeat the apology. I mention the point here merely to show that it was by no means our intention not to keep you informed in good time. Far from it! We were most anxious that you should have this complicated material in your hands in good time to give us your advice and your suggestions, and this is what has happened.

Turning to the debate itself, the criticism has been made that the Commission may perhaps have framed its proposals with an eye to the possibility of getting them accepted. That is true only in a very qualified sense. When formulating the proposals, we certainly had an eye on the limits beyond which an amendment of the Treaty would have been necessary to give effect to the proposals. I would refer to the experience of recent weeks and the sitting of the Council. If people are not prepared to accept proposals which involve no amendment to the Treaty but merely goodwill and political determination, how much less will they be prepared to accept proposals which do involve an amendment to the Treaty!

Along these lines we might well have had to wait till doomsday. With what we have done we have therefore begun on a process in which we are trying, without embarking on spectacular action, nevertheless to make substantial progress. There can be no doubt that we should be taking an extremely important qualitative step forward if the Commission's proposed package were to be accepted. We must now try to get as much as possible decided this year that is to say, next Monday even if it be only in the form of a binding commitment with a timetable, as I have just said.

You can also bear the following in mind. Proposals made by the Commission remain on the table, so far as the Commission is concerned. The general proposal relating to the Monetary Fund, for example, will not be given up by the Commission even if it is not accepted on 17 December and is banished to some future timetable. We insist that a decision must be taken on all items in the proposal, even if it is later than December of this year. The proposal remains on the table, and we await a decision on it.

Neither shall we hesitate, even when the second phase has started, to make new proposals, if need be, for further developments.

For us, therefore, the matter is not settled with the decisions of 17 December or with a resolution plus a decision; next year it will continue to occupy our attention. I think that, since the committee discussed some time ago a wide range of positions with which we are familiar from earlier resolutions and which we have also learned in today's debate, we shall go into the question anew as from January, and I have no hesitation in saying that the Commission will immediately begin to consider what can be done over and above what is achieved on 17–18 December and, in the light of

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developments, will make fresh proposals for the advancement of the process which we all want and which Europe needs.

President. — Thank you Mr Haferkamp.

We shall proceed to the motion for a resolution. I have three amendments. Two have been tabled in writing and distributed. The third has just been tabled by Mr Lange, Chairman of the Committee on Economic and Monetary Affairs, and concerns the arrangement of the text.

I propose that Parliament should first consider Amendment No 2, tabled by Mr Scott-Hopkins, replacing the whole text of the motion for a resolution by a new text worded as follows:

‘Replace the entire text of the motion for a resolution by the following text:

“The European Parliament,

- having regard to the proposals from the Commission of the European Communities to the Council (COM(73) 1950 final);
 - having been consulted by the Council (Doc. 245/73);
 - having regard to the motion for a resolution from the Committee on Economic and Monetary Affairs (Doc. 260/73);
 - viewing with grave concern the threat of a setback to Community prosperity and economic activity in 1974 arising from cyclical economic and monetary trends in the world at large;
 - recognizing the immediate danger to the Community's economic life from the reduction in supplies of oil from the Middle East;
 - noting with alarm the instability of the prices of commodities;
 - stressing once again that inflation remains a major economic and social evil afflicting the Community;
1. Insists that Member States must accelerate the convergence of their economic and monetary systems and strengthen the Communities' solidarity as an urgent response to the present threat to stability, growth, full employment and external economic equilibrium;
 2. Regrets that because of the late submission of the document it was not able to consider the five proposals in detail;
 3. Refers therefore to its resolution of 5 July, 16 October, 19 October and 13 November 1973¹;
 4. Looks to the Council to take decisions facilitating transition to a further phase of European economic and monetary union and request it to consider the Commission's proposals in the light of the resolution mentioned in paragraph 3;

5. Instructs its President to forward this resolution to the Council and Commission of the European Communities and to the Governments and Parliaments of the Member States.”’

I call Mr Scott-Hopkins to move this amendment.

Mr Scott-Hopkins. — Really, Mr President, what you are saying and the amendment which I have moved are both on exactly the same point. They are different from Amendment No 1, which I suppose my colleague Sir Brandon Rhys Williams will move presently.

What I am trying to do is to take the fifth point that Mr Lange wants to put as point (e) — what he calls the political preamble — as the first of the definitive recommendations coming out of this opinion. The previous four political preambles, (a), (b), (c) and (d), are statements of existing fact. Preamble (e), which I move should be made the first of the recommendations, is the nub of the whole argument.

The two points are, first that the Member States shall accelerate the convergence of their economic and monetary systems, and, secondly, that they shall strengthen their solidarity. That political preamble justifies itself as being in one of the resolutions, and that is the sole purpose of my amendment.

I hope that Herr Lange and the House will accept that what I am saying does not change anything, except to underline the importance that Parliament attaches to it.

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

Mr Lange. — (D) Mr President, in actual fact we have involved ourselves in an absolutely fruitless dispute—fruitless, because no one questions the political content of the decision. I would merely go one step further than Mr Scott-Hopkins. The fourth to seventh indents set out political considerations, even if they are also recitals of fact, and they should be separated from what is said above in the normal preamble. This has, quite obviously, been overlooked and should be amended accordingly.

And what is described as our decisive political resolve is set out under the last indent, which I should equally like to see given a letter since all the statements of political fact and expressions of political will should be grouped together, like the technical conclusions. If we call this point paragraph 1, then the other our paragraphs, which to some extent are of a technical nature, are assimilated to it as if they, too,

¹ OJ No C 62 of 31.7.1973, page 31.
OJ No C 95 of 10.11.1973, page 8.
OJ No C 95 of 10.11.1973, page 27.
OJ No C 108 of 1.12.1973, pages 22-23.

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were political points, which is not the case. They refer solely to political decisions adopted by Parliament on earlier occasions. The Council is expected to examine the Commission's proposals in the light of the earlier resolutions mentioned in Paragraph 2.

I should therefore be grateful, Mr Scott-Hopkins, if you could agree to letters. Then we should have all the political points—whether statements of fact or expression of will—together in a single section and it would be clear to any outsider reading it.

President. — I call Sir Brandon Rhys Williams.

Sir Brandon Rhys Williams. — Mr President, I am glad to take part in this short debate, which appears to be of a purely editorial and presentational character; but in fact it is important.

The resolution as it stands before Parliament shows the signs of having been taken through the committee in haste. I think Mr Lange had made a perfectly valid distinction between the first three points, which are of a purely routine character, and the ensuing points, which are the committee's views on the context of our debate today, and of the meetings of the Council and of the Summit Conference.

Perhaps I might be allowed to express my view, having been largely the author of the whole text. My intention was that these four points, which deal with the threat to Community prosperity, the reduction in the supply of oil from the Middle East, the instability of commodities and our inflationary problems, should be observations concerning facts which are of a general nature. They call for no action. They are merely stating the facts. But point (e), now the subject of dispute, has a real political point and a message.

I wanted—I think I stressed this in my opening remarks—to place emphasis on this particular point because, at a time when we are really at sixes and sevens and all of us are in a state of great anxiety about the economic future, the message that Parliament must put to our voters, to the Council of Ministers and to the Summit Conference is the need to accelerate our plans for economic and monetary union and to strengthen the solidarity of the Community. This is the central point of the whole text.

As to the editorial and presentational effect, so long as it is clear that this is what we believe, that we believe it unanimously and that we insist on it, it does not perhaps matter very much how it is printed, because there is no

dispute anywhere in the House over the words. Personally I am inclined, since we have before us Mr Scott-Hopkins' amendment placing the insistence of Parliament on this point as the first point on the paper, to urge Mr Lange, as my chairman to consider whether this is not really the way in which Parliament wishes the text to be presented. I believe that it is.

President. — I believe the House is fully informed on these amendments, and we can proceed to the voting.

I put Amendment No 2 to the vote.

Amendment No 2 is rejected.

I put to the vote Mr Lange's suggestion that the letters (a), (b), (c), (d) and (e) should precede the five points which follow the three preliminary points.

Mr Lange's proposal is adopted.

On paragraphs 1 and 2 I have no amendments or speakers listed.

Does anyone wish to speak?

I put these texts to the vote.

After paragraph 2, I have Amendment No 1, tabled by Sir Brandon Rhys Williams, worded as follows:

'After paragraph 2 insert the following new paragraphs:

- "2a. Endorses the Commission's insistence that the second stage of economic and monetary union should as planned on 1 January 1974;
- 2b. Demands that the increase in the powers of Community institutions implicit in the Commission's must be balanced by a corresponding development of the authority of Parliament;
- 2c. Stresses the importance of early agreement on the Community's regional aid programme;
- 2d. Calls on the Commission to make specific recommendations for the progressive liberalization of the movement of capital within the Community;
- 2e. Recognizes the importance of the proposal that credits granted by the European Fund for Monetary Cooperation should be made conditional on the Member State concerned taking appropriate action in the economic policy field;
- 2f. Welcomes the initiative of the Commission in calling on Member States to equip themselves with the necessary powers to implement quickly Community policies in the fields of interest rates, public investment and tax;
- 2g. Notes that the Commission has modified its proposals in regard to pooling of reserves and that the end of the two-tier gold mar-

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ket convention and the change in IMF rules affecting valuation of special drawing rights have made possible the immediate implementation of this recommendation.

- 2h. Welcomes the Commission's decision to appoint a Director-General for the European Fund for Monetary Cooperation and stresses the vital importance of choosing a man of the necessary experience and stature;
- 2i. Sees that the reconstruction of the international monetary and trading system will be facilitated by progress towards economic and monetary union in the Community and recognizes the need for the Community to speak through a single spokesman in the reform negotiations affecting GATT and the IMF;
- 2j. Draws attention to the difficulties lying ahead for the economies of the developing world and the need to give further study to proposals for commodity price stabilization."

I call Sir Brandon Rhys Williams to move his amendment.

Sir Brandon Rhys Williams. — Mr President, I dealt briefly in my opening remarks with this Amendment No 1. My purpose was to put before colleagues in Parliament a detailed but preliminary assessment of my own on the Commission's Five Proposals. I have listened carefully to the remarks made by honourable Members in our debate and also by Vice-President Haferkamp. I feel that they are generally fully in line with my own suggestions in my Amendment No 1, and thus I have reached my objective.

I said when I began that I would be prepared to withdraw my Amendment No 1 at the close of the debate if it had served a useful purpose, which I think it has done. Should colleagues indicate that they wish it to be put to the vote, I certainly do not want to put technicalities in the way; but, unless one of our colleagues intervenes to say that he actually wishes this to form part of the document, I am happy that it should remain in abeyance until we have had a fuller opportunity in the Committee on Economic and Monetary Affairs to go through these points one by one. I am happy to leave this to you, Mr President, and to colleagues in the House.

President. — Amendment No 1 is withdrawn.

On paragraphs 3 and 4 I have no amendments or speakers listed.

Does anyone wish to speak?

I put these texts to the vote.

Paragraphs 3 and 4 are adopted.

I put to the vote the motion for a resolution as a whole incorporating the amendment that has been adopted.

The resolution so amended is adopted.¹

I thank the Chairman of the Committee on Economic and Monetary Affairs and the rapporteur for their contribution on the eve of the Summit Meeting in Copenhagen.

6. Regulations on the list of priority agricultural regions

President. — The next item is a debate on the Report drawn up by Mr Delmotte on behalf of the Committee on Regional Policy and Transport on the proposals from the Commission of the European Communities to the Council for:

- a regulation on the list of priority agricultural regions and areas referred to in the Regulation (EEC) on finance from the Guidance Section of the European Agricultural Guidance and Guarantee Fund for projects falling within development programmes in priority agricultural regions
- a regulation on the list of regions and areas referred to in the Regulation (EEC) establishing a European Regional Development Fund (Doc. 276/73).

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

Mr Delmotte, rapporteur. — (F) Mr President, ladies and gentlemen, after presenting to Parliament its report on the proposals of the European Commission relating to Community regional policy, the creation of a Regional Policy Committee and the setting up of a European Regional Development Fund, your Committee on Regional Policy and Transport has considered the proposals for a regulation of the Council, first, on the list of regions and areas in favour of which the European Regional Development Fund can intervene, and, secondly, on the list of priority agricultural regions and areas which can benefit from finance from the Agricultural Guidance and Guarantee Fund for projects falling within development programmes in priority agricultural regions.

Mr President and colleagues, I have the honour to present to Parliament today the report drawn up by the Committee on Regional Policy and Transport, which consists of an explanatory statement and a motion for a resolution adopted—and I stress this—unanimously by the Parliamentary Committee.

¹ OJ No C 2, 9. 1. 1974.

Delmotte

Another point I would add at once is that no amendment was proposed.

Mr President, before explaining at greater length the position of the Committee on Regional Policy, I should like to congratulate Mr Commissioner Thomson and the Commission for their work in the preparation of these lists and for having checked the data furnished by the regions as well as for having extended its field of activity to meet the new requirements resulting from the enlargement of the Common Market.

But, more restrictively, if I repeat and if I stress the word 'preparation' it is because what you are presenting to us and what we shall be accepting with qualifications in a few minutes is in fact, in our opinion, no more than a preparation for, or an approach to, the second phase which you will have to tackle; the list of priority regions, in our opinion, merely a very large framework within which further selections will have to be made.

When Parliament considered the project for the creation of a European Regional Development Fund, its conclusions were categorical and unanimous, especially on two points. The first was that the Fund must participate in financing not only industrial and infrastructure projects directly related to the creation of industrial activities and services, but also infrastructures in the widest sense of the term if they are required for the development of a region and included in a regional development programme.

The second, also adopted unanimously, is that aid from the Fund should be centred on overall actions and that such actions should be conducted in accordance with a scale of priorities which favours the regions where the imbalances are most serious to the point where the magnitude of the remedies needed exceeds the national intervention capacity.

I think it important to recall these two resolutions of the European Parliament both because the two basic regulations to which they refer have not, so far as I know, yet been adopted by the Council and because the list of regions which may benefit from European intervention published and submitted by the Commission for our consideration does not take account of our wishes.

Was it really necessary to publish this list of regions so hurriedly and get it adopted even before Parliament had considered or the Council had adopted the proposed basic regulations relating to Community regional policy and the European Regional Development Fund?

The members of the Committee on Regional Policy and Transport—and I call Mr Hill, the

Chairman, to bear me out—would answer that question in the negative. The precise timetable set by the Summit—and binding on the Council and the Commission, and thereby on Parliament—relates solely to the basic regulations, particular that setting up the Fund.

On the other hand, this same timetable cannot be binding for the preparation of the list of regions, which are a matter for an implementing regulation. It is important to distinguish between the two regulations when they are considered by the Council, since the latter must first of all deal with the creation of the Fund, respecting the principle that the Fund should be an instrument of European solidarity, thus totally excluding the principle of fair returns.

Now, how can it be said that this principle of solidarity is respected if the Council pronounces at the same time on the creation of the Fund and on the list of beneficiary regions, as drawn up by the Commission, which may be said to represent a very scattered set of regions, belonging to all the states of the Community?

To adopt this list as it stands would be the most certain way of ensuring that European interventions are dispersed to the maximum and therefore that this intervention is ineffective in reducing the serious economic imbalances which are the first and principal obstacle to be overcome on the road to complete economic and monetary union. In fact, the list adopted by the Commission for the intervention of the Fund groups together regions, areas and small administrative units, in which we find that the state has listed a mixture of agricultural regions, old industrialized regions in the process of reconversion, peripheral regions and sub-regions with problems belonging to a central nucleus with no problems, macroregions and administrative units smaller than a *département* or a province, and even as small as a *canton* in France.

The situation is such that it may well be asked whether this list has not been published for the sole purpose of allowing each Minister to find in it the problem regions of his own country and thus obtain a unanimous decision of the Council. The European Parliament, for its part, has already pronounced against this dispersion. I should like to say here, Mr President, ladies and gentlemen, that we wish to be quite simply logical and consistent and that in presenting this report we are not making any innovation. We have already declared ourselves against this dispersion by advocating, when the project for establishing the Fund was considered, the setting of priorities in the light of the seriousness of the imbalances recorded and the relative intervention capacity of the states.

Delmotte

Respecting this attitude of Parliament, our Committee on Regional Policy and Transport maintains that the list submitted to Parliament is too general, and that it is absolutely essential, on the basis of all the regions listed (and that is why we accept as a first approach the list proposed to us by the Commission), to draw up a list of priorities in favour of regions and areas where the imbalances are most serious and which are situated in Member States with the lowest intervention capacity.

Of course, we expect objections, but we do not wish to hear it said that it is difficult to assess objectively the relative seriousness of imbalances and the relative weakness of national intervention capacities. The Commission itself has proposed criteria which it has used to draw up the list of regions. There is nothing to stop the use of these same criteria to arrive at a ranking of regions for the whole of the Community in the order of seriousness of their imbalances.

The relative weakness of national intervention capacities can be assessed in two stages, first, quite roughly, by comparing the ratio of the country's gross domestic product *per capita* to that of the Community as a whole and then, more precisely, by comparing for each Member State the ratio between the gross domestic product of regions with no major imbalance to that of the regions which show serious imbalances.

The statistical material for these calculations must exist. It is what was used as a basis to draw up the list of regions. At this point in my report I should like to make a point which, while it does not appear in the motion for a resolution or in the amendments to the recitals and articles proposed by the Committee on Regional Policy and Transport, nevertheless constitutes an important observation about them.

I have already said that in the list of regions benefiting from intervention by the European Development Fund, the Commission has, in a sense, mixed up regions with the most diverse situations and structures.

Now it is undeniable that the peripheral regions have development problems of a particular character, being extremely serious and difficult to solve.

Furthermore, nothing has so far occurred to weaken the tendency to reinforce the major zones of concentration of industrial activities and services in the centre of the Community.

The imbalance between these regions and the peripheral regions has become chronic, since with every year that passes the development factors in these peripheral regions are further weakened.

Furthermore, the renovation of the regions of rural civilization represented by the peripheral regions requires, in addition to measures to form or re-form their potential, the creation of substantial communications infrastructures to reduce their remoteness from the central focus of development, the creation of housing and related facilities for executives, the establishment of infrastructures to receive industry, which are all the more onerous since the fight against pollution is more difficult in these regions.

On the other hand, industrial regions undergoing reconversion, even if serious problems arise, must be recognized as belonging to a central economic nucleus: professional skills are available, since they existed when the region was prosperous; the local population has a favourable attitude towards economic growth and there exists a system of national and Community aids which has intervened and can still intervene adequately.

But it is not ruled out that the resources of the European Fund can be used in these regions as a supplement to national resources, if it is seen that time is against them and their lag in development behind other industrial regions is a threat to the economic equilibrium of Europe. Mr President and colleagues, I doubt whether Parliament, enlightened by this short comment, will hesitate between dispersion and the motion for a resolution presented by its Committee on Regional Policy and Transport, a resolution inspired both by a spirit of solidarity and by a desire for effectiveness, which introduces in favour of the least-favoured regions priorities as regards both the areas to be aided and the volume of aid. I have said that we have remained logical and consistent, and in any event consistent with the decisions taken by this Assembly in July and November.

If it accepts the views of its Committee on Regional Policy and Transport, Parliament will consider the motion for a resolution and the proposed amendments to the draft regulation on regions for intervention by the European Agricultural Guidance and Guarantee Fund in the same way.

(Applause)

President. — I call Mr Vetrone, draftsman of the opinion of the Committee on Agriculture.

Mr Vetrone, draftsman for the opinion. — *(I)*

Mr President, I will be brief.

It is impossible not to be profoundly surprised and disturbed in the face of such long lists of

Vetrone

regions and agricultural areas in whose favour the European Regional Development Fund can intervene.

The rapporteur, Mr Delmotte, has already effectively explained the reasons why such a long list of regions and areas cannot in fact correspond to the much more limited number of areas on which the incentives of regional policy should be concentrated. It is precisely in this spirit that the resolution was conceived which was recently approved by this Assembly, again after being presented by Mr Delmotte, whom I should like to thank most warmly for the efforts he has made with such outstanding energy to uphold a principle of equity and justice towards regions and areas which are well known for their serious lag in development.

I do not wish to repeat the same criticisms as Mr Delmotte, but I must report that the Committee on Agriculture, which has appointed me draftsman for its opinion, fully shares the attitude of Mr Delmotte and would have been even more severe in the sense of inviting the Commission radically to overhaul the lists.

If the committee has not insisted on this, it is because it did not wish to deprive the Fund—which should start operations on 1 January next—of the necessary list of regions and areas in which to operate, and in order to make available straight away the list of priority regions and agricultural areas to be assisted by the appropriate resources of the EAGGF (Guidance section).

The Committee on Agriculture, accepting the proposal of the Committee on Regional Policy and Transport as a valid compromise solution, has itself asked that these lists, still exaggeratedly swollen, be reconsidered with a view to establishing a strict order of priority determined by the strictest possible criteria concerning the degree of depression of individual regions and areas. This order of priority should be strictly respected and the available resources, which in any event are by common consent insufficient, reserved first and foremost for the poorest regions and areas.

It seems, Mr Delmotte, that in the meantime the Commission is preparing to make known its unwillingness to follow this suggestion. So it would seem, to judge from the answer given to the Council regarding the initiative taken to revise the list to bring them more closely into line with the most dramatic states of depression to be found in some regions and areas. The reply was a promise to use the lists, as they are drawn up, with some flexibility.

But flexibility is not enough to satisfy that

just and strict criterion which we hope for when proposing an order of priority; in fact, it might still encourage arbitrary choices. Personally, I believe this flexibility has already allowed some temptations and evil influences to exert themselves.

We find listed regions and areas the mention of which can only profoundly disturb anyone who knows them directly. For example, if I were to judge these lists in a wrong-minded nationalistic spirit, I should be delighted because the whole of my part of the world is included.

But if I judge them—as is fairer and more honest—with a sense of political responsibility, I must be disturbed as indeed I am, to find that the lists in question, in addition to the notoriously edpressed regions and areas of my district, include others which are among the most highly-developed.

There is a centre in my part of the country which, because of its agricultural importance, recognized throughout Europe, is known as 'the capital of green Europe.' Very well, this centre is included in the lists, as are some other areas belonging to one of the most highly-developed regions in Italy, Lombardy. This is because of a regional law.

I should therefore like to ask the Commission whether new and direct relations have been established between the Community and the regions which would allow the Community to examine regional laws, no longer purely from the point of view of their compatibility with Articles 92, 93 and 94 of the Treaty, but in all other cases, too. I should like to know whether the Commission regards national laws and regional laws as having equal legal force. If so, the Commission must then be prepared to extend the lists even further, because other regions, when they learn of the Community's recognition of their legislation, will set about preparing legislation at almost breakneck speed, as the Lombardy region has already done in very timely fashion.

I should like to end by expressing a hope: I hope that the Commission will give a favourable reception to the resolution we are about to pass, and I should once again like to express my warmest and sincerest thanks to Mr Delmotte for this task which he has discharged with genuine feelings of sympathy for the poor.

President. — I am sure Mr Delmotte appreciates these remarks.

I now propose that the list of speakers should be closed.

President

This is the list so far:

- Mr Mitterdorfer, on behalf of the Christian-Democratic Group.
- Mr Schwabe, on behalf of the Socialist Group.
- Mr Johnston, on behalf of the Liberals and Allies Group.
- Mr James Hill, on behalf of the European Conservative Group.
- Mr Liogier, on behalf of the Group of European Progressive Democrats.
- Mr Fabbrini, on behalf of the Communists and Allies Group.
- Mr Herbert.
- Mr Pounder.
- Mr Thomson, Member of the Commission of the European Communities.

Are there any objections?

The list of speakers is closed.

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

Mr Mitterdorfer. — (D) Mr President, may I be allowed to contribute a few thoughts to this debate not only on my own behalf but also on that of the Committee for Regional Policy and Transport? First of all, Mr President, ladies and gentlemen, may I add my thanks for the outstanding introduction given to us by the rapporteur, Mr Delmotte. I can be all the shorter since many of the thoughts which occurred to us have already been voiced in Mr Delmotte's introduction. First of all, a few considerations of principle.

We must consider the regulation now before us on the lists of priority regions eligible for aid from either the EAGGF or the Regional Fund in relation to the general debate on the establishment of a Community regional policy, that is to say, in relation to the broad political line which the European Parliament has always followed and recommended to the Commission and which must not be overlooked as we assess the lists now before us. The aim is to make good past shortcomings and errors in national structural policies by the use of Community means and to give Community guidance to developments arising from the process of integration. In both cases, the task is to eliminate the most serious regional imbalances, to counteract ideas unduly influenced by the national state mentality which, among other things, find expression in the unwillingness of Member States to look closely at their own regional

policies, and to overcome the still unresolved problem of promoting the development, by means of joint and Community planning, of border regions belonging to two states but forming one social and economic region.

In the process, as progress is made towards European union, internal frontiers, *qua* tax frontiers, must be gradually removed through the co-ordination of economic policies and their instruments. After voicing these thoughts, I should like to say on behalf of the Christian-Democratic Group that there is nothing to be said against the lists themselves in so far as they include all the regions which according to the accepted criteria appear entitled to claim the aid contemplated.

The resulting multiplicity of agricultural regions, areas and sub-areas, admittedly, makes it seem doubtful whether and to what extent the amounts of aid proposed will suffice to meet the expectations expressed by this Parliament and by certain Heads of Government. We know that for 1974 the Commission has proposed 500 million units of account for the Regional Fund and 50 million units of account to create non-agricultural jobs in priority agricultural regions. Added to this, there are very great differences between the regions which meet the criteria. We have just heard something of this from the Committee on Agriculture. Both these considerations inevitably lead to the conclusion that further selection should be made within the lists according to priorities in respect of either quantity or time or both, unless the available resources are increased to such an extent that such distinctions become unnecessary; but that must be a highly illusory hope.

We can therefore agree in principle with the rapporteur when he proposes certain amendments to the Commission's text. We shall eagerly await the decisions of the Commission and the Council. In general, the Delmotte Report has the backing of the Christian-Democratic Group.

The Committee on Economic and Monetary Affairs, for its part, has also considered the question of these lists of regions and agricultural areas. It is categorically opposed to the 'watering can system,' which may be implied by a list which is without differentiation or priorities. The Committee on Economic and Monetary Affairs would like to add three further comments:

1. The Committee on Economic and Monetary Affairs points out that the criterion of 'heavy dependence on employment in declining industrial activities' should be reconsidered to decide

Mitterdorfer

whether it is enough to choose regions on the basis of the employment situation in individual branches of industry, i.e., whether the general trend of economic development in the region has been sufficiently taken into account.

2. In spite of the assuredly sound principle that any fragmentation of Community action is to be avoided, one must question the criterion by which only territorial units of at least 100 000 inhabitants and 500 square kilometres will be considered. The Commission should ask itself whether such a combination of area and population is meaningful which in an extreme case would mean a population density of 200 per square kilometre. We know that the average population density in France is something like 94 inhabitants per square kilometre and in Italy around 182. An area of 500 square kilometres may well be big enough to justify a development plan of its own, but it is precisely where the population is smaller that such planning may be necessary. If the minimum area were to be fixed any higher so as to establish a reasonable relation to the population figure, then the question would arise whether it is at all meaningful to speak of sub-regions in the proposed regulation. I hope that the Commission will think over these considerations.

3. Comparing the two lists, we are struck by the fact that on the agricultural regions a Council decision, pursuant to Article 43 of the Treaty, requires a qualified majority, while on the list of areas and sub-areas to be supported by the European Regional Development Fund it has to be unanimous. Here we have a further argument in support of the Parliament's demand of 15 November 1973 that, in the latter case, too, the decision should be by a qualified majority. The Committee on Regional Policy and Transport has therefore once again included this demand in its motion for a resolution, and for this we owe it our especial thanks.

On the whole, the Committee on Economic and Monetary Affairs agrees with Mr Delmotte's report, and we should like once again to thank him for the important work he has done.

IN THE CHAIR: LORD BESSBOROUGH

Vice-President

President. — I am hoping that it may be possible for us to rise before dinner tonight. I think it is the general wish of the House that we should try to do so. I shall continue, naturally, to allow 15 minutes for each spokesman on

behalf of a group and 10 minutes for others, but I ask everyone to be as brief as possible as I think there is a general desire that we should adjourn not too late tonight.

I call Mr Johnston on behalf of the Liberal and Allies Group.

Mr Johnston — Mr President, this debate represents the end of a series of discussions in committee and in debates in plenary session about Parliament's attitude towards the Commission's proposals for the creation of a Community regional policy following the political decision in principle to go ahead which was taken at the Paris Summit in October 1972.

I well remember, Mr President, that one of my first tasks as a Liberal representative on the Committee on Regional Policy and Transport was to act as rapporteur for a brief opinion on the regional policy section of the Commission's Sixth General Report for 1972, an opinion finally embodied in Mr Seefeld's report of 8 May 1973 (Doc. 46/73).

In that opinion on behalf of the Committee on Regional Policy and Transport I made three principal points: firstly, that the decision to develop a common regional policy should be implemented rapidly and vigorously; secondly, that the fund had to be 'of a sufficient size to make an impact on the regional problems of industrial and agricultural transformation and structural unemployment which each of the countries of the Community faces to a greater or lesser extent'; and thirdly, that clear criteria had to be established for the expenditure of the fund.

Since then much water has flowed under the bridge, and I take this opportunity particularly to salute Herr Mitterdorfer, M. Delmotte and Mr Hill, the rapporteurs and the chairman of the committee who worked so hard, often under extreme pressure, which I think Mr Delmotte particularly will remember, to produce considered attitudes on an issue which is vital to every man and woman in our Community. Their efforts complemented the dedication of Mr George Thomson, his Director-General, Dr Ruggiero, and the Commission staff, who have worked so unrelentingly to meet the Paris deadline.

We have talked of the need for a regional policy, of the amount of money required for it, how, according to what criteria, it should be spent and, now, where it should be applied.

Now, as it were, we come to the crunch—what, in fact, is to happen? First of all, I think we

Johnston

cannot ignore the fact that the economic circumstances obtaining in October 1972, when the heads of government agreed to proceed, and those obtaining now are quite different. OECD statistics indicate that the growth in the world's industrial countries, which moved very nearly up to 8 per cent during this year, will fall to 4 per cent during 1974, assuming that normal oil supplies are resumed. That, of course, is an assumption that we cannot make now.

In short, the Community is now much less able to embark on this policy than it was, and this may well affect the deliberations of the Council of Ministers. But I think that what we must say loudly, clearly and definitely from this Parliament is that regional policy is even more vital in bad times than in good. Regional policy is not simply about sharing the prizes of expansion. It is also about sharing the burdens of adversity.

Secondly, we ought, perhaps, to remind ourselves what regional policy is basically about. It is not about recovering one's expenditure. Mr Delmotte has spoken of his opposition to the *juste retour*, and I agree very much with him. It is not about putting out one's begging bowl and hoping for charity. It is not about expressing preferences in terms of priorities as between agricultural regions in difficulty and industrial regions in difficulty. What it is about is expressing an acceptance by the Community of its responsibility for trying, and never ceasing to try, to ensure that no part of the Community lags unacceptably behind the whole.

If this is to work, not only must it be seen to be fair by the weak who will receive but fair by the strong who will give. It has been said before now, not very often—I pay them credit for it—that, for example, the Federal Republic of Germany and the Netherlands will be faced with paying out far more than they will receive back. If that is the case, and if their Members in this Parliament have to tell their constituents that that is what is to be done, they must be able to show clearly that the money is being spent in a fair, comprehensible and defensible way.

There are three other points I wish to make rather more briefly. First, in the Delmotte Report, with which we are particularly concerned today, a major question which emerges is the emphasis on priorities. The Delmotte suggestion, which has characterized many of the opinions expressed in this Parliament over a long time, is that perhaps the Commission has spread its watering can, to use Mr Mitterdorfer's expression, too widely and that it should, perhaps, be more concentrated.

I have heard it said by Dutch and German representatives here, not in plenary session but privately, that it would be much more defensible from their point of view if all the money were simply spent on the most deserving regions, which I suppose basically means Italy and Ireland. That argument must be examined carefully. Poverty and under-development are both relative to the options available. For example, OECD statistics show that the calorific intake per individual in Ireland is higher than in any other country in the Community, and her protein intake per person is higher than in any other Member of the Community bar France. In other words, the Irish are not exactly dying of hunger.

About three or four weeks ago, a delegation from the Committee on Regional Policy and Transport went to Sicily. I find it disturbing that the Italians in Southern Italy have not really prepared themselves as much as they should for regional development programmes. As I am sure Mr Hill can confirm when he speaks later, our delegation said on its return 'These chaps are now prepared to produce programmes, to set out the whole situation and plan in advance.' My instant reaction was to ask, 'Why were they not planning in advance before?' That is a considerable adverse reflection on the Italian Government. We have been talking about the *mezzogiorno* for years. If they are not ready yet, they should be. It is somebody's fault if they are not.

Although I accept that Ireland and the South of Italy are indubitably the most outstanding examples of areas within the Community which require assistance, it is nevertheless a fact that what we in the Community are now seeking to do is to correct previous national neglect. Mr Delmotte and I have had arguments about this from time to time, and I know that Parliament, in its wisdom or otherwise, took a decision upon the matter last session, but I still continue to doubt very much whether one can in any way define national intervention capacity realistically or meaningfully.

For example, if the United Kingdom decides to embark upon a programme to build a Concorde aircraft it may be a good or a bad thing—I am not concerned about that argument for the moment. Such a project costs a great deal of money. The United Kingdom could decide instead to spend that money on developing Mid-Wales, the North-East of England or the North of Scotland. That is a political decision. It is assumed that a national intervention capacity exists, but it depends on how the individual nation decides to spend its money.

Johnston

Therefore, the basic and important need—I do not think that this is in any way in contradiction of Mr Delmotte—is that we in Parliament say to the Commission that the vital question is that recognizable criteria should be applied to both agricultural and industrial regions in need, irrespective of whether they are agricultural or industrial, because it is perfectly true that someone living on unemployment benefit in the North-East of England may be relatively poorer than someone in Sicily or Ireland.

Secondly, I think that our success in putting across to the people of Europe that the policy is easily recognized with fair criteria is central to the acceptability of the policy by ordinary people in the neglected areas of Europe. It could be a signal to them, not so much that the Community is a distant bureaucracy easy to criticize and easy to blame for something that goes wrong, but rather that they are being cared for and worried about not simply by their national governments but also by the institutions of the Community itself.

I come from the Isle of Skye, which is a small island off the north-west coast of Scotland. I should like to think that come next Christmas, come the end of next year, the people in my part of the country—and I would hope that this equally applies to people in neglected areas in, for example, the South of Germany and, indeed, difficult areas in Denmark or in the Low Countries—will be able to say—and it should not be forgotten that people in the peripheral regions probably suspected entry into the Community more than any other group of people—‘well, they are concerned with our welfare, they are interested in our problems and they are actually prepared to do something about them’.

If we fail to do that, I think we shall fail in everything. Therefore, I do not necessarily criticize—and I do not think Mr Delmotte does either—the size of the map. What I think we are at one in doing is saying, ‘All right, there is the map upon which we will proceed, but within that map we must proceed according to definite priorities and criteria; and the money must be spent in such a way that it has a direct effect which can be described and seen.’ That is the important thing.

I make no apology for briefly repeating the last point I wish to make. It follows from what I have said before. It is very important—I have still to see very clear indications of what the Commission proposes in this regard—that there should be some involvement by the people themselves in what happens in the regions. I still tend to think that one of the basic reasons why the Federal Republic of Germany does not have

regional problems equivalent to those existing in, for example, Britain or France is that it has a federal structure and, therefore, various political pools of power. This is very important and is to be remembered.

I am sorry if I have spoken for a rather long time, but this is a very important moment. It sees the very end of our discussions in Parliament about a policy which, I believe, is crucial to the future success of the Community and to its acceptability overall in the central and, indeed, the peripheral areas as well.

President. — I call Mr James Hill on behalf of the European Conservative Group.

Mr James Hill. — I need hardly say at the outset that the Committee on Regional Policy and Transport is indeed very fortunate to have a man of the calibre of Mr Delmotte. We have called on him unmercifully for report after report, and the House has come to know well the excellent work he always does in spite of a very tight schedule.

The Committee, I think, has been constant in its views on the areas and priorities which were endorsed by Parliament in our last session. The European Parliament is not alone in believing that strict priorities should be observed in achieving regional development. This theme is repeatedly urged in the report of the Economic and Social Committee of 25 October with the decision to set up a regional committee and fund. That committee goes further than mine in its criticisms of the criteria adopted by the Commission of the eligibility for aid from the Regional Development Fund. In particular, it criticizes the gross domestic product per head. Instead of being merely lower than the Community average, it wanted it to be substantially lower than the Community average.

I should say at the outset that at the last committee meeting we met under difficulties. For the very best of reasons, Commissioner Thomson was unable to be with us because he was in direct contact with the Council of Ministers. Also, one of the most innocent words that had ever been mistranslated or misprinted bedevilled our discussion for the first hour and seemed to put everybody in a bad humour. Nevertheless, after a lengthy examination, we resolved that problem and this report was adopted, although, I think, with some severe reservations by one member of the committee who will be more than likely to mention it if he is called today.

There are one or two comments I wish to make on the text. Paragraph 3 of the motion for a

James Hill

resolution is a restatement of the amendment by the Committee on Economic and Monetary Affairs which was carried here on 15 November. Members of the committee, including myself, spoke strongly urging Parliament not to adopt the amendment, we did not consider it practicable in political terms, but the House in its wisdom decided against us. It was therefore felt in committee—and the rapporteur shared my view—that it would be wrong to vote down this amendment and the new paragraph 3 when it had become the wish of the European Parliament. Consequently I think that, although the vote was divided, we tried to implement the wishes of the European Parliament at its last plenary session.

Another point is really a nuance of translation. In our new recital 4 of the regulation on the regions and areas referred to in the European Regional Development Fund Regulation, the English text reads:

'Whereas the means available must, if they are to be effective, be concentrated on a limited number of regions...'

The point in committee, which I now repeat, was that the use of the word 'limited' here implies something narrower than the committee might have had in mind. Perhaps the wording should be 'concentrated on a few regions'. That would perhaps, emphasize or express the sense with greater precision.

The Commission's criteria for the regions and areas eligible for aid from the Regional Development Fund are five. I shall not put them in any order of priority, but read them as five equal and explanatory reasons that the Commission has put forward. The first is that they should already benefit from a system of regional aids. Mr Johnston has already made the point that the Sicilian authorities did not have a recognizable regional policy programme or, indeed, any data to give the delegation when it visited Sicily. Secondly, the gross domestic product per head should be below the Community average. Thirdly, there should be heavy dependence on agricultural employment. Fourthly, there should be a heavy dependence on employment in declining industrial activities; Fifthly, there should be a persistently high rate of unemployment or a high rate of net outward migration.

For the priority agricultural regions, the Commission has provided three criteria: first, a higher-than-Community-average percentage of the working population engaged in agriculture; second, a gross domestic product at factor cost lower than the Community average; and third, a percentage of the working population engaged

in industry which is lower than the Community average.

Whatever detailed criticisms may or may not be made of these criteria, there is no doubt that their adoption would seem to have led to an excessively wide eligibility for aid. I scarcely need to remind the House that within the Community the gap between the richest and poorest is still in the ratio of 5 to 1. When the corresponding debate took place in the House of Commons a few weeks ago, I asked the Opposition spokesman on European affairs which of those criteria he would exclude. Of course he was unable to say, because they are all vital to the essence of an overall regional policy.

At first sight—and this I believe excited a great deal of discussion—the criteria for both lists appeared to put an excessive weight on aid to predominantly agricultural regions. The committee considered this matter most carefully before it satisfied itself that in fact the declining industrial areas would receive treatment no less favourable than that accorded to the agricultural areas. I recognize, of course, that the problems and the solutions are very different and that in some ways it is easier to provide vocational training and retraining facilities for industrial areas than it is to revitalize areas of agricultural decline. Also, there are greater facilities already in existence in the declining agricultural areas, but this should not be allowed to operate against the interests of the industrial areas, where in some cases the problems in human terms can be extremely acute. The committee was, however, finally satisfied that the areas of industrial decline would receive as favourable treatment as the agricultural areas.

It did not seem, then, to the committee that the two lists as proposed by the Commission were adequate to achieve a proper start towards regional development. One look at the two maps shows how widely, on the basis of the Commission's criteria, the net has been cast. In fact, over 50 per cent of the Community land mass seems to be eligible for aid. This, of course, is not undesirable in itself and, as Commissioner Thomson pointed out here on 18 October, to a great extent the large size of eligible areas is due to the sparseness of population in the agricultural areas. As he then said, 'in terms of population the size of the map can be rather misleading'.

I quite agree with him. Nevertheless, when one compares the maps and lists with the resources available—I am thinking now particularly of the Regional Development Fund—starting, as we hope, next year with a minimum of some 500 million units of account, it is impossible not to

James Hill

realize that some priorities are desirable and, indeed, inevitable.

I understand the argument that these lists are merely a framework and that priorities will, of course, emerge. Also, there had to be a realistic political consideration, which at times even in committee was perhaps lost sight of. My committee therefore does not propose that either list should be curtailed or altered. What we propose is that the regions and areas should be arranged not with a rigid sense of priority but with the necessary flexibility to enable the Committee on Regional Policy and Transport to proceed with its work.

A further point is that, if the framework is too large, this means that the Commission recognizes that every Member State—the richest as well as the poorest—has a different regional problem. Therefore, although we are asking for priorities and concentrations of aid to be applied first where the need is greatest, we are not suggesting that the money allocated for the Regional Development Fund is therefore sufficient. Indeed, it is not sufficient for the tasks that face the overall regional policy. In the long run regional policy will operate in the widest possible framework, and it then must have sufficient money to work effectively. It must have a realistic budget.

The criterion we have adopted, consistent with Parliament's own decisions, is that of the relative seriousness of regional imbalance in relation to the Community average. It is perfectly possible for the Commission to classify the lists in this way, using the criteria it has already used for drawing up the lists. Of course, if classified lists are drawn up, priorities must emerge, but I must stress again that any useful, indeed meaningful, aid will—depending on the size of the fund—have to be applied in a manner taking into account relative imbalances. But I think that in criterion No 5 we may well have gone too far. Perhaps I should speak personally here.

Mr Thomson said that two-thirds of the fund would go to one-third of the Community. Therefore, one-third of the fund must go to two-thirds of the Community. Perhaps the criterion in recital No 5 is drawn too tightly. It will almost make it impossible for that one-third to go to the two-thirds of the Community. We are taking a delegation to the borders of Holland and Germany. Mr Mitterdorfer has mentioned the border areas, which will probably need a great deal of help in a regional programme. With this very strict recital No 5, the new Regional Policy Committee will not be able to consider those areas.

One would naturally think that there is a relative ability, or otherwise, of the particular Member States to correct such imbalances with their own unaided resources; but, as Mr Johnston pointed out, if they spend them on Concorde, a tunnel or other essential national project, there will not be the resources to help the border areas which are badly in need. I ask the rapporteur to give a few minutes' reflection to this point.

I repeat what Mr Johnston said about the Commission. Mr Thomson is very fortunate in having a small, good team. The amount of work it has got through can be surpassed by no other Commission. As chairman of the committee I can say, as I am sure Mr Delmotte would agree, that we have had the utmost support from the Commission and a very good attendance by it. We are all most grateful for its help.

President. — I call on Mr Liogier, on behalf of the Group of Progressive European Democrats.

Mr Liogier. — (*F*) Mr President and colleagues, we must first of all congratulate our rapporteur, Mr Delmotte, who is once again scrutinizing the list of regions qualified to benefit from the Regional Fund and the list of priority agricultural regions for action by the EAGGF.

He has not hesitated, in order to perfect his report, to multiply his contacts and exchanges of views not only with the committee responsible but also with the committees asked for their opinions. The results obtained by such wide cooperation have taken concrete form in an excellent synthesis to which Mr Vetrone, Mr Mitterdorfer and Mr Nolan have made a large contribution and which quite accurately represents the point of view of the whole of the European Parliament on this important question. The Group of Progressive European Democrats therefore agrees with Mr Delmotte's report, while wishing to make a few comments.

So here we are, faced with two maps of our Community of Nine, maps plotted by the Commission which virtually coincide, although the criteria for the selections are quite different, which goes to prove that the choice of these criteria, which in our opinion are much too wide, is questionable.

And indeed, what shadows there are on these two maps! They cover the whole of Ireland, two-thirds of Italy, half or nearly half of Denmark, the United Kingdom and France and nearly a third of Federal Germany. What sorrows are concealed in these obscurities!

Liogier

But why should we brood in such gloom in this period of lean kine and empty jerricans in which occasions for rejoicing are already a thing of the past? Why should we draw such dark pictures of the Community situation? No doubt because this is what has been decided and laid down by the criteria accepted, which the Commission has scrupulously respected. We must therefore review these criteria, make them much more selective, and, if that were to prove impossible—which would nevertheless greatly astonish us—then at least absolute priorities should be set capable of restoring a little justice, while affirming our social conscience and the best interest of the Community itself in the distribution of aid and incentives.

This has been perfectly well understood by our colleagues who have had to discuss this matter in the responsible committee or the committees asked for their opinion.

In the Committee on Agriculture, for example, we witnessed a veritable public confession, reminiscent of the *culpa* in force in certain Cistercian or other abbeys and of the self-criticism current in other places. One after the other, our colleagues from the different States of the Community benefiting from these zones of shadow spontaneously recognized that, since more light throws the shadow into greater relief, a certain amount of shading could disappear for each of them, thus bringing some clarity into the maps and into the debate.

But let us be serious! We know the amounts which can be made available. So far as the Regional Fund is concerned, the amounts proposed for the first three years are as follows, with possibly some carry-forward from one year to another: 500 million units of account for 1974, 750 million for 1975 and 1,000 million for 1976.

They are even much more modest in the case of the priority agricultural regions, since the Guidance Section of the EAGGF is planned to have a mere 150 million units of account in three years, or 50 million a year!

However large these figures may seem, they amount to very little if they have to be spread over 52% of our territory and 32% of our population.

Hence the absolute necessity of concentrating aid on precise points, where it must arrive very quickly, for as is often said, 'tomorrow will be too late'. The encroaching desert sand, so to speak, has already begun its redoubtable advance, and this would very soon put an end to the combat for want of combatants to undertake it or to continue it.

We are thinking, first, of the peripheral zones which lie off the main trade routes, the great transit lines, extending in many cases along rivers. We are thinking, first and foremost, of the mountain regions, generally very isolated, which should be accorded top priority for many reasons which I have already had the opportunity of expounding in this Assembly, including the absolute necessity, in order to safeguard the natural environment, of keeping those people on the land who are already there and of ensuring their renewal.

It would, moreover, be absolutely disastrous if they were to go off to the towns to swell the masses of the maladjusted and the enormous cost of transplantations. These regions are, in fact, experiencing an absolutely terrifying exodus from the country-side. The magnitude of this exodus is well known. It can be exactly calculated as a percentage over recent decades, since the formal statistics exist and cannot be ignored. In our opinion this exodus should be criterion Number One, justifying a release of aid in many forms and not only in the contemplated form, which consists mainly in subsidizing industrialists who are prepared to set up there in proportion to the number of farmers torn from the land to work in factories. In my opinion this might well be said to be going against the desired aim, since the real solution should be to enable farmers, already very thin on the ground, to stay on their land and to cultivate it, and, in particular, to make it possible for their families to find part-time employment to provide a supplementary income.

And when we speak of aid in many forms, we are thinking of all essential economic activities such as commerce, handicrafts or small industries, particularly processing industries, most frequently using local products or materials. Sawmills could be cited as one example.

For these less-favoured regions, the problems therefore relate mainly to the preservation and development of local life, the development of tourist accommodation and activities which create employment, the improvement of access routes and internal roads and the protection of the environment.

We must also express reservations on some of the criteria adopted, such as that of the gross domestic product per capita, which can be decisive only if it is adjusted by taking account of the difficulties of living in certain regions, for example as a result of being snowed up for many months each year and the harshness of the climate with the interruption of road communications. We would further ask if it is appropriate, particularly under present circum-

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tances, to discriminate in the matter of priorities between countries according as they are, or are not, capable of giving direct aid to priority regions.

In fact, those countries that have so far seemed to be in a position to provide certain aid—though not enough to meet the urgent needs—are precisely those which will now find themselves faced with the worst problems of employment or unemployment and rising prices by very reason of their industrial structure and development, while other countries which may perhaps be poorer but where these problems are less acute will not experience such grave difficulties.

We must therefore be very cautious in this field, as we must in connection with the criterion based on gross international product, which mainly brings out the differences in development between countries and not the sometimes enormous imbalances between the regions themselves.

We are quite familiar with the difficulties encountered at Community level when developing the least-favoured regions of the Community, or rather, when it comes to stopping regression in all spheres at once, demographic, economic and social (for before developing, the first thing is to conserve what already exists, which is sometimes very difficult).

These difficulties arise first and foremost because the theory of communicating vessels is unknown in connection with the funds which may be available.

The Social Fund, the Regional Fund, funds provided by the EAGGF, each of these funds has its own special features which make it very difficult to adapt them to concerted and multi-form action, which is the only kind of action capable, as a result of its global impact, of achieving the efficacy desired. It is therefore in our interests to coordinate the actions to be taken to ascertain the means.

I will draw to an end. In Racine's famous historical tragedy of *Esther*, the Jewish people—history, you see, is constantly repeating itself—was threatened with annihilation as a result of the devious manoeuvres of an Amalekite, Aman, who had succeeded in convincing King Ahasuerus, whose minister he was, that this people must be done away with. And Mardocheus, Esther's uncle, to strengthen Ahasuerus' final reluctance, was moved to cry out: 'The peril of the Jews is urgent and calls for prompt succour.' In the end they were saved. We can adopt this appeal here and say to the highest authorities of the Community: 'The peril of our depressed

regions, menaced by the desert, is urgent, and it, too, calls for prompt succour!'

(Applause)

President. — I call Mr Fabbrini on behalf of the Communist and Allies Group.

Mr Fabbrini. — (I) Mr President and colleagues, in the debates which took place in this House in July and November on the general lines and specific proposals of the Commission on the question of regional policy, we clearly expressed our opinion. It would, therefore, be inappropriate on my part to repeat in this Assembly today what I have already had the opportunity of saying. However, mainly in order to avoid any misinterpretation of the favourable vote which we shall be giving at the end of the debate and in order to clarify the limits of our vote, I am bound to place on record that in our opinion anyone is under an illusion who thinks that the problems of the economic and social imbalances of the Community can be settled by means of the measures of incentive proposed here, either on the national or on the Community level.

The line of incentives to economic development has been tried out almost everywhere, but particularly in my country, with the far from satisfactory—not to say definitely negative—results which leap to everybody's eyes. The imbalances between northern and southern Italy have not only not been attenuated—as the Italian statistics show—but have even been accentuated. This makes us ask the reasons for this accentuation. We take the view that these imbalances have become accentuated mainly because measures of incentives such as those which the Commission now proposes and on which the Council will decide operate substantially within the same system which has generated the disequilibria, without in the least affecting, let alone removing, the real causes which lie at the root of these imbalances.

In our opinion, it is an undeniable fact that underdevelopment in some regions and the contemporary industrial congestion in other regions are the inevitable results of the choices dictated by the law of profit which dominates economic activity in all the Community countries. In our opinion, it is an undeniable fact that congestion and underdevelopment are two inseparable terms of the process of accumulation and the development of the system. Therefore, if this is the fact—and it seems to us that it is the fact—it must necessarily be concluded that it is impossible to have a serious and effective policy for restoring the economic and social balance of individual countries and of the whole Community if you do not have the strength, the

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courage and the determination radically to change the mechanism which underlies the imbalances and if, for that purpose—always on the basis of radical changes in the development mechanism—you do not have an economic programming designed to put an end to anarchical development and to direct public and private investments in such a way as to overcome the imbalances.

I have desired to place this on record because a certain illusion is beginning to manifest itself about the regional policy measures which the Council is preparing to take. That, very briefly, is our opinion which, I repeat, I wished to place on record in order to avoid any misinterpretation of our favourable attitude towards the resolution of the Committee on Regional Policy so ably presented here by Mr Delmotte.

Why shall we be voting in favour of the resolution? Because it seems to us that this resolution, in spite of the enormous difficulties in which the rapporteur and the whole committee found themselves, tackles and solves in serious and rational terms the problem before us today.

There is no hurry and there was no hurry, said Mr Delmotte in his introduction. The danger is that the Council will make its decision in the light of the list of regions as set out in the proposals. The danger which must be avoided is that of encouraging the dispersion of interventions, which our Parliament has already recommended should be avoided when we approved the resolution of last November. How could we fail to agree with Mr Delmotte's reasoning? How could the Commission and the Council fail to recognize that certain considerations must be taken most seriously and attentively into account?

The fact is that this motion for a resolution, rightly critical, is inspired, as is expressly said, by the concept of European solidarity. This concept—we must recognize with regret—has been unduly impaired by the Commission's hasty presentation of an undifferentiated list of regions, with the concrete result that the various ministers who meet on the Council will consider the Fund precisely in the light of this list. In this way, the European solidarity which Mr Delmotte invokes will diminish if factors are thus introduced which are not factors of objective valuation.

The principles underlying Mr Delmotte's report and resolution have already been stated. I should, however, like to restate them very briefly. They are: the principle of concentrating interventions on a limited number (we should, in our opinion, insist on this) of priority development regions—this idea of limitation is one of

those which our Parliament should absolutely approve; the principle of classifying regions according to imbalances ascertained at Community level, and the principle of assessing the power of a Member State to remove its imbalances by its own resources. Our group agrees with these three principles and will therefore vote in favour. It should, however, be quite clear that when we insist on concentration and limitation and stress the need for the Fund to be used primarily for the regions with the highest degree of imbalance, we do not in any way understate the requirements of the declining regions.

May I say in this connection that no one is in a better position than we, by the very nature of the party to which we have the honour to belong, to know the tragedy of unemployment, whether it is in an underdeveloped region or in a declining region. Allow me, I repeat, to say this, because these unemployed workers look mainly to us, to our political line, to the continuous struggle we wage within each individual country, to do away with the main causes underlying their state of unemployment. And in this sense they place their hopes in us.

We therefore do not ask for the exclusion of declining regions; we do not ask that they be left to themselves. We are well aware of the problems which arise in these regions. We think, however, that it is better to intervene in these regions through the instruments already set out in Mr Delmotte's written report—namely, the European Investment Bank, the aid specified in the ECSC Treaty, the Social Fund; all these instruments are already operating in these regions and could intervene even better and more positively if their potential were increased as we deem necessary.

What we cannot accept—and this is why we agree with Mr Delmotte's reasoning—is placing on the same level declining regions and areas which already possess an infrastructure capable of permitting their reconstruction or conversion or even the setting up of new productive activities, on the one hand, and, on the other, regions which (like the South of Italy) are without either the productive structures to be converted or the necessary infrastructures for the installation of new productive activities. Between the two—we are bound to recognize this—there is a difference of quality which should be carefully assessed if we want the Fund to intervene where there is really most need for it.

If the Council accepts the principles underlying the Delmotte motion and resolution, which are then translated into certain amendments on which we shall be called upon to vote, we shall be able to provide an objective justification for every decision to intervene on the part of the

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committee which will manage the Fund, thus rulling out from such decisions any possible, and in our view deplorable, considerations of a subjective character such as those dictated by the idea of fair return, which should and must be excluded.

If the Council accepts these proposals we can avoid the danger of a dispersion and fragmentation of the Fund's resources, a fragmentation which might well take place as a result of the size of the list, as many people have noted here, without being able to exert a positive influence on the most dramatic situations.

The other criterion is that of helping those Member States which, even if they have the good will, do not have the necessary means.

These are the three criteria on which the Council, in our opinion, should base the decision it will have to take. It is in this spirit and for these reasons that the Communist and Allies Group, while reaffirming, as I did at the outset, the limitations of a policy based on incentives, considers it to be its duty to vote in favour of this resolution, which, in our judgment, puts in its proper perspective both the criterion and the territory to which the Funds should give priority in its future operations.

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

Mr Schwabe. — (D) Mr President, ladies and gentlemen, the report by my honourable friend Mr Delmotte has had such a magnificent reception both among the experts and here in Parliament today that only two things remain for me to do—namely, to convey our admiration and congratulations, and to say that we have no objections and nothing to add.

But since Parliament is not a mere rubber stamp, I will join in the flanking operations which accompany on its way through the plenary sitting a committee report which has been unanimously adopted after having been worked on for several months. I do this gladly since my political friends support the draft from inner conviction, like a *leitmotif* of our political thinking that while the strong must have obstacle put in their path, the weak must not be left helpless by the wayside: they must be reintegrated so that they can again lead good and useful lives.

The honorific task of speaking here today came at very short notice. When I test myself whether I am competent here, then it strikes me as a possibly valid argument that my own constituency—between Frankfurt-on-Main and Heidelberg—is a white spot and will remain a white spot on the map of beneficiaries.

Ladies and gentlemen, here today and in the future development of this project it is all a matter of money, and according to the proverb money soon drives out friendship. Hence I would add in all seriousness that the European Community, the Council, the Commission and Parliament must be preserved from all suspicion that the regional plan or the Regional Fund is in any way aimed at serving the regional interests of Ministers or Members of Parliament.

I would also say—this point has not yet been dealt with, it is due to come up later, but I offer you my personal opinion about it now—that we should display a proper degree of scepticism about direct regional petitions to the European Parliament. In our Parliamentary jargon we call these proceedings, without wishing to hurt anyone, *Windhundverfahren*—the greyhound race. Whoever first hears about something 'in the wind' thinks that if he telegraphs, calls or writes as soon as possible, or invites the right person to a wine-tasting or some similarly agreeable foregathering he will get the earliest results. Such practices should on no account be allowed to hamper this important project.

A few weeks ago, we had a night sitting here on the subject of the Regional Fund. Some optimists thought, if I remember rightly, that the relevant measure could have been approved that same evening. There were 34 chances against, since we had 34 amendments to work through that night. Mr Delmotte, as I think rightly, made a very short speech. I took him, as well as our honourable committee chairman, who suggested the novel speaking time of 30 seconds, as my example when I said, This evening we need waste no words on it: were going back to the committee to do some more work.

In the meantime, that has happened. Some of my honourable friends, such as Mr Seefeld and Mr Eisma, contributed some ideas. I will not repeat them here, but just dwell on one thought, for my honourable friend Mr Fabbrini has used the same word in a different connection. He spoke about illusions. Mr Horst Seefeld also spoke about illusions, but he meant it in this sense: the impression must not be created in Europe that from now on all problems are solved, all need abolished and all poverty ended. In the meantime, we believe that with this development of regional policy vital steps are being taken towards a peaceful and friendly European solidarity. And that is already a great deal.

The contributions made since then to the debate have concentrated on the need—and I too must use the hackneyed phrase—to set priorities. In

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a sense the proposal submitted to us is an overall plan, but we are afraid that as a result of its global application the individual case-to-case assistance may, under the watering-can system, not only be watered down but even get fogged up. At this moment we must think of the next few days, of the thoughts that may be entertained in the Council of Ministers and probably also in the Summit Conference. There, as among the European public, there will be little interest in nebulous and too-extensive plans for assistance. But people will, I think, be openminded and ready to act if presented with relatively clear and convincing priorities. Every one of us knows that the planned harmonization of living conditions is not supposed to be a mere levelling or equalizing process. For all our efforts it cannot be absolute, only relative. Its object is to raise standards of living. For that purpose there must be a genuine willingness to help among those for whom things are relatively good. We, therefore, know that however good our intentions, harmonization from country to country can only be relative. I was interested and grateful that one of today's speakers—I think it was the spokesman of the Liberal Group—appreciated the system of horizontal financial compensation in my home country, the Federal Republic, and, as it were, consoled us by saying: Since you have this system, the question of outside help arises for you even less than it would do otherwise! This leaves me quite undisturbed, for in our internal discussions we have more than once said that the Federal German horizontal financial compensation system is a good thing.

With regard to regional equalization, the Sicilian peasant cannot soon reach the living standard of Milan and the East Frisian Islands will continue to lag behind the living conditions of Düsseldorf. But if we are striving for economic and monetary union we cannot evade our task. We are hearing more and more frequently that in Europe the poor regions are getting poorer and the rich regions are getting richer. This is a trend that we must resist not only by words but by deeds.

As I compare town and country, the depopulated agricultural regions and the economically blooming industrial regions, I see a dark prospect. A change may come about more quickly than we care to believe; an energy shortage, an economic recession and other adverse events can soon change the picture. The town as a concentration area may very soon be exposed to the danger of drastically falling living standards. And then the situation will change radically and we shall

need the helping hand of the poorest peasant to save the townsman from hunger.

Regional policy is a supranational social policy, not a policy of hot soup and night comforts for the waifs and strays. Anyone who thinks that progress can be made with so little has only to go to the poor villages of the depressed areas to be convinced that more must be done. What is needed is a policy of understanding and solidarity among men. The more clearly and unanimously we testify to this, the more convincing will be our Parliamentary decision—which in view of our status can still only be a recommendation—and the more weight our vote will carry with Council and Commission. Incidentally, this applies equally to all the votes of this House. When the result of a vote is 48 against 52, the next authorities to act have a free hand: however they decide, they have half the House behind them.

Politics is the art of the possible. We must achieve the possible through work—not hec-tically, but without losing any time. Far too often, we hear reports from Strasbourg, Brussels or Luxembourg that this or that must be further clarified. That is often a partial excuse for a European failure to act, and we must invalidate this reproach. All the same, if we demand priorities we still want a maximum of clarity, from which all decision-making authorities will become convinced of the need to have the requisite means available in good time and in sufficient quantities.

We must also help, ladies and gentlemen, to ensure that those of the regions concerned which cannot plan adequately for themselves can improve their planning through central resources supplied by the Commission, with help from the research institutes. As the burgomaster of a small town for many years, I know that far too many poor people receive no help from the community because they lack the capacity to present their situation properly—and it would be a pity if the afflicted got no help. Help in planning is of great importance, too.

Ladies and gentlemen, Mr Delmotte's report and the fruits of the deliberations of the Committee on Regional Policy and Transport have won the unanimous support of our group at today's sitting, and I should like to inform this House accordingly.

(Applause from the Socialist benches)

President. — We have three more speakers in this debate—Mr Herbert, Mr Pounder and Mr Della Briotta—followed, of course, by Commissioner Thomson. After that, on the two further

President

items—Mr Dewulf's report and the Oral Question put by Mr van der Heck—there are 17 speakers who have now put down their names.

I therefore propose that we adjourn at the end of this debate on regional development and resume again at 9 p.m.

Is that agreed?

It is agreed.

I call Mr Herbert.

Mr Herbert. — Mr President, like all the previous speakers, I wish at the outset to congratulate the rapporteur, Mr Delmotte, on giving us an excellent report. This very outspoken document is, in my opinion, the best he has given us so far. Once again, he displays a very deep commitment to the creation of a genuine regional policy. He emphasizes the urgency of correcting the chronic imbalances of the developing peripheral regions, regions whose problems are being accentuated by the liberalization of trade and the free movement of production factors. He restates the very basic and fundamental fact that these regions cannot correct their chronic imbalances unless they have meaningful and realistic access to Community funds. In fact, the report is very definite in this regard. In Article 1A it states:

'The regions and areas with the most serious imbalances situated in Member States with the lowest relative intervention capacity should be assisted on a priority basis and should receive the bulk of the interventions from the Fund.'

These areas should not be regarded as mendicant areas, and the large financial aid they must receive should not be regarded as a charitable donation. On the contrary, it should be regarded as a Community investment. These areas represent a very substantial opportunity for growth by Community industry. In such industries—I refer specifically to Ireland—are to be found the very last sources of Europe's under-employed and unemployed labour, a labour force of very high quality which is among the most adaptable in the world. In such areas as Ireland are to be found the natural resources necessary for industrial development. To bring these resources into use, however, requires substantial investment in the provision of basic infrastructure and social overheads. Such investment is way beyond the capacity, certainly, of my national government.

Here I should like to refer to the suggestion Mr Johnston made in his speech that certain national governments are responsible for the

present plight of their respective national economies. This may be true indeed, but as far as Ireland is concerned I should like to refute that suggestion.

When speaking here at the July plenary session I stated that I took no pleasure from the fact that my country qualified under all three criteria, but I stated that Ireland's present economic position must be viewed against her historical background and her geographical location. I further stated that when other small European nations which are now our colleagues in the enlarged Community were freely and without hindrance exploiting their national potential to the full, we were—and through no fault of ours—captive in an economic straitjacket. I do not have to spell out to Mr Johnston the consequences of the Act of Union of 1800, or the effects of the British Industrial Revolution.

I stated again that government policy over the past 15 years was aimed at the correction of our national imbalances and that, no matter how successful we were in the correction of our national imbalances, we could not correct the imbalances between Ireland and the rest of the Community without massive intervention from the regional fund.

In rejecting the list of regions as contained in this regulation, Mr Delmotte states that the proposed list must be regarded as a very general framework within which it will be necessary to establish priorities. If priorities are not established, the high ideals enshrined in the May guidelines will indeed have a very hollow ring. A basic guideline set out in the May report was that—

'the Fund will have to concentrate its expenditure very largely in those regions which are most in need in relation to the Community as a whole. In other words, there must be standards to ensure that the means available to the Fund are used in a manner quite independent of any criterion of *juste retour*'.

This regulation of the Commission contains nothing to indicate that this guideline will be implemented. On the contrary, it proposes that the fund should aid areas covering half the Community's land mass and, as the chairman rightly pointed out, a land mass that will also contain one-third of its population.

Why has the Commission changed course in the direction of its policy in such a short time? As Mr Delmotte states, he asked whether the Commission had yielded to pressure from certain Member States. If that is so, as a practical politician I can appreciate the magnitude of such pressures. In fact, from my own experience I know that even in this Parlia-

Herbert

ment Mr Delmotte was subjected to great pressure in an attempt by certain Members to water down this excellent report.

In fairness to the Commission, I believe that if it is given a liberal degree of flexibility in relation to the under-developed regions it can and will produce a genuine regional policy.

When we meet again in plenary session the fund will, I hope, have been established. I pray that our dreams and aspirations will at last be on the road to fulfilment, making Europe a better place for all its people, from the West Coast of Ireland to the southern tip of Sicily.

President. — I call Mr Pounder.

Mr Pounder. — I should like first to take up one or two points made by Mr Herbert. I can understand the reason why he tries to defend the economic policy of the Irish Government, but he does not have to take to task my British colleague, Mr Russell Johnston, for a valid observation. It is not good enough for anyone who comes, as I do, from an area which hopes to benefit from the regional fund to present the arguments as though the regions are a backward, bankrupt and wholly inadequate appendage to the Community as a whole.

When we talk about the Regional Development Fund of the Community, we are talking about a fund that will be supplementary to the existing national programmes. I am sorry to say that more than one speaker has tended to give the impression, perhaps unwittingly, that the regional fund, when it is established, will in a curious way be seen to assume some of the responsibilities which have hitherto been assumed by national governments. If that attitude is allowed to develop and take root, the whole concept for which Mr Delmotte has worked so hard, and for which the Regional Policy Committee and Commissioner Thomson have worked so hard, becomes irrelevant. We must never lose sight of the fact that we are interested in a supplementary approach to the national efforts to stimulate regional development.

Like everyone else who has spoken in the debate, I add my warm congratulations to Mr Delmotte for his report and for his previous reports, which have been outstanding.

It is now 13 December, and there is still no decision from the Council of Ministers on the establishment of the fund. I find that profoundly regrettable. It may nominally make a decision by 31 December, but it will be quite some time into 1974 before the regional fund is off the ground in the sense in which it must be *seen*

to be off the ground, whether in the Isle of Skye, Northern Ireland or anywhere else. People genuinely regard the establishment of the regional fund and the ability to see physical benefits from it as a test of the good faith of the Community as a whole. That may sound strong, but I believe that such is the importance of the fund and such is the importance attached to it by people throughout the Community.

For far too long the Community has been excessively oriented towards agricultural support. Even this year, about 85 per cent of the budget is for agriculture in one form or another. We have an opportunity in the regional fund to broaden the base of the Community's activities.

When we talk about the regional fund I should like to hear rather less emphasis on support for areas of agricultural decline and rather more emphasis on support for areas of industrial decline. I say that because there is a limited amount of money in any funds, whether the Community's funds, national funds or any other funds. We must, therefore, seek to obtain the maximum advantage and benefit from the fund. That means that, when we are considering the regional fund, we must take account of the amount of money paid out through the EAGGF for agriculture and the money paid out of the social fund, so that everything is taken globally into account. That is the best and probably the only way in which we shall be able to have a meaningful regional policy in operation.

It is not good enough to say that the areas in greatest agricultural need from the EAGGF are certain countries and that the countries happen to be the same when we talk about the social fund and the regional fund. We must take into account the overall financial cake and each slice therefrom. We must not have duplication if we can avoid it.

Of course, I accept the idea of a priority list of areas. That makes manifest good sense, for the same reason as I have just advanced that there are limited funds from which we must try to obtain the maximum benefit and, therefore, we must start in the areas where the need is greatest. I honestly cannot emphasize too strongly my belief that we want to slant our endeavours in the regional sector towards areas of industrial decline rather than a predominance on areas of agricultural decline.

As Mr Russell Johnston made so abundantly clear, the regions are not economic backwaters. What in fact we are doing is not providing assistance on a mendicant approach. We have at long last realized the dangers of economic over-concentration on the services of the areas con-

Pounder

cerned—the environment, pollution or whatever else it might be. Marginal regional areas are the one sector in the entire Community where there can be development without overstraining and overheating the Community's economy. If we continue to extend the areas of existing concentration, I am afraid that we shall meet Community-wide the same sort of economic problems that we have met in our own national countries.

I conclude, as I began, by saying quite simply, because I believe it to be a cardinal rule of any credible regional policy, that Member States must not in any circumstances be allowed to use the regional fund as a substitute for their own national efforts, otherwise I think we shall get virtually nowhere along the vitally important course of a credible regional policy.

Of course I support M. Delmotte's report, and I hope that when it is put to the vote later tonight it will secure the unanimous approval that it richly deserves.

President. — I call Mr Della Briotta.

Mr Della Briotta. — (I) Mr President and colleagues, I too should like to express my appreciation of Mr Delmotte's report: in this document, as in the previous one which we discussed at another sitting, he has displayed his enthusiasm and his skill. My appreciation is not purely formal in character, because our Parliament today has to express its opinion on a question which seems to me to have tremendous importance for the future of our Community. It is not a sectoral provision that we are discussing here, but the beginning of a policy which, we hope, will be the complement of other policies. Therein lies its novelty and its importance. It is above all from this standpoint that we appreciate Mr Delmotte's report and the emphasis placed on the need not to disperse the resources available.

This idea is fully justified, especially when it is remembered that we do not yet know what the available resources will be. Perhaps the Commission, more optimistic than our Parliament, is persuaded that it would be better to prepare a large container to hold everything the Council will pay. I, for one, am not particularly optimistic, but I shall go on saying the contrary so long as I am not contradicted by the facts. We really must ask ourselves whether one can seriously regard as depressed regions in need of aid those which are listed by the Commission on the basis of criteria which, though apparently objective, are bureaucratic and perhaps more designed to encourage political patronage. We must all be Europeans, which perhaps we

are not in fact, and this is something I am by no means complacent about.

That is a first comment. The second concerns the size of the regions, which sometimes cover a group of small communes, of which there are many examples in my country. The limited size of the regions conflicts with the need for sound and efficient modern planning—unless there is some intention of constructing a few public works, and then the suspicion becomes offensive.

With regard to Italy, Mr Vetrone is right when he talks of treating things like an accordion. I do not intend to deliver a long discourse on the backwardness of many regions in my country; the causes are deep-rooted in history, geography and politics. There are fundamental objective causes relating to the whole of our hinterland, where maladministration has grown up over hundreds and thousands of years. We have the regions of the South, the peripheral regions of the Alpine arc, the mountain regions of Central Italy; we even have some depressed peripheral agricultural regions in the rich Po Valley. Now, the Regional Fund is an opportunity which we must not let slip. It will be a more or less deep well with more or less water to be drawn. It should also provide an opportunity to put some order into the national policy of emergency interventions, which in our country has become one of the policies designed to develop depressed regions constituting a considerable burden on the State budget. This policy has certainly not been a model of correct procedure (and I am not referring to the fact that there have been misappropriations of funds, if indeed there have), but the fault lies in the fact that mistakes have been made and public money has been misspent, and these mistakes are precisely those which we do not want to see repeated with the Community Fund.

Turning to my honourable friend Mr Vetrone, with whom I have stated my agreement, I must correct a reference to Lombardy, the region in which I live; the problem does not affect my constituency, and my honourable friend Mr Mitterdorfer knows that I have the fortune or misfortune to live in the poorest region of Northern Italy, but the reference to Lombardy should be put right. Lombardy has not been included in this measure by virtue of a decision of its own council: the law referred to is a Lombard regional act giving effect to national legislation on mountain areas, which I know very well because, as you know, I was the rapporteur.

Mr Vetrone's misunderstanding arises from a failure to bear in mind that the criteria chosen

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are open to challenge. The Italian mountain communes are not automatically included among those which benefit from the Development Fund; they are taken into consideration as mountain regions, but their situation must be assessed according to the criteria contained in the Commission's proposals—various economic activities, the rate of unemployment, the rate of migration—to ascertain whether or not they can be included in the list proposed by the Commission.

Now the Lombard mountain communes are included because they provide a higher quota of emigrants than the national average, which itself is high enough, and they are in financial straits. The debate will therefore turn on the criteria chosen: these are, at least so far as concerns Italy, with the variations referred to, those established by the laws under which the Italian State intervenes. And this is a debate which we should have the courage to reopen in Italy with regard to intervention policy.

I hope that Mr Vetrone will agree with me, because when in Italy we set about amending legislation on mountain areas dating back twenty years and tried to establish stricter criteria we found ourselves brought to a halt. I at any rate, as rapporteur, preferred to confirm the old criteria, because they were in danger of turning even Milan into a mountain commune because a sort of little mountain of urban refuse had grown up on the outskirts of the city. It is therefore a negative experience which we have to record. For this very reason I approve Mr Delmotte's report, which proposes Community criteria and classification.

I am under no illusions, Mr President; I wish success to Commissioner Thomson, and I hope that the Council will take note of our opinion and of Mr Delmotte's zeal when it approves the amount of finance to be granted.

President. — I call Mr Thomson to state the Commission's position on the amendments proposed by the Parliament's committee.

Mr Thomson, Member of the Commission of the European Communities. — Mr President, I am very grateful to all those who have taken part in this extremely important and interesting debate. If in the time that is available to the House tonight I do not have time to deal in detail with some of the points that have been made by honourable Members, I should like to tell them straight away that I will try to write to them personally afterwards and give them the information they seek.

I should like to start by saying how much I

appreciated the kind remarks that the chairman of the committee, Mr James Hill, made about my officials. They were generous remarks, but they were well-deserved remarks because, as Mr Hill said, this has been a tiny body of senior officials who have carried a very great but a very creative burden during the last twelve months. I know that they will much appreciate what the chairman of the committee said.

Mr President, this is the third time in three months that I have had the privilege of thanking Mr Delmotte and his various colleagues from the associated committees for a report on an important aspect of the Commission's regional policy proposals. Mr Delmotte's present report, like its predecessors, while critical in its approach, is consistently constructive in character. It is all the more remarkable that it is so constructive in character since the work has had to be done under such intense pressure.

I recognize that even Mr Delmotte's seemingly infinite resources of patience have begun to run out. I note that he questions whether this particular implementing regulation, with its lists of regions, was needed at this time. He doubts whether the deadline imposed for the setting up of the Regional Development Fund need have been applied to the regions in which it will operate.

While sympathizing with Mr Delmotte about having to work under such pressure, I must say that I think he is mistaken in thinking that the difficult political decisions which the Council of Ministers has still to take, and which it will take next week, will be possible without the list of regions. Once the Commission turned its back on any notion of *juste retour*, of fixing rigid national quotas in advance, and committed itself to Community-wide criteria, from that point onwards it became necessary to translate these criteria into geographical terms before the Council of Ministers could be expected to grasp the nettle of the decisions lying ahead of it.

Mr Pounder was right to remind us that these decisions are still, in the middle of December, not yet taken. One has to bear in mind the other fact that Mr Pounder mentioned, namely, that the Commission's proposals are proposals that are supplementary to, and mesh in with, national parliaments. Therefore, provided that the essential decisions are taken before the end of the year, I think that we can move very swiftly to get the fund operating on this basis.

There is one advantage about the fact that the Council of Ministers has not yet come to its decisions. It means that, even although this debate takes place late in the day, there is still

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time for it to have an influence on the critical Council meetings next week. I believe that the final political decisions about setting up the fund and its distribution will in fact be taken on Monday or Tuesday of next week. What I can assure Mr Delmotte and the House is that the main burden of his committee's criticism not merely today but on the earlier occasions on which we have debated—namely, that there ought to be a greater degree of concentration of the resources of the fund on certain priority areas—has been fully registered by the Council and is, indeed, an important element in the discussions which have been going on there. The reaffirmation of these views in the present debate will, I am sure, be fully taken into account as the Member States come to their own moment of truth about this matter next week.

Mr President, this debate has reflected the three main linked criticisms which appear in M. Delmotte's report: first, that there should be a more limited number of areas than is proposed by the Commission; secondly, that the qualifying areas should themselves be classified according to the relative severity of their underdevelopment; and thirdly, that the operations of the fund should be confined to those countries which are unable to correct their own regional inequalities with their own unaided resources.

Perhaps I might comment briefly on each of these criticisms. On the first of them—the criticism that there should be a more limited number of areas—I might perhaps begin by straight away reminding Parliament that 70 per cent of the population of the eligible areas lies in agricultural areas on a map which I inherited when I became the Commissioner and which was approved by this Parliament last year; and in its wisdom or otherwise the Commission decided that it should take over that map and not question the decision of Parliament at that time.

Nevertheless, I think it important in this debate today to recognize that there is no disagreement between Commission and Parliament on the principle of concentration and priorities. What is at issue is a judgment about the degree of concentration and priority that it is politically possible to achieve.

In every one of our debates this year I have pointed out that the Commission's maps, although drawn in a way that incorporates regional problems from each Member State, are not based on any idea of *juste retour* and do not lead to a situation, as has sometimes been alleged, in which Member States get back roughly what they put in. The population pattern which emerges from the Commission's criteria

and which provides basic guidelines for the distribution of the fund does not mean that we are simply counting heads.

I should like to say to Mr Herbert, for whose speech I was grateful, that it does not mean that an Irish farmer has been treated as if his problem were the same as that of a German farmer in one of the border areas of Germany. I think that one of the difficulties about the Irish aspects of this debate, if I may say so to Mr Herbert, is that since Ireland is the second smallest country in the Community and the country with the biggest development problems—bigger even than those of Italy—the percentages that we have taken rather get bogged down and are somewhat misleading. It is almost impossible to think of the percentages that relate to Ireland and the rest of the Community as being the sort of percentages that will light up an Irishman's heart. In any case, I suppose that the ordinary Irishman in the street is right: one cannot put a percentage in the bank, and we may do better to talk in terms of hard cash instead of percentages.

Under the Commission's proposals as they stand, Ireland will be entitled to claim about 30 u.a., about 30 dollars, per head of its population, whereas Italy will be entitled to claim about 15 dollars per head of its population, the United Kingdom will be entitled to claim about 11 dollars per head of its population, and in Germany, although the Community will be able to show its concern for the worst-hit German border areas, the entitlement per head will be only about 3 1/3 dollars.

Mr Russel Johnston was absolutely right in saying that our concern here, if we are politically sensible and want to do something and not simply to talk, is not merely to be fair to the weak but to be fair to the strong in a Community plan.

In addition, whereas Ireland will be entitled to a share of the fund which will be nine times bigger than her share of the Community's budget, Germany will be providing a share of the Community's budget three times her share of the development fund. Nobody would suggest, and I certainly would not wish to suggest, that this degree of priority proposed by the Commission is the last word. Indeed, a good deal of the argument that is going on behind the closed doors of the Council of Ministers at the moment has very properly been in this area. Equally however, no one can suggest that, in the words of the committee's amendment, the Commission's proposals do not take account of 'the relative seriousness of the imbalances found in relation to the Community average'. Equally, the

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Commission's proposals ensure—again I quote from the committee's proposed amendment—that the fund be 'concentrated on a limited number of regions whose development is a priority'. As Mr Hill said, two-thirds of the fund will be concentrated on one-third of the Community's population.

It has been remarked many times in this debate that more than half the land area of the Community and very nearly one-third of the population fall within the eligible areas. What has not been remarked is that one-third of the population has only one-quarter of the gross domestic product of the area. The ratio per head is three-to-one between the areas that are eligible.

As the House knows, this is not the end of the story in terms of the Commission's efforts to create concentration and priority. In addition to these guidelines, the Commission's proposals will ensure that higher rates of aid will be given to projects submitted for the fund's assistance from the areas of greatest need. The ceilings laid down by the Commission, as Parliament will remember, are 15 per cent of the investment or 50 per cent of national aid, whichever is less. This in practice means that only the worst-hit areas in the Community—I think in particular of the *mezzogiorno* and of Ireland—receive national rates of aid up to 30 per cent and beyond, but these regions will be able to get the maximum rate of contribution from the fund of around 15 per cent of the investment value.

The list of regions on which we are voting tonight is only a list of eligible regions. Whatever the size of the fund, there will be the need to select the projects, which will be put forward in a way that gives priority to the worst-off areas within the map of eligible regions. To my mind, at the end of the day the Community policy will stand or fall by the success which it has in this field. I was most grateful for what Mr Herbert said; that if the Commission was given sufficient flexibility in these plans, some of the fears that we were engaged in a 'watering can' principle could be resolved.

Against this background, it is absolutely clear that there is no issue of principle between Parliament and the Commission but only judgment about the degree of concentration which should be sought.

In response to Mr Hill, I should be glad on behalf of the Commission to accept the amendments on page 7 of the Delmotte Report relating to the additional recitals Nos 4 and 5 and the parallel amendments on page 9, with the important exception that I should be unable to accept

the second part of No 5 on page 9, for reasons which I shall give presently.

Before coming to that, I ought to explain straight away that I cannot, however, accept the amendment proposed on page 9 to Article 1 to make mandatory a classification system within the regions. While, as I have explained, in practice we shall be providing for concentrating the assistance of the fund where it is most needed, there are severe practical and political objections to seeking, at this stage, to bring about the kind of sophisticated classification which Mr Delmotte has in mind. I believe that his committee's proposals move in the right direction, and I certainly do not rule them out for the future, but while the Community's statistics are perfectly adequate for the rather broad-brush operations which we have put before the Parliament in our criteria, they are not sufficiently refined and precise, as I am sure Lady Elles would confirm if she were present, to make the kind of classification which is proposed.

Secondly, there is, of course, the essentially political problem of what statistics should be used to make such a classification and how the various elements would require to be weighted. After many months of wrestling in depth with these matters, I can only report that it will be some time before both the necessary data and the necessary political will exist to enable Community regional policy to operate on this more sophisticated basis. I repeat, however, that the proposal points in the right direction.

I now turn to the third of the criticisms: that the fund should be confined to Member States which are without the resources to correct their own regional inequalities. This, of course, repeats a proposal put at an earlier stage by the Parliament to the Commission and not at that time accepted by the Commission.

I should like to explain the reasons why the Commission cannot accept the second half of the amendment to the fifth recital on page 9 or the similar amendment in Article 1A on page 10. I have one practical objection and one more fundamental objection of principle. On the practical side, the effect of this amendment, as is clear from the explanatory memorandum, would be to exclude one of the three major categories of problem regions laid down by the Summit meeting — that is, regions with problems of industrial change in areas of ageing industry, which was part of the Commission's Summit mandate. This was taken up by a number of speakers. I think Mr Pounder was absolutely right when he remarked that we should not upset any more than is done at the moment the existing balance between agri-

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cultural and industrial problem areas. I must say to Mr Fabbrini that the European Investment Bank and the Coal and Steel Community funds, although extremely important in the areas of declining industry, are in fact very modest in their sums and are on an utterly different scale from what we are talking about in terms of a new Community development policy. The European Investment Bank does the majority of its good work in the underdeveloped parts of Southern Italy rather than in areas of ageing industry in other parts of the Community.

I recognize that this Parliament is in no sense juridically bound to follow these Summit categories and is free to take its own view in this matter, but the common interest of Parliament and Commission is to see an effective and adequate Regional Development Fund established within the next few weeks. I can only express the clearest possible conviction to Parliament that the only way to get this is to follow pretty closely the general framework of the policy which, after much discussion, the heads of government agreed among themselves at the Paris Summit 14 months ago. I hope that at the Copenhagen Summit tomorrow they will reaffirm their political will regarding the establishment of this new Community policy dimension.

Having said that, however, I have an even more fundamental objection to this proposal which I should like Parliament to consider. I recognize the good intentions behind it, but in practice it seems to me that the proposal to exclude Member States which could be said to have the resources themselves to deal with their own internal regional problems would turn out to work entirely contrary to the Community principles which have always been supported by Parliament and were eloquently expressed by Mr Delmotte in his speech this afternoon. It would be to say that regional policy within the Community should be a matter left to the national economic sovereignty of any state which was strong enough or prosperous enough to look after itself. On that principle, at the end of a decade we should have a Community divided into the haves and the have-nots, between those countries which could deal with their internal regional problems out of their own resources and a minority of countries which would, in effect, be in receipt of charity from their better-off neighbours.

The division of the Community into two groups of states with that dangerous donor-recipient situation would be wholly alien to everything the Community stands for and would be against the interests of those Member States which legitimately expect to benefit from the Community Regional Fund. There would be a per-

manent pressure from the donor states to reduce the size of the fund and an overwhelming interest in the major beneficiary states to see the fund increased. That situation would be a permanent eroding element in Community solidarity, and it would be in contradiction to other Community policies.

Nobody suggests for a moment that, for example, those Member States which are perfectly able to finance their own social policies should be excluded from the Community's operations. It would be profoundly divisive to introduce this concept at the birth of an important new dimension to Community activity such as regional policies. I hope that Parliament may have second thoughts about it.

We are now on the eve of the fundamental Council decisions which will set up a Community regional policy by the end of the year. It goes without saying that the character of those decisions and the size of the resources made available will be affected by the climate created at the crucial meeting of the heads of state or government in Copenhagen tomorrow. Those countries which expect to benefit from a new and generous act of Community solidarity in the new field of regional policy must in their turn expect to be asked to demonstrate Community solidarity in other Summit areas. I hope that they will be in people's minds at that important meeting tomorrow.

The vital thing now is to get the Regional Development Fund set up and operating by the end of the year. There will then be ample room to refine and improve its quality as it is working.

Whatever differences of emphasis there have been between Parliament and the Commission about regional development proposals, there has never been doubt about Parliament's commitment to attain the Summit deadline and to create the kind of climate in which the Council of Ministers will be encouraged to think big about the size of the fund. The Commission is very grateful for the support it has received on these fundamentals.

I do not wish to prejudge the outcome of the Council's deliberations next week about the size of the fund. I am in no doubt from my visits to capitals, and perhaps in particular from my talks with those in national ministries of finance, that a list of regions which recognizes the worst regional problems in every Member State as being a matter that the Community cares about is much more likely to produce the largest size of fund.

What is perhaps more important than that—I

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say this to both my Italian and my Irish friends—is that my experience of these discussions makes me absolutely sure that that will also provide more at the end of the day for those in the neediest regions. This Parliament's Committee on Regional Development and Transport wants a smaller map for good and creditable European reasons. But there are those in various quarters of our Member States who want a smaller map simply because it would mean a smaller fund. They want to cut down the map to cut down on the fund. In taking its decisions, Parliament should be aware of the uses to which its arguments may be put.

I have every reason to believe that, as others have said, this is our last debate on the creation of the fund. When we next debate these matters in 1974, we shall be in a new situation, facing the problems of the fair and efficient operation of an important new Community policy. I echo the words of Mr Johnston that Member States should be ready and on their toes with projects to feed in and take advantage of the opportunities.

I think that the work that Mr Delmotte and his colleagues have done this year will bear good fruit in the years ahead. At the present stage of the institutional development of the Community, it sometimes seems to me that there is a certain division between Parliament, the Commission and the Council. The Council has to take account of its national legislatures, its national finances and national public opinion. The Commission, while being the guardian of the Treaty and the spirit of Community solidarity, has to promote proposals that are politically possible for the Council to accept.

In this often frustrating and limiting relationship between Commission and Council, the relationship between Parliament and Commission takes on a special importance. It is Parliament's duty to take, as it has done today, the longer view, to press the Commission to be as adventurous as possible in exploring what Mr Schwabe called the art of the possible at Council level, to press at all times the case for extending Community solidarity.

The committees concerned with regional policy in this Parliament have performed that rôle well this year. It has not always been possible for the Commission to agree with the amendments proposed, but I recognize that what is being gradually forged by Mr Delmotte and his colleagues is a body of doctrine regarding a truly genuine European regional development strategy which will be of immense use to us in future.

We are not taking decisions for 1974. We are beginning something that will come to full fruition only over a decade and even a generation. If I wanted to define the improvements we have in mind, I would do so in the words of Mr Liogier: that we are seeking to produce the maintenance and enrichment of local life throughout the underprivileged regions of the Community.

In that development of a real European regional policy, I am in no doubt that the constructive ideas of the Delmotte reports, which have been repeated in the comments of the other committees concerned, will have increasing influence. I echo Mr Delmotte's words. What we are doing is merely dealing with the end of one phase and the opening of a new and more constructive operational phase. I look forward to having discussions and debates with Parliament next year and to receiving constructive resolutions from it to make the Community's first real regional policy a working success for the people of Europe.

(Sustained applause)

President. — Thank you very much, Mr Thomson.

Does anyone else wish to speak?

I call Mr Delmotte.

Mr Delmotte, rapporteur. — *(F)* Mr President, since you allow me, I will now reply to the different speakers, but in accordance with your wish I will do so as briefly as possible.

This meeting, which everyone agrees in describing as extremely important, is taking place on the eve of a meeting of capital importance, since on 18 December the Council will be called upon to take decisions about the Fund and also no doubt to give a first reading to the list of regions. It has enabled us to hear some interesting reflections, which, however, we had already heard before.

Without challenging the essence of the problem and in deference to Commissioner Thomson, I should like to tell him, as I did when winding up the November debate that we are not so far apart from one another and that in the gratitude we express to the Commission for the work done by this team, which has been fully capable of getting to grips with the realities of the problem, we are not so far behind.

The Commissioner will certainly not blame me if, without repeating the history of the decisions taken by Parliament four weeks ago, I recall

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his disagreement with the wording of the last part of article 5 when he objects to the reference to the relative potential of States to remedy these imbalances from their own resources. To say that is to misunderstand our November decisions.

I would recall that in the proposal made at that time it was specified that the Fund could not intervene unless the imbalances were beyond the national intervention capacity.

To correct the negative and at the same time too inflexible aspect of this wording, we have substituted the form of words with which you are familiar and which, for its part, is positive because it abandons the absolute element of restriction and makes it possible for States to obtain aid different from that accorded to other States.

As I said in my introduction just now, we were therefore remaining true to ourselves and to the decisions already taken when we proposed an amendment in these terms.

I should, however, make it clear that I am only the spokesman of a committee—this despite a somewhat equivocal intervention by Mr Johnston, who is a member of this committee, and despite a certain qualification, this time a discreet one, on the part of Mr Hill and some remarks which I did not hear in the course of our work in the Committee on Regional Policy.

We are therefore in line with our decision. It is, moreover, I repeat, a unanimous decision.

I should like to tell Mr Vetrone how greatly I appreciated his speech as well as that of Mr Mitterdorfer and those of the group spokesmen, Mr Johnston, Mr Hill, Mr Liogier, Mr Fabbrini, Mr Schwabe and Mr Herbert.

I have already indicated the slight discordant note to be remarked in connection with Mr Johnston's speech. He will not hold it against me if I tell him that I wasn't there, even though in the attendance list published by the office of the chairman of the Committee on Regional Policy I am always shown as being present.

Mr President, without indulging in the vanity of an author, I think I can perceive, if not unanimity, at any rate, a certain satisfaction on the part of Parliament. At the same time, we are bound to note a general feeling of anxiety, because the new instruments will have to be applied in a very broadly-defined field of action. This is what emerges from the speeches of honourable members.

In this connection we appreciate the desire of Mr Liogier—shared, moreover, by Mr Schwabe—

for action in the interests of coordination and harmonization. Mr Liogier has, in fact, pointed out the identity of the objects pursued by the different funds.

I do not think, Mr President, that anything more need be said. The report is a faithful expression of the will of the committee. I do not think it meets with any opposition. In any event, there is no fundamental difference between the position expressed by Mr Thomson, whom I should like to thank, together with his colleagues, and our own position. He was kind enough to recognize at the end of his speech that this Parliament was a driving force. Far be it from us to think of the Commission as a brake!

We very well understand that the Commission should have plotted the limits within which you will have to move tomorrow—namely, 52% of the area of the Community and 32% of its population—but we would hope for a definition today of the priorities resulting from our work and already expressed in Parliament last July, October and November.

Outside this Assembly, Mr President, there is certainly a feeling of having taken a few steps forward, but it still seems to be something very modest, still only in its first gropings. The setting up of new regional policy instruments is recorded with satisfaction and good note is taken of the creation of a Fund whose resources are perhaps inadequate for a policy of dispersion but might, if one accepts for figures put forward, nevertheless be fully sufficient for a policy of concentration.

All this shows the determination of the Council and the Commission to make progress.

We now hope, Mr President—and Mr Thomson has announced a big debate for next year—to get out of this doctrinal no man's land of a regional policy which Europe does not yet possess—except possibly for its instruments—and proceed tomorrow to that policy on a big scale which the Community expects.

(Applause)

President. — I call Mr Herbert.

Mr Herbert. — Mr President, on behalf of my group, I should like to raise our objection to the inclusion of paragraph 3 in the motion for a resolution as a whole in view of the fact that the last part was unacceptable to the Commission.

President. — That will be recorded in the minutes, no doubt.

President

I now put the motion for a resolution as a whole to the vote.

The resolution as a whole is adopted.¹

The proceedings will now be suspended until 9 p.m.

The House will rise.

(The sitting was suspended at 7.15 p.m. and resumed at 9.00 p.m.)

IN THE CHAIR: MR McDONALD*Vice-President*

President. — The sitting is resumed.

7. Regulation on the application of generalized tariff preferences

President. — The next item is a debate on the report drawn up by Mr Dewulf on behalf of the Committee on Development and Cooperation on the proposals from the Commission of the European Communities to the Council concerning regulations relating to the application in 1974 of generalized tariff preferences in favour of developing countries (doc. 272/73).

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

Mr Dewulf, rapporteur. — (NL) Mr Président, the subject on which we have to deliver a political opinion today is complex, and you will certainly not wish to ask the rapporteur to give a technical explanation. I hope that the administration will also not resort to giving a technical explanation in order to avoid the political problems. The report and above all the resolution have been drafted in such a way that this Parliament, which has always been in favour by a large majority of generalized preference tariffs, is invited to give a general political assessment of the proposals which the Community of the Nine wishes to put into practice as from 1 January 1974; this in implementation—if I may just recall this point—of an important commitment by the Paris Summit Conference.

The question in which we are interested is as follows: Does the system proposed by the Commission represent an improvement for the developing countries in comparison with the

present system of the 'small' Community of Six?

We believe that this question can be answered in the affirmative. This, however, is not the basic question. The basic question for the developing countries is whether the situation will become more advantageous for them from 1 January 1974. To put it bluntly, whether the Community of Nine, which is presenting these proposals today, is more liberal and generous to the developing countries than the former Six and the Three who were not members of the European Community—namely the United Kingdom, Ireland and Denmark.

I should like to state quite clearly, as the report also states, that we are not in a position to assess this today and that we can certainly not express it in real financial terms. The important thing is to work out what are the genuine financial advantages for the developing countries and how far the new liberality represents a reversal. I believe that we can ascertain two things. The United Kingdom, which previously did not allow any preferences on textiles, has agreed to contribute with the enlarged Community to a certain degree of liberalization *vis-à-vis* the developing countries. This is something gained. A less positive factor, on the other hand, is that the United Kingdom, which is a major importer of processed agricultural products, has at the present moment a much more liberal system in this respect than the Nine are to introduce on 1 January next.

Before taking a closer look at the resolution, I must unfortunately express strong criticism on the way the European Parliament is consulted. I am certain that the Commission will admit its guilt, for we have in fact been too complaisant in accepting the way the Commission has treated us. The report has been drafted more as a result of telephone conversations and other means of communication than by the usual submission of the documents on which we could have constructed our opinion. At the very last moment, this morning—or was it yesterday morning—there were plans to have a special plane fly from Brussels to Strasbourg with a further document connected with preferential tariffs. *viz.*, the most recent Commission document, No 2042, which is more specially concerned with the implementation of Document 1801 on Virginia tobacco. This document contains the prospect of a number of advantages for certain Asian Commonwealth countries.

So, Mr President, there are no bouquets for the Commission today. On the contrary, I would criticize very sharply the way in which the information on the various components of the

¹ OJ No C 2, 9. 1. 1974.

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new generalized tariff preference system has been passed on bit by bit, so that today is the first time that we have been able to obtain a more or less clear impression of the overall package, the overall offer of the enlarged Community.

My criticism of the Council is even more severe. It will be remembered that, a few weeks ago, the President-in-Office, Mr Nørgaard, made a particularly interesting statement in this House, according to which there was to be considerable improvement in the consultation, the dialogue between Council and Parliament.

Now, in complete contrast to the letter and spirit, of that system, the Council has already discussed the enlarged Community's new generalized preference system, and therefore rendered it impossible for us to give an opinion.

To support my statement I refer to a press communiqué issued by the Council itself on 4 December, where we read, under the heading 'Application in 1974 of generalized preferences...' etc., the following: 'The Council discussed the last outstanding questions connected with the system to be applied by the Community from 1 January 1974.' I repeat: '...discussed the last outstanding questions'. So the Council's deliberations are already advanced.

The text continues—I believe as a matter of form—: 'It has instructed the Committee of Permanent Representatives to submit to it for approval at its next meeting all the implementation regulations required for the execution of the new system from 1 January 1974, after having taken account of the opinion of the European Parliament.'

Incomprehensible! There is here a contradiction in terms.

The same press communiqué contains a reference to the results of negotiations with the AASM.

Then there are two points—that the Council has studied the implementation of the recent consultation with the AASM within the Association Committee, with respect to generalized preferences for 1974, and the negotiations with Brazil.

At the end of its discussion the Council agreed to make various changes to the scheme for the application of generalized preferences for 1974. In other words, the Council is already engaged in improving its own scheme. And then it goes on to state, almost ironically: 'It also instructed the Commission to make proposals on possible ways of improving the consultation procedure'. This, of course, refers to the con-

sultation procedure in connection with the Associated States.

May I disrespectfully ask the Council whether it will now try to respect the procedure for consulting this Parliament?

It was in this spirit, Mr President, that Mr Fellermaier, as vice-chairman of the Committee on External Economic Relations, this morning sent a particularly sharply-worded letter to the President of this Parliament stating that the committee refused in such circumstances to deliver an opinion on Document 2042 and the Virginia tobacco which is so important to certain Asian countries.

We must fully reserve the right to come back later to this and the other proposals submitted to us when we have had time to study them thoroughly and formally present a more considered opinion.

Nevertheless, Mr President, in the interests of an issue which has our support, *viz.*, advantages for developing countries, I have to ask the Parliament to support our committee by accepting the political resolution you will find amongst your papers. The form of the resolution is fairly simple. I believe that the main points are to be found in paragraphs 7 to 10, in which we endeavour to give an overall positive assessment of the proposals. The resolution also, of course draws attention to special aspects of the generalized preferences, the list of countries, Community reserve stocks, a number of problems connected with implementation, rules of origin, etc.

I therefore assume, Mr President, that you will not ask the rapporteur to go into details on specific aspects of the problem such as the choice of countries benefiting under the scheme, the problems posed by the absence of other donor countries, and other similar matters. I think you will find all these in the report and resolution.

I should like to conclude with a general observation. The problems connected with development cooperation are becoming ever more complex. In the present-day context it will, of course, be even more difficult and probably more delicate. Nevertheless, I believe that this Parliament can take the initiative even in these rapidly evolving conditions and deliver a favourable opinion and adopt the motion for a resolution.

(Applause)

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

Mr Harmegnies. — (F) Mr President, the hour at which this debate is taking place is scarcely encouraging for excessive attendance or for very serious statements. Since this morning, like yesterday and the day before, and the day before that, we have been going from important problems to fundamental issues; it is excusable if, on the fourth day, with 17 names on the list of speakers for this debate, at this late hour, some of our colleagues who have taken part in so many exchanges of views on problems affecting Europe should not be here, although we are considering a report and a motion for a resolution, the great interest of which I should like to emphasize by expressing our congratulations to Mr Dewulf and the competent committee of this Parliament.

Mr President, Heaven knows that the Third World is present in our concerns today, particularly since it seems to have discovered its own power of intervention, and this brings us back to certain debates which have taken place in this Assembly on basic products, especially energy products.

In truth, the stake is the same at this moment as it was a few moments ago when it was a question of oil. We should never forget, when speaking of the Third World, that an evolution is rapidly gathering momentum which affects not only those basic products to which we are accustomed but extends to everything touching our economic activities and our daily comfort.

We should never forget that supply difficulties may arise, quite apart from those which have been so much in question recently, and every time another part of the world is concerned, we should lose the habit of thinking that the solutions are automatic as soon as we have decided on them.

This is the case with the far-reaching problem of generalized preferences, dealt with in the report and resolution of the Committee on Development and Coopération. This problem is one of a number of major questions to which Europe will finally have to make up its mind to contribute its share of the answer by committing something more than its mere credibility.

It is hardly necessary to recall that in October 1972, at the Paris Summit Conference, the Heads of State or Government in their final communiqué stressed the need to promote, in appropriate cases, agreements concerning the primary products of the developing countries, with a view, in the words of the communiqué, to arriving at a stabilization of the markets, an increase in these countries' exports, and a

steady increase in imports of their manufactures.

Need I remind you that during the two visits he made to the UNCTAD meeting at Santiago de Chile, Mr Mansholt, then President of the Commission, offered us the choice of two methods?

The first was to arrive at a fairer and more effective distribution of productive activities throughout the world, which implied, he said, structural readjustments in our own economies so as to stimulate a diversification of the economies of the developing countries by a potential increase in their exports.

The second alternative, he said, was to leave the developing countries a bigger share in the increased consumption by the industrialized countries.

Thus, the problem was posed. It is still outstanding, and at the moment when our rapporteur was, very skilfully, drafting his motion for a resolution, it became apparent that in reality we were trying to adjourn a debate which we cannot evade, since it is absolutely fundamental.

The Committee on Development and Coopération discussed the subject at length at two meetings, and at the second a number of divergences of view became apparent which everybody, as it were, coyly refrained from emphasizing.

Should preferences be generalized, and should they be generalized to such an extent that they become self-destructive? It was the well-known clash between the world-wide school and the regional school.

The Committee on Development and Coopération very happily did not allow itself to be drawn too far into this dilemma. On the contrary, it decided, on the proposal of its rapporteur, that it must take care not to condemn extensions which would become increasingly essential without, however, challenging the advantages gained by the associations which Europe had at heart.

Need I recall in this connection, Mr President, that the European Community was the only promoter of association agreements between region and region, thus taking up the torch of history, and this in the face of the independence finally accorded to a number of developing countries, or that our present associates, like those whom we are promised in future, themselves emphasize the merits of our method of association?

Harmegnies

It should also be remembered that the Community was one of the principal promoters of generalized preferences and that it was the first to put them into effect, whereas other groups of countries, other powerful countries, in spite of declarations prompted by good intentions, have so far refrained from applying them, while reserving the right to criticize, sometimes with harshness, the European Community.

In this connection may I ask Mr Dewulf whether in the recitals of the preamble he has not omitted, accidentally I am sure, to refer to the final declaration issued at Lomé by the Joint Committee of the Parliamentary Conference of Association between the European Economic Community and the Associated African and Malagasy States?

Mr President, at a joint meeting yesterday of the Committee on External Economic Relations and the Committee on Development and Cooperation, the President-in-Office of the Council gave us some information, pursuant to a Luns or Westerterp procedure, about agreements relating to India and Brazil which are on the point of conclusion.

I had the intention, but have so far not had the opportunity, to ask a few questions in this connection. I will therefore take the liberty of doing so today in the hope of getting an answer.

Have these agreements been the subject of consultation, as agreed, with the countries which are already associated with our Community, or have they not?

If this consultation has been held, how far did it go?

Has care been taken to consult our associates better than we have been consulted ourselves, since it was only yesterday on the occasion of a meeting without debate that the Council informed us?

Is it proposed, in this case, to apply the undertakings entered into on the subject of compensation to be directed towards technical aid for the marketing of products and guaranteed annual income?

These are the questions I wanted to put, because every time our Community makes agreements such as those mentioned yesterday, which will be concluded in the next few days, they may indirectly call into question what has been acquired within the associations to which we have subscribed.

Allow me to stress the importance of the paragraph of the motion for a resolution

dealing with the special preferential treatment which should be accorded to the least-developed countries; of paragraph 15, deploring the fact that certain industrialized countries, although some of them are inclined to lay down the law to others, including ourselves, are not discharging their responsibilities; and finally, of paragraph 17, which challenges the profit which the big multinational enterprises can draw, more or less directly, from a system of generalized preferences which is, after all, not necessarily intended for them.

I will conclude by recalling that at Santiago de Chile Mr Mansholt declared—and this is the case of Europe today: 'We must go beyond the academic and fruitless confrontation between the approach based essentially on access to markets and that which advocates the organization of markets. If we confine ourselves to these two approaches, insofar as they refer solely to markets, it remains obvious that they cannot lead to really sound solutions.'

Today Europe must choose. The resolution proposed to us has been deliberately drafted in cautious terms. May this caution be all the more encouragement to us to put it into practice!

President. — Before I call Sir John Peel, draftsman of the opinion of the Committee on External Economic Relations, I should like to say that the Chair made a slight slip of the tongue in calling the last speaker before the two draftsmen of opinions. But I am sure that I have given the draftsman the benefit of that excellent speech by Mr Harmegnies, and I hope that the Chair will be forgiven.

I call Sir John Peel.

Sir John Peel, draftsman of the opinion. — It is always our privilege to forgive the Chair at any time the President asks for forgiveness, and we certainly do so on this occasion. I am grateful to you for calling me now, Sir.

The noble Lord, Lord Mansfield, was originally appointed draftsman of this opinion, but as he is no longer a member of the committee I was asked to undertake the task.

I should like to emphasize from the beginning that the opinion of the Committee on External Economic Relations relates only to the Commission's proposals for certain agricultural products contained in Doc. 171/73. It is a favourable opinion, because the proposals represent an improvement in the preferences available to the developing countries, both in the numbers of products covered and in the reduction of tariffs,

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although in the case of the United Kingdom they are in some respects inferior to the preferences already granted by that country. Furthermore, we note that if there is any risk of harm to Community producers it can be averted quite quickly by the procedures laid down in the proposals.

Therefore, such objections as we have are not to the matter of the proposals themselves but to the manner in which we have been asked to consider them. Here I very much sympathize and agree with the rapporteur's remarks earlier this evening.

The proposals represent only part of the total package of generalized preferences. The remainder, which are dealt with in Mr Dewulf's report, did not arrive in time for the committee to give an opinion at our last meeting before the part-session. It is very difficult to consider the proposals for these agricultural products in isolation from those relating to manufactured and semi-manufactured goods and to certain processed agricultural products.

I know that the Commission put forward the proposals for certain agricultural products separately and in advance of the rest of the package in order to give us as much time as possible to consider them before they come into force on 1 January 1974, but it is very much to be regretted that the remainder of the package was not received in time for us to consider it as a whole.

Given that we are able to consider only part of the generalized preference scheme, it would also have been helpful if we could have been given much more information about the likely effects on Community trade. The Commission was unable to give us any estimate, even for the main commodities, of the quantities and values likely to be involved. Nor could it tell us the proportion which those quantities and values represent of the total exports of the developing countries concerned. We should also have liked to know the proportion they represent of the imports of such commodities into the Community and, where appropriate, of the domestic production of the Community.

We also noted that the list of countries affected by the proposals include several, such as Romania and Yugoslavia, which have reached a fairly high level of development. If they are included, why cannot Turkey also be included, as our committee has so often requested, with the agreement of Parliament as a whole and of the Commission?

I hope that in spite of these criticisms Parliament will nevertheless approve these proposals,

because, so far as we can judge with the information we have been given, they will be of considerable benefit to the developing countries. I also hope that next year we shall not be put in the humiliating position of having to approve proposals which we have been given totally insufficient time to consider.

Not only have we been treated in a rather cavalier manner concerning these proposals, but the Committee on External Economic Relations, meeting yesterday afternoon, was faced with a whole series of proposals most of which had never been seen by the committee until they reached the committee meeting yesterday afternoon, and the committee was expected to approve them. To add a little insult to injury, right at the very end under 'Any Other Business' further proposals were shoved in front of our noses and we were asked to approve them then and there. They were not even before us when our meeting started.

I am sure that you, Mr President, will agree that this is not the way Parliament should be treated. This is the first year in which the enlarged Community has been working. I do not think we should allow this to happen next year. I hope that if anything like it happens again, Parliament will show its intense annoyance and take further action beyond simply standing up as we are this evening and making a few complaints about the treatment that has been meted out to us.

(Applause)

President. — I call Lord St Oswald, draftsman of the opinion of the Committee on Agriculture.

Lord St. Oswald, draftsman of the opinion. — Mr President, there has been much to cover in this long and detailed report, but, as was to be expected, all points have been dealt with meticulously and comprehensively by Mr Dewulf.

I speak in a subsidiary capacity as draftsman of the opinion of the Committee on Agriculture. There are only two matters on which I might in the circumstances reasonably expatiate without traversing the ground already covered by Mr Dewulf. One is the matter concerned in paragraphs 15, 17 and 41 of the report, which deal with special arrangements for some Asian countries of the British Commonwealth. These arrangements stem originally from certain proposals contained in the Declaration of Intent before the signing of the Act of Accession by the three new Member States. They offset in a helpful way some disadvantages which would otherwise be suffered by India, Pakistan, Sri Lanka, Singapore and Malaysia. This matter is

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being dealt with specifically by Sir Douglas Dodds-Parker. As his views are entirely in line with my own, I would prefer to leave this subject to him.

There remains one aspect on which I should like to speak. This concerns part of the annex to Mr Dewulf's report, being the observations and conclusions of the Committee on Agriculture. I refer in particular to paragraph 22 on page 36 of the annex of the report. It is short, and I should like to read it verbatim:

'Bearing in mind the changed political and economic position in 1973, the Committee on Agriculture requests the Commission of the European Communities to undertake a fundamental review of the criteria determining the status of "developing country".'

This was an aspect and a course which the Committee on Agriculture thought worth taking into account. I wish to tell this House how it came to our notice after I had been appointed rapporteur.

I began, naturally enough, from the premise that generalized tariffs are a desirable form of assistance by responsible European nations to those nations less fortunate and in need. Where possible, and by general consent I believe, this should be a means of helping them to help themselves. Anxious to learn to what extent this latter purpose had been successful, I studied the list of countries enjoying the benefits provided by this means. I was struck by two discoveries, both of which seemed incongruous and disturbing.

First, the list always known as 'the seventy-seven' has grown almost unnoticed to 111 according to the table attached to the Proposal from the Commission, Doc. 171/73. That is 111 independent nations. By rights, if the system had been successful, the list should have been reduced as more and more countries found their feet and gathered confidence and productive capacity. This I found *prima facie* depressing, and I still do not know by what system new countries qualify to join this unenviable group of nations, while none appear to outgrow that status by their own efforts, assisted as they are by richer fellow nations. The latest available roll of the United Nations is, I understand, 142, which seems to signify that only 31 nations in our present world are as yet developed. By way of seeking an explanation, I asked for the *per capita* gross national product of each developing nation to be set beside its name on the list, and this table has been included by Mr Dewulf in his report.

There I made my second discovery. Among those nations are, for instance, the oil-producing

countries of the Middle East; Bahrein, Kuwait, Libya and Qatar were some which caught my eye. The characteristic of those countries of which we are currently most aware is that they have declared themselves ready to cut their principal national product by 25 per cent, 50 per cent, or even more, with the stated purpose of doing certain developed nations industrial and economic injury. It is something of a strain to suppose that nations in this strong position are also in need of economic assistance, either by tariff preference or by other means.

The list does not tell the whole story, because against certain nations appear the evasive letters—in the English version—*n.a.*, meaning 'not available'. But I invite honourable Members to look at the list and notice that Kuwait declares a gross national product *per capita* of 4,189 dollars. That is not far short of twice the corresponding figure for the European Community as a whole, at 2,260 dollars. Libya with 1,920 dollars is slightly better off than the Irish Republic.

It is unfortunate and unsatisfactory that certain other countries do not make this important statistic available, because it is at least one way of establishing need, and we know that the need is so considerable across the surface of our globe that we should seek to direct the far from limitless help we are able to give to the nations which most require it rather than to those which are better off than ourselves. A study of the oil-producing countries which do not provide these useful figures suggests that if their continually rising product is divided by the numbers of population, they are certainly level in these terms with Kuwait. I should have mentioned that the figures given are for 1970, since which production and therefore wealth has increased in every case.

In drawing attention to these particular nations, it may be as well to make two things clear as to my purpose. In urging that there should be a review of the list of developing nations, which might conceivably result in the removal of some of these nations, the Committee on Agriculture is definitely not seeking a counter-measure to the use of the 'oil weapon'. As such it would be entirely ineffective, not even a pin-prick in response to a grievous wound. We see no kind of sense in looking for vengeance: in answering spite with spite. That could only aggravate a sensitive situation. Nor do we wish to discourage—indeed, the reverse—the efforts which my right honourable friend the Commissioner who will reply to this debate and his colleague, Mr Cheysson, may make in the way of bilateral trade agreements with any states of the Middle East, including those countries. We feel that

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there is much to be done, of great mutual benefit, in this way.

The simple criterion in question is as described. Can it be sensible or justified to include among the territories needing help some which are, and will remain, actually richer, economically more powerful, than ourselves? It provokes the whole question of how relatively rich we are. On Tuesday of this week Mr Dewulf observed that we have proved our loyalty to the African nations, and there may soon be a time for them to show practical appreciation—so I understood him to suggest. The influence which they can bring upon the Arab countries may be greater than ours at this time, and, if a recession should come as a consequence of the oil crisis, the very help we are able to give them may, in simple, inescapable mathematical terms, be reduced. The highly-respected Baron Jean van den Bosch, for many years Belgian Ambassador in London, and now a banker in Brussels, drew sober attention to this in a letter to *The Times* in London a week or so ago.

I was heartened to hear Mr Cheysson, in the debate on aid to the Sahelian area earlier this week, speak of the assistance which Nigeria and Zaïre had given to their African neighbours in need. They are joining us in this work, and it might well be that the Arab nations, with so much wealth to spare that they can afford to cut production, will feel bound to become, moved to become, subscribers, and welcome as such. Perhaps the new Arab-Africa Bank, of which Mr Cheysson also spoke, will lead to this.

Before ending, I return specifically to the matter of a review of the list of developing countries, which the Committee on Agriculture deems desirable. Later my noble friend Lord Reay will move a separate amendment requesting this. No individual nations will be mentioned or suggested, and rightly not. The criterion of wealth and consequent need or lack of need on the part of individual nations may be all that requires to be identified. It must be determined—at some point in history it has to be determined: When is a developing country no longer a developing country?

To suppose that a developing country is, by definition, one that can never be otherwise, is incapable of development, would be unthinkable insulting, far worse than patronizing, and it is now noticeable that Sheikh Yamani and his *confrères* are tending to patronize us in their statements.

We cannot declare, at least so say I, that this list is sacrosanct, immutable, irreducible. When I suggested this some days ago, I was told in a

kind of mumble, from a quarter which I will not name, that it could not be touched 'because it came from the United Nations'. At the risk of giving offence, I must say that no reply is better calculated to exasperate me. The European Community is not an agency of the United Nations. Had it been, I dare say I would have fought as manfully to keep my country out as I fought to help in bringing it in.

The European Community possesses in every way sounder judgment than that other body—and I cannot even classify that as a compliment. I rather fear that I heard UNCTAD referred to, in this Assembly, as if it were some kind of cosmic priesthood, incapable of error, omniscient, omnipotent, wiser than God. It is nothing of the sort. It is every whit as fallible as the panel of judges in the 'Miss World' contest.

(Laughter)

For the sake of the donors whom we represent and the recipients whose lot we seek to improve, we must make our own judgment as to where our help is best and most valuably extended.

The peoples of this continent, our continent, possess an instinct for generosity. This instinct is given an outlet and a new purpose by the present Community—and will be given wider fulfilment by later enlargement, in course of time. But this generosity has all too often, in history, been dissipated or eclipsed among ourselves, by destructive wars. I am suggesting that in a period untroubled by war we should be on our guard against dissipating our available substance, by distribution according to set and possibly outdated or misconceived rules and formulae, leaving some over-endowed and others deprived. There is nothing that I have read to indicate that the Prodigal Son squandered his birthright exclusively on his own personal entertainment. He may have squandered it by standing too many drinks to close friends and cutting a dash among his hangers-on. That is the way most prodigal sons dispose of their birthrights in our day. He might have done better, as we might do better, on examination, by disbursing the same amount among the deserving and scrupulous, who are always around us.

Supposing that, as an opening suggestion, with the purpose of giving the same volume of help as we give now, not a penny less, we were to consider drawing the line at nations which had more than half of our *per capita* g.n.p., would that be unjust? Perhaps, on scrutiny, it would prove to be unjust, and a different line or a different criterion would have to be sought. What I am saying is that the system as it stands seems pretty haphazard and unjust, and it behoves the Commission to take a long cool look at

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it, without being mesmerized by the ratings drawn up by the United Nations or any other outsider.

Europe possesses, largely because of the industry and shrewdness of our predecessors, wealth which can be used generously, but I hope not prodigally—applied with a sense of wise discrimination. Discrimination is not an ugly word or an ugly practice, if it is exercised with intelligence and justice, if it is not used as an excuse for parsimony or prejudice. Within the Commission and the Council of Ministers and within the Parliament of this Community, there are men and women of outstanding intellect, experience and compassion. It is through their combined judgment that our aid can be most usefully and responsibly channelled, and serve an optimum, lasting purpose, on—let us hope—an increasing scale, in proportion to our own prosperity.

(Applause)

President. — I call Sir Douglas Dodds-Parker on behalf of the European Conservative Group.

Sir Douglas Dodds-Parker. — Mr President, as the hour is getting late I shall try to keep my remarks brief, but I should first like to congratulate our rapporteur. This is not just a formality, because I have spent as much time as I could in the committee with him and I realize the concentration of effort that was required of him both in principle and in the immense depth of detail in which he had to go, this being only the latest of many documents that he had to read and absorb.

I believe that the proposal before Parliament now is one of the most important that the Community has yet put forward, and I think, as the first speaker after the rapporteur said, that there is much thinking through to be done before this new type of activity or of action can be put into real effect. This, therefore, is only a beginning, because we in the Conservative Party are great believers in preference.

In the decade after the war Commonwealth preference played an important part in the thinking and actions of Britain, but it was eventually removed, or reduced to negligible proportions, for better or for worse, under the General Agreement on Tariffs and Trade, under pressure from certain countries which thought that this form of discrimination was an unfair trading practice. Now we have it here again and I for one am delighted to see it, because in seeking to give, as I see it, priority to those whom we judge, with the fallibility of our judg-

ment, to be most deserving, I think that we can help the developing countries of the world.

The problem has yet to be resolved of the priority between, on the one hand, the associates and the associables and, on the other hand, the other developing countries which are covered in the list of just over 100. I think that it will take a great deal of national, Community and international diplomacy to reconcile all these priorities, especially since, as has been pointed out, so many of these developing countries which for better or for worse are listed under UNCTAD have now obviously moved out of the realms in which they can normally be regarded as developing.

I think that these are some of the dangers which are ahead. The copper producers, for instance, realize that if copper goes above a certain price, other uses will be made of other metals. I believe it is significant that the United States has just announced that it is to mint aluminium cents. That is the sort of reaction that will follow.

Therefore, I believe that in present circumstances the great rises in price of many commodities, particularly oil, are hurting the developing countries even more than the developed countries. I believe we shall see more of that in the next few months and years. We must take it into account when considering the problem tonight.

There are just two points in Mr Dewulf's excellent report which I should like to mention. In paragraph 37 on page 27, he says:

'Your rapporteur cannot, however, escape the impression that...Community industries are being protected...beet sugar and cane sugar.'

I do not think that the Community has ever made any secret of the fact that some agricultural products are excluded because of Community interests—that is, as opposed to associate interests. At this stage of the Community's development, I think that that is fair enough.

In the last sub-paragraph of paragraph 41 on page 29, Mr Dewulf refers to the proposed reductions in the duty on unmanufactured tobacco. I understand from what he said about Mr Fellermaier's letter that this point has not yet been fully cleared up. Possibly the Commissioner will be prepared to give us further information on that when he answers the debate.

My noble friend talked about some of the points we might raise about the South-East Asian countries under the General Declaration of Intent of 22 January 1972. That area is, and has

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been for a considerable time, an area of great relative wealth from the export of raw materials. It is moving from that into a semi-industrialized position in which processed foodstuffs, especially pineapples, are of great importance. Perhaps the Commissioner will tell us the position of processed foodstuffs from that area, especially pineapples.

I will not take up the challenge of my noble friend and talk about prawns and shrimps, because we sometimes go into too fine detail, even in committee. However, I must admit that it is one of my objects before I leave this Parliament to achieve a nil tariff on frogs' legs.

(Laughter)

I see that there is a proposal to reduce it from 7 per cent to 5 per cent. Probably somebody would be injured very badly if such things were done in a hurry, but it seems to me to be a rather small point.

My next question to the Commissioner concerns tobacco from India, under the General Declaration of Intent. I understand that tobacco represents about 10 per cent of the export earnings of India and is, therefore, of great importance to that country. I hope that Mr Fellermaier's letter will help to clear up the point.

In the past the Commonwealth countries have had free access to the United Kingdom market. From 1 January, only three weeks away, duties are to be put on a number of their products, but we hope that overall they will be offset by a reduced duty in the Six as a whole. I know that this is a point on which the Commissioner has been doing sterling work over the past few months.

Among the items that I believe will be damaged is palm oil, which comes from South-East Asia. There is a case for free entry once again before very long. The present proposal is that the duty should be only 1 per cent to 4 per cent, which seems hardly worth collecting. So many of the imports from those countries are on a free list already—some two-thirds, I believe—that in a world which is increasingly short of raw materials it might be wise to ensure supplies by giving free market entry to as many countries and as many products as we can, and thereby not only ensure sales to those countries but help to keep down our cost of living.

Mr Dewulf said that the United Kingdom had been more liberal, and I think that that has helped both importers and exporters. We have benefited in the United Kingdom by having a low tariff for raw materials and foodstuffs. Perhaps the Commissioner could give us his views on the future of that.

If there is to be a delay for some of those countries under the General Declaration of Intent, could the existing tariffs be extended for a period, as I understand has been done in the past for Israel, Spain and Cyprus? That might be one way out of the problem.

I think that 1974 will be the first year of a two-tier system for the Third World. I congratulate Mr Dewulf and the Commission on making a good start on it. There are certainly many points still to be resolved. I have mentioned only two—tobacco and pineapples. They may seem not to be of great importance, but substantial quantities and values are involved.

Once the harmonization of the Six and the three new countries is established in 1973 and 1974, the system so established will need constant adjustments in the years ahead. If these proposals from the Commission, so well set out and supported by Mr Dewulf, are properly applied and extended, we have the Nine off to a good harmonized start on which I hope we can build for the future.

(Applause)

President. — I call Mr Bourges on behalf of the Group of European Progressive Democrats.

Mr Bourges. — *(F)* Mr President, Mr Vice-President of the Commission, ladies and gentlemen, my first words must be to congratulate the rapporteur of the Committee on Development and Co-operation and the draftsmen of the opinions on the speed with which they have been able to present their report in spite of the difficulties of procedure and timetable they have encountered.

Our group deplores the fact—as indeed the rapporteur brings out in his motion for a resolution—that the European Parliament and the associated African States were consulted so late in the day. It is true that while consultation with the European Parliament is compulsory under Article 43 of the Treaty of Rome in respect of the regulation for the application of generalized preferences to products coming under Chapters 1 to 24 of the Community external tariff, that is to say, certain processed agricultural products, it is only optional for proposals relating to finished and semi-finished products, whereas the generalized preferences applied to these chapters 25 to 99 of the Community external tariff cover an infinitely larger amount of imports.

We therefore appreciate the fact that the Council should have consulted the European Parliament on this range of proposals by the

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Commission. But the date of these consultations—and our associates have not failed to deplore it on their side—makes them look rather formal, not to say artificial.

Of course we fully recognize the complexity of the institutional mechanisms which places the period of consultation at a delicate moment, between the overall orientations arrived at after long discussions and sometimes laborious compromise, and the effective decision of the Council. We think it desirable in future to look for the improvements which might be made to the consultation procedure.

After these preliminary observations, I turn to the substance of the matter, the whole reasoning behind the system of generalized tariff preferences.

Part IV of the Treaty of Rome, followed by the two Conventions of Yaoundé and the search for a Community policy for the countries bordering the Mediterranean, reflects the desire to create special relations between Europe and these regions, vitalized by privileged economic exchanges. Without questioning the path thus plotted, our Community has gladly subscribed the enlargement of preferences to cover all countries of the Third World in order to assert the necessary solidarity between the industrialized and the developing countries. To facilitate the access to our markets of the products and goods of these countries was certainly one of the surest ways of encouraging their development. It was in this spirit that, following the United Nations Conference on Trade and Development at New Delhi and then at Santiago de Chile, the Community, as long ago as July 1971, was the first to bring into effect a system of generalized preferences, in the hope that its example would act as an incentive to the other industrialized powers.

This hope was disappointed. Japan has followed this line only with the greatest timidity, while the United States, which supported this policy, has been careful not to apply it itself. The rapporteur rightly recalls and regrets this in paragraphs 14 and 15 of the motion for a resolution.

Today, when the supply of primary products seems to have called international economic relations into question and the ideas of wealth and solidarity seem quite relative, one may legitimately question the value, if not the legitimacy, of generalized preferences. Their continuance, like their extension, seems to us to be highly likely to give greater benefit, quite unjustly, to those countries which are in a better position because of their natural

resources than to the least-favoured countries, whose trade should have a more privileged reception from us than that of other countries.

The Paris Summit Conference of October 1972 was, moreover, inspired by this spirit when it invited the institutions and Member States progressively to adopt an overall policy of development co-operation.

It is therefore in the light of the essential aims set by such a policy that we should appreciate the measures which should come into force with effect from 1 January 1974 and which raise a problem which is all the harder since the new system has to be applied not only by the first six founder States but by the Nine of the enlarged Community.

The concrete results, Mr Vice-President, will, moreover, largely depend on the strictness with which the rules of origin of goods imported into the Community are applied. In this connection we hope that the Commission will show itself particularly vigilant and attentive to the risks of distortion of trade.

As far as we are concerned, my dear colleagues, as the representatives of the peoples of the Community, our judgment should, it seems to us, be based on four areas of concern.

First, there can be no question of changing our attitude towards our earliest associates, who have always manifested their confidence in us.

Secondly, this responsibility arising out of the fact of enlargement should be extended, so far as they themselves desire, to what are called the "associable" countries.

Thirdly, it should not rule out the interest we must legitimately take in other developing countries. But even so, the list must not be improperly lengthened.

Fourthly, we must bear in mind the legitimate interests of our own countries.

Our rapporteur is quite right in devoting paragraphs 9 and 10 of the motion for a resolution, first, to the consideration that all countries associated with the Community should benefit from the system of generalized preferences if this system accords them advantages which they do not already enjoy as a result of their association with the Community and, secondly, to inviting the Commission when it continues its efforts to improve the system, to ensure that the Associated States, and particularly the least developed among them, do not suffer as a result. Mr President, we are grateful to the rapporteur for having

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had the honesty to recognize that a problem of this kind might arise.

What do we really want?

If the system of generalized preferences should really afford the beneficiary States greater advantages than they can expect from the tariff and trade provisions of association, then what is the good of association? We should be meeting our associates in Rome in some six weeks' time. It is inconceivable that we should disappoint them. We must prevent the Community's tariff policy from leading to a further erosion of the advantages they have acquired.

Before casting our vote, we expect the Commission to give us the full and official assurance that the breaches already opened will not be widened to the detriment of States which, for historical and geographic, as well as political and sentimental, reasons have so long shown confidence in us and deserved ours in return.

The happy enlargement of the Community is calculated to lead to a similar enlargement of the association, at least in so far as what are called the "associable" countries want to co-operate with Europe on bases which cannot be those of paternalism or neo-colonialism, but must be those of free accession and of the parity which manifests itself at the level of the institutions of our association.

We must certainly go on trying to conclude trade and co-operation agreements with the countries of the Third World. We must adapt our policy to our means, which are not infinite.

It strikes us as necessary in this connection—and we agree with most of those who have already spoken—to revise the whole idea of under-development on the occasion of the offer of generalized preferences.

Indeed, however great may be our desire to give aid and assistance to the less developed countries, we must be careful to protect the legitimate interests of our own peoples. The clouds which are gathering on the international economic horizon are not calculated to encourage very serene thoughts.

The workers in our countries are becoming concerned about a possible slow-down in growth and the resulting risks. Is this the moment to add to their legitimate anxieties by artificially increasing the difficulties which may be experienced by this or that sector of our economy? Are we quite certain that the adoption of such measures would help to improve the situation of European consumers? In this connection, too, we should like, before

we express our views, to know the reasoned opinion of the Commission.

The present situation necessarily forces us to think about our aid and co-operation policy and its ways and means.

For many people, the time of grants-in-aid and subsidy is over, as well as that of the purchase of primary products at a price more often fixed by the buyer than by the seller. We must without delay look for a new equilibrium and boldly propose the establishment of new contracts in the service of the mutual interest of peoples, with respect for the dignity and needs of all, in the light of new realities, according to countries and according to resources.

If paternalism is no longer current in our countries, we must also base our relations with the developing countries on new criteria. It is true that aid will still be necessary for a long time to come and that it will be accepted for even longer. But perhaps, instead of generalized preferences or any advantage of that kind too often granted, we should commit ourselves to a genuine policy of co-operation based on equality and founded on the balanced development of the peoples of the world who all aspire to be nations in their own right.

These are not dreams, but an aim which we think it urgent to achieve. In this way we shall avoid that new world war which, as President Senghor emphasized the other day, for all that it is economic, will have no less serious consequences than an armed conflict.

Let us resolutely and lucidly harness economic co-operation policy to the service of genuine international solidarity and, therefore, of peace.
(Applause)

President. — I call Lord Reay. You have ten minutes, Sir.

Lord Reay. — I think that basically it was a wise decision on the part of the Community to produce for 1974 an improved and more generous version of its scheme of generalized preferences, notwithstanding the current GATT round. In such a way, the Community has been able to show that it has an international interest in developing countries at a time when the new set of negotiations with the Associated and Associable States might otherwise have provoked the criticism that the Community appeared to have narrower interests.

I have no objections, nor, so far as I am aware, does any of my group have objections, to the excellent motion for a resolution which Mr De-

Lord Reay

wulf has put forward. However, we have an amendment down to include a new paragraph, an amendment which, as my noble friend Lord St. Oswald explained, I shall shortly move. I should like to take this opportunity in the general debate to add my explanations to those he has already given of the reasoning behind it. In this way I should be able to move the amendment formally when the time comes.

The amendment requests the Commission to review the criteria determining the status of a developing country. In fact, of course, the Community cannot be said to apply its own criteria. The original so-called Group of 77, the countries benefiting under the scheme, were the signatories to the Charter of Algeria, and the signature of some parties manifestly expressed an intention of political solidarity rather than a common level of economic development. It is this that explains the anomalies in the list to which Lord St. Oswald has drawn attention.

Subsequently that group has enlarged itself, again without the Commission's playing a significant part, so that the present list of independent countries enjoying generalized tariff preferences—they are listed in Annex B to the Commission's proposals—now numbers about 111. We do not believe that is a sufficient answer to the objection that the list includes countries whose wealth makes their inclusion an anomaly to point out that such countries do not, as so often happens, benefit much, if at all, from the scheme.

The point, I suggest, is one of political principle. In assuming the obligation to help developing countries, the Commission has a right to determine which those countries should be, and a duty both to them and to the taxpayers of the Community to lay down the criteria on which eligibility for such assistance depends. Moreover, a review such as we recommend might give the Commission a chance to remove some obscurities and make the whole GSP scheme somewhat less impenetrable than it is to all but the professionals.

It is in some respects uncharacteristic of the Commission not to insist more on its own conditions. In the management of the EDF, which is widely admired, the Commission's supervision is most strict. I have no doubt that the Commission will resist political pressures to dilute this control within the current association negotiations.

To give another example: in its important sugar proposals the Commission, while accepting the overall quota of 1.4 million tons, nevertheless reserved the right to settle the allocation of individual countries' quotas differently from the

way in which they had been settled with Britain in the past—a right which, incidentally, I would support for reasons of principle. Having taken on obligations, the Community acquires corresponding rights, and the acceptance of a list of eligible countries which is manifestly faulty, and which it played no part in drawing up, constitutes so far as I can see a pronounced exception in its philosophy.

The second point to which I should like to draw attention, and which the Commission might well consider, is the question of the poorest countries. Even if one eliminates from the list the blatant anomalies, one still has a situation in which it is the most developed in the list that tend to benefit most. The three countries currently benefiting most under the scheme are Yugoslavia, Hong Kong and Iran. Yugoslavia and Hong Kong between them account for over 40 per cent of the total volume of exports benefiting from the scheme. Perhaps the Commission would study what possibilities exist for making benefits in the field of processed agricultural goods available to the poorest countries only. It is in that field rather than in that of manufactured products that the poorest countries might have their best prospects.

In this respect, I am worried about the possible effect of the application of Articles 2 and 3 in the Commission's proposal dealing with products falling under Chapters 1 to 24. The extension of the scheme with regard to these products carries with it the risk of its being necessary, where it has not been necessary in the past, to apply the safeguard clause. Although Article 2 provides that tariffs can be reintroduced only for the country causing the disadvantage, by then the markets will be already disturbed, and, under Article 3(1), in order to apply Article 2, tariff duties generally may be introduced for a specified period. Therefore, it is possible for the most developed countries to receive an advantage that could have been reserved for the poorest.

I would expect the Commission to reply that the countries receiving generalized preferences demanded in UNCTAD that this should be done without discrimination, but the Commission has already infringed that principle by introducing Romania into the list and then giving her only a part of the preferences available to the others. Moreover, it was UNCTAD, wearing another hat, that itself drew up the list of the 25 poorest countries, presumably with a view to receiving special treatment.

Mr President, we must not forget the change in our own circumstances. A recognition of our own relative impoverishment in the world has penetrated debate after debate during the course

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of this week in Parliament. The gigantic transfer of resources that is occurring between ourselves and the producers of certain raw materials, in particular oil—a transfer from the old to the new rich—will change for ever the old polarization between ourselves, the rich ex-colonial powers, on the one hand, and the poor developing countries, on the other hand.

One consequence is that we now have the phenomenon of the rich developing countries. For us to earn our way in the world, even for those of us who have had the strongest balance of payments, will present wholly new problems, as Commissioner Simonet was pointing out today.

With the consequential threat of a cutback in our aid programme, perhaps the very best to be hoped for is a maintenance of the present level in nominal terms. That means a decline in real terms.

In such circumstances it becomes even more necessary than in the past to see that what we spend is spent efficiently. While other principles should not be excluded, one principle on which to do it is the principle of the greatest need. Some developing countries having therefore national incomes far higher than others, it becomes only reasonable to make distinctions between them, both for the purposes of the GSP and for other purposes. In this connection it is worth remembering that the Community has just embarked on the process of formulating a global aid policy.

Mr President, for these reasons—because I believe that it is politically correct for the Community to insist on its right to establish the criteria according to which it gives assistance to developing countries, and because now more than ever it is necessary to distinguish between the relative needs of those countries to which assistance is given—I hope very much that Members of Parliament will find it possible to support the amendment which I shall shortly be moving on behalf of my group.

(Applause)

8. *Change in agenda*

President. — I have received a proposal from the authors of Oral Question No 134/73 to consider their question together with the report by Mr Dewulf. The rapporteur and Sir Christopher Soames agree with this procedure. I therefore put the proposal to the House.

Are there any objections?

That is agreed.

9. *Joint debate on Mr Dewulf's report and Oral Question No 134/73 with debate: Generalized tariff preferences*

President. — In accordance with the decision just adopted, we shall now proceed to a joint discussion of Mr Dewulf's report (Doc. 272/73) and Oral Question No 134/73, with debate, tabled by Mr Van der Hek, Mr Broeksz, Mr Laban, Mr Patijn and Mr Wieldraaijer and worded as follows:

1. Does the Commission share the French view that the EEC's offer within the framework of the non-discriminatory, non-reciprocal UNCTAD system of generalized preferences for the benefit of developing countries should be extended to Bulgaria?
2. What steps does the Commission envisage taking to prevent the possible extension of the above-mentioned system of preferences to individual East European countries from leading to a de facto reduction in duty-free imports of products from the vast majority of developing countries named in UNCTAD Lists A and C?
3. What steps does the Commission envisage taking to prevent the possible extension of the above-mentioned system of preferences to individual East European countries from leading to an increase in the quantity restrictions inherent in the present system as a result of the fact that, compared with the majority of the developing countries, the East European countries are far more competitive in certain import sectors such as processed agricultural products, textiles and some industrial products?
4. On what does the Commission base its opinion that the system of preferences is not only intended for the countries named in UNCTAD Lists A and C but also for those named in UNCTAD List D?¹
5. Did the Commission compare its points of view with that of the UNCTAD member states and the GATT contracting parties or will it do so before taking a final decision and is it prepared to accept all the consequences of such a comparison, since what is involved is the interpretation of the UNCTAD II resolution on preferences and the GATT waiver based on that resolution?

I call Mr Patijn to speak to the question.

Mr Patijn. — (NL) Mr President, I should like to express my sincere thanks to the rapporteur and to Sir Christopher Soames for agreeing to lighten our load by taking this oral question with debate together with Mr Dewulf's report, as the question does in fact come under the same subject and touches on a part of it.

I also wished to offer the apologies of my

¹ See report of proceedings of the European Parliament of 19 September 1973, pages 19 ff.

Patijn

colleague Mr Van der Hek for not being able to attend and introduce this question himself.

The reason why my Dutch colleagues and I put this question is as follows.

On 3 July last the President-in-Office of the Council stated in this House that, as he saw it, the generalized preference system could be extended to other countries who wished to be included. Mr Van der Hek's question stems from the admission of Romania to the generalized preferences system. Lord Reay has also just commented on this. Later replies from the Council and the Commission showed that there was no particular reasoning underlying the extension of the system of generalized preferences to countries in the Eastern European bloc and that each application would be considered on its merits.

I should like to emphasize at this point, Mr President, that we have no objection at all to trade agreements between the Community, Comecon and individual East-bloc countries. On the contrary, we believe it is a good thing that this should happen in the framework of *détente* between Eastern and Western Europe and that it should take the form of the conclusion of trade agreements under the common commercial policy.

We therefore stress that we are looking at the matter from the point of view of the developing countries. In our opinion we, as a Community, must always bear in mind that they should have greater access to the Community's markets than any other country. If we do not preserve this attitude the entire UNCTAD system of generalized preferences will be undermined. We have been told that the admission of Romania to the generalized preference system, without consulting the Parliament, cannot be taken as a precedent. I stress this point particularly, since there are now discussions on whether the system of generalized preferences should be extended to Bulgaria. We hear that Minister Jobert spoke about this in the Council on 20 September. Now I hope that, in its answer, the Commission will not take shelter behind the formal position that there is nothing to this, since Bulgaria has not yet submitted a request for admission to the generalized preference system. Clearly, what we wish to know is on what basis the Commission assesses whether a country should be admitted to the generalized preference system.

As yet, we see no reason whatsoever for taking the view that the generalized preference system must apply to countries other than the developing countries. And please spare us the argument that Romania and Bulgaria are

developing countries! I should like to hear the Commission state its position as clearly as possible.

Mr President, I should like to repeat that we do not wish to stand in the way of trade between the Community and East-bloc countries. We support the principle of the conclusion of agreements with such countries under the common commercial policy. But such agreements should be dealt with separately and not be included in the generalized preference system. A propos, I should like to recall that the European Parliament has acquired certain rights in the conclusion of trade agreements by the Community, under the Giraudo procedure. If the generalized preference system is preserved and extended to East-bloc countries, Parliament will once again be pushed aside.

The main concern in the generalized preference system must and will be the interest of the developing countries; my colleagues and I cannot cooperate in undermining the system and the philosophy inherent in it.

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

Mr Dewulf. — (NL) Mr President, I should like to thank Mr Patijn on behalf of my group and state that we are in full agreement with him on this point.

President. — I now call the Vice-President of the Commission, Sir Christopher Soames, to reply to this debate.

Sir Christopher Soames, Vice-President of the Commission of the European Communities. — I congratulate Mr Dewulf on his report and also Lord St. Oswald on his opinion on the Commission's proposals for the Community's Generalized Preference Scheme for 1974. I assure the House that I am all too well aware that this is a complex subject, and I cannot but sympathize with the view expressed that Parliament would have wished to have been consulted much earlier and with much fuller information than it has been possible to supply to it this year. In extenuation I should say that the difficulties with which you are faced and which Mr Dewulf has so largely and effectively overcome reflect in fact the difficulties which the Commission too has experienced this year. For this year we have had a double task. We have been seeking not only to develop and to improve our system of preferences introduced some two-and-a-half years ago, but to blend into it the quite

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different systems operated up to now by the new Member States.

Among other problems from which we have suffered is a lack of accurate statistics. The customs nomenclatures operated in the Member States differ from each other and all of them differ from the nomenclature of the Community. So we have had no properly comparable figures for our calculations. But we should, I hope, have some rather better figures next year. Because these will be based on 1972 figures they may not be comparable, but this will make things better for next year. So far as it lies in the hands of the Commission—because it is, of course, the Council which decides when Parliament will be informed or consulted—we shall do all we can to ensure that the House is consulted as early as possible in this rather pioneering exercise next year.

Therefore, the complexities and delays in this year's exercise have been due not only to enlargement but to the fact that we have sought to improve the scheme substantially in accordance with the guidelines of the Paris Summit last year. We believe that we have succeeded in achieving that. All along we have sought to achieve rather better than a fair mean between the pre-existing schemes of the new Members and that of the Community.

Of course, there were some products, particularly processed foodstuffs, which were included in the British and Danish schemes but are not yet in the Community scheme. Conversely, there are products in the Community scheme which did not feature in the British scheme, including a range of products such as textiles which are crucial for the exports of developing countries. We have, in fact, improved the overall scheme by something of the order of 40 per cent over the combined British and Community schemes for 1972. This is a substantial improvement for a single year. We have achieved this improvement by a combination of changes. First, we have moved forward the base year by reference to which the quantities of trade covered are calculated. The base year was 1968, and we have moved this forward and made it 1971. It will continue to be the latest year for which reliable figures are available. Secondly, we have reduced the list of sensitive products on which strict import duties apply. Thirdly, we have included new products previously excluded from the Community scheme, notably in the field of processed foodstuffs.

There is one problem not yet settled in the Council to which Sir Douglas Dodds-Parker referred specifically and which Mr Dewulf

mentioned—namely tobacco. Mr Dewulf's report points out that India, Pakistan and Sri Lanka would suffer if this proposal were not accepted, and he adds:

'The greatest beneficiaries from this loss would be the tobacco exporters of the United States and Canada, two large industrialized countries which have still not introduced a generalized preference scheme.'

In the Commission's view that is absolutely correct, and I am glad Mr Dewulf's committee attaches that much importance to it, because we share his view. It certainly deserves to have importance attached to it, and I hope that it will be satisfactorily resolved in the Council meeting next week so that the decision can be implemented in 1974.

If I may mention a few of the main issues referred to in the report and in the debate, for a start we have this year for the first time used the Generalized Preference Scheme as a means of giving effect to the Declaration of Intent on trade with the Commonwealth countries of Asia and other countries of the region. In a number of cases we have been able to single out products of particular interest to those countries by incorporating them in the Community's Generalized Preference Scheme to encourage the maintenance and development of their trade with us.

I think that in that regard we have got off to a good start. The Commission and my colleagues attach the greatest importance to the implementation of the Declaration of Intent. The last thing I should like to do would be to give the impression to the House that we believe that the Community's obligations under the Declaration of Intent are made once and for all by this Generalized Preference Scheme for 1974. That is not what we have set out to do.

What it was necessary to do this year for next year's scheme was to ensure that, with certain important tariff rises which would have taken place had we not included certain items and products in the Generalized Preference Scheme which were important to the trade of these particular countries, particularly with the new Member States, the rise was not too big in any one year, to make certain that there was not a sudden imbalance in what has been a traditional trade. The traditional trade has not, as it were, been thrown off balance. But we do not regard this as a once-for-all exercise. We believe that the Declaration of Intent is something built, as it were, into the responsibility of the Community to continue a satisfactory flow of trade between the countries of Asia and South-East Asia and the Community.

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Then there is what has been up to now the vexed question of the Community reserve. On that, too, we have made real progress this year, and the Council has agreed now with the Commission's view on this. This is referred to in Mr Dewulf's report, and the Commission has been increasingly concerned by the large proportion of tariff quotas which remain unused by the beneficiary countries. The Community reserve—that is to say, the part of the quota which is allocated to any one Member State—could go some way to preventing the partial sterilization of the scheme which has disturbed honourable Members and the Commission during the three years that the scheme has been operating. During that period I think that this has been a cause of concern to the House and it will, I am sure, be glad, along with us, that we have got the concept of a reserve agreed.

Mr President, what of the future? We see this Generalized Scheme of Preferences as one of the key factors in our relations with the developing world. We are determined to evolve it and to improve it further in future years.

The Paris Summit pledged the Community, as Mr Bourges said, to a global policy of development cooperation and explicitly referred to the aim of extending our generalized preferences. Since then, in our opening statement in the multilateral trade negotiations we emphasized the importance we attached to the development of the GSP as a way for the whole developed world to help the less developed countries and to ensure that the reduction in tariffs between industrialized countries could be balanced by real trade benefits to the Third World.

But of course it is difficult for us—this was a point made by Mr Bourges—to go very far down this road on our own if we are not joined along it by the other main industrial countries. Japan has instituted such a scheme, but the delays over the United States Trade Bill have also involved delays over the institution of a GSP by the United States. Fortunately, the Bill is now back in Congress and we must hope on all counts that its passage into law will be speedy.

As for the Commission, it may be true that the ink is not yet dry on the 1974 arrangement, but we are already beginning to consider what improvements we can propose next year for implementation in 1975.

I am only too well aware that it will not be an easy year to look for such improvements, but let us not forget that the energy crisis, at least in its price implications, is hitting nine

out of ten of these beneficiary countries, and particularly the poorest amongst them, every bit as hard as it is hitting the developed world. They will need every pound, franc and Deutsche Mark they can earn next year if they are to generate the economic development which it is in all of our interests to foster.

Now, what sort of technical improvements can we look for in this scheme? We are only too conscious of the fact that it remains a highly complicated scheme and not easy for the developing countries to use to the full. The scheme is only in its third year and we are still learning, and they are learning too, how to use it.

One sort of contribution that we are making is to send out teams of Commission officials to developing countries in Latin America and in South-East Asia in particular to explain on the spot how they can work the system to the best advantage. We are only too glad to receive at the same time constructive criticism from them.

Another of the problems that we are particularly concerned to look at is how to ensure—here I come to a point that was made by Lord Reay and Lord St. Oswald—that the major benefits from the scheme do not go too preponderantly to those developing countries which are either the most efficient or else favoured by geography to take the greatest advantage of the scheme.

We have got some ideas on this. It is too early to develop them, because they are only in their infancy. I take the substance of the point that was made by Lord Reay, and particularly in his amendment, but I would not recommend that the answer to this is to try to draw criteria and to say that under these criteria some underdeveloped countries will be excluded and others included. I think that this would lead us along a road which would prove highly difficult, both technically and politically, politically in terms of their relations with each other, the Community's relations, internal Community relations. This would be very charged politically. The object, at any rate, is to ensure that those which are developing their industrial base—developing countries beginning their industrial base which have difficulty in competing with more developed countries—have an opportunity in our markets.

As I say, I am not in any position to go into any detail today. I think that I take the point which was made. We are thinking about it. It is not easy, but I do not think that the right way to do it is to look simply at certain criteria

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of income per head, or whatever it may be, and to say, 'One side of it is in and the other side of it is out'; because I think that this would lead us into all sorts of technical and political problems.

We are looking also at the question of rules of origin. Such rules are fairly necessary if the scheme is to work truly in favour of the developing nations, because we have to be careful that the benefit does not, through some minor processing of some half-processed goods, unduly favour firms that are only marginally manufacturing in the beneficiary countries.

One of the lines which we are examining is to see whether, for example, such regional groupings as the ASEAN countries could reasonably be allowed to benefit from a degree of cumulation of origin, so that goods passing through various processes in different ASEAN countries can be regarded as complying with the origin rules.

Mr President, this Generalized Preference Scheme is related to two other major policies which the Community is pursuing, and at first sight they might not seem entirely compatible. This indeed was the burden of Mr Bourges's remarks. On the one side, we are seeking to reduce tariffs on a worldwide basis, and the lower the most-favoured-nation treatment, naturally the less the value to the developing countries of the preferential exemption from it. We shall therefore have to be careful, as we reduce tariffs in the future, to extend and deepen the preferences to the developing world and to look at other ways of helping. But that is a matter for the years to come.

On the other side, the Community is pursuing and extending its policy of association with a large number of countries in Africa, the Caribbean and the Indian and Pacific Oceans. Some of the African countries certainly have anxieties that the Generalized Preference Scheme, by also favouring Asia and Latin America, reduces their special advantages on the Community market. Here I would say to Mr Harmegnies, who asked me this specific question: Yes, the associated countries were consulted about this scheme in time for them to give a reasoned answer.

It is a clear obligation on us to take account of these anxieties and to answer them. The Council has this year, in fact, in a number of instances, modified its proposals so as to meet points raised by the Associates at the time when they were consulted. For next year's exercise we shall try to include our consultation procedures so as to bring in our Associates at an earlier stage. I would conclude by emphasizing once more that we see our two policies towards the Third

World as essentially complementary—association, on the one hand, and a global development policy, with the GSP as one of its main instruments, on the other hand. To try to paint them as alternatives would, I believe, be a very short-sighted approach.

While our economy here in Europe continues to expand and to prosper—although that is a condition we can no longer take for granted today—we shall seek to pursue an even-handed approach, participating fully in an institutional framework of trade, aid and commodity arrangements with our Associates, but at the same time shouldering our wider responsibilities to the Third World as a whole.

I hope the House will agree that the improvements we have made in this year's scheme provide an effective and living proof of our interest.

I would now refer to Oral Question No 134/73, to which Mr Patijn addressed himself, asking the Commission's view of Bulgaria as a possible beneficiary. The position which the Commission has taken is that it would be premature for the institutions of the Community to consider the substance of the matter at a time when Bulgaria has not yet made any approach to the Community as such.

I know that this answer will not please the honourable gentleman, but the hard fact is that it remains a hypothetical question. It is one thing to pose a question without bearing any responsibility for judgment and another thing to answer it having some responsibility for judgment. I am afraid I must tell the honourable gentleman that we really must wait and see whether Bulgaria in fact does apply for its inclusion to the Community under the Generalized Preference Scheme.

Our view is that, whereas the Community grants the status of beneficiary under this scheme to all members of the Group of 77, candidatures for beneficiary status submitted by countries outside that group should be considered on a case-by-case basis and after full justification has been made to the Community itself by the country concerned.

I would add, however, that the Commission will of course be prepared to examine with full objectivity any candidature put forward to beneficiary status under the Community's Generalized Preference Scheme—the honourable gentleman referred to Bulgaria—as and when—if and when—that country approaches the Community as such.

I think that the gist of the honourable gentleman's point was anxiety that the extension of

the Community's Generalized Preference Scheme to East European countries might have the result of reducing the quantity of duty-free imports from the majority of developing countries. I assure the honourable Member that the Commission shares to the full his wish to avoid, and indeed I would assure him that it is our determination to do all that we can to avoid, any such result.

That is why, with respect to Romania, for instance, which is the only East European country to which the Commission has to date granted beneficiary status, the Commission put forward proposals to the Council which avoided any substantial modification of the advantages given to other developing countries.

A word of explanation on the details of this may be useful. Firstly, we proposed to the Council that certain sectors, including textile products, shoes, ECSC products, and those products which are treated by the Community as sensitive with respect to the Group of 77, should be excluded from the preferential scheme in the case of Romania.

It followed from these exclusions that the granting of beneficiary status to Romania would have no effect at all in these sectors on the advantages given to the other beneficiaries.

So far as the agricultural sector is concerned, there is in any case no ceiling to the preferential benefits granted by the Community. The Community merely reserves its rights to make use of a safeguard clause against imports, be it necessary, from one or more countries. So other countries are not interfered with where Romania is concerned in that respect.

So far as non-sensitive industrial products are concerned, the inclusion of Romania once more has no effect on the other beneficiaries, since here again there is no ceiling.

Finally, there is the question of semi-sensitive products. Here there will have to be some very marginal sharing between Romania and the other beneficiaries of the advantages granted, but to minimize this the base figures on which the ceilings will be calculated have been increased to take account of Romania's exports. Therefore, the Commission does not believe that even in this sector there will be any significant loss of advantage to the other beneficiaries.

I hope that this explanation will help to convince the honourable Member and his colleagues of the importance which the Commission attaches to ensuring that the inclusion of Romania is not at the expense of other developing countries and that we have taken the necessary steps to avoid it.

The Council has in fact adopted modalities that are slightly less generous than those proposed by the Commission but which, broadly speaking, achieve the same object, namely, substantial economic benefit to Romania without loss of economic benefit to the other developing countries, and the arrangements finally adopted will benefit some 34 per cent of those Romanian exports to the Community of products covered by the Generalized Preference Scheme in contrast to the totality covered by the other beneficiaries.

Finally, the question was raised of the criteria for selecting beneficiary countries. As I have said, the basic criterion applied by the Community is to grant beneficiary status to the members of the Group of 77. However, in the oral question there was raised the point of the categories of A, B, C and D within the UNCTAD list. This classification in fact is based largely on geography and is designed principally to deal with problems of procedure such as the rotation of the presidency. It does not provide a suitable criterion for the definition of the Generalized Preference Scheme.

In the Commission's view, any country not in the Group of 77 must be considered on a case-by-case basis, and this is indeed the procedure which has been followed with respect to a number of such countries which presented their candidature as beneficiaries to the Community as such. We believe that this is the only practicable way to proceed in the matter and that the Community's interests are best served by such a pragmatic approach.

(Applause)

President. — Thank you, Sir Christopher, for that very comprehensive reply to our wide debate. The House thanks you for it.

I call the rapporteur, Mr Dewulf, who wants to make a brief intervention.

Mr Dewulf, rapporteur. — (F) Mr President, as rapporteur I should like first of all to thank all those who have spoken in this debate, particularly, of course, Sir Christopher Soames. He will not be surprised if I tell him, in spite of his excellent speech, that this Parliament will adopt the resolution, while reserving the right to revert in detail to each of the elements which we have dealt with overall in this first stage of consultations in which we now find ourselves.

We have heard you plead guilty, Sir Christopher, but we have also heard that you have extenuating circumstances. What shocked us most on the part of the Council was that it

Dewulf

went through the motions of wanting to consult us while, at the same time, in a sense making such consultation either impossible or supererogatory.

Quite naturally, many speakers, starting with Mr Harmegnies and followed by Mr Bourges, Lord Reay and Lord St. Oswald, have widened the debate. We are in fact arriving at a moment of reflection, reflection which, as Mr Bourges has said, must be fundamental, about new international relations. Mr Bourges and Mr Harmegnies have called our attention to certain fairly novel practical orientations of international co-operation starting from the positions of strength of the different parties—some being in possession of primary products, others mainly of technology and know-how—but respecting, on both sides, sovereignty over natural resources and the advantages of such a situation. I would not go all the way with those who regard the problems of primary products, as it now arises, as a new element in the debate on generalized preferences. These preferences have little or no relation to primary products; we have, on the contrary, always been very liberal in this field, precisely in order to gain every possible advantage. We must therefore keep a certain calm.

That is why your rapporteur encourages the Commission and the Council to remain generous in the enlarged Community system. Sir Christopher Soames has, moreover, just promised us further improvements for the current year.

I still have to reply, very briefly, to the concerns of Mr Bourges. Sir Christopher Soames has already referred to them; fundamentally we cannot put our associates in opposition to the other countries of the Third World; there is a middle road. Our associates themselves understand this and accept it, both in the 'consultation' just accorded to them and in the debate on the enlargement of the association.

I should like to get a unanimous vote of this Parliament on this resolution, reminding Mr Bourges and other members that we shall come back to the details of certain aspects. This also concerns the remarks made by Sir Douglas Dodds-Parker and other members who have been kind enough to read the report and papers in depth.

I gratefully accept the proposal by Mr Harmegnies. I have given you, Mr President, the text, which you will no doubt read out in your own language, of an amendment including a recital referring to the final declaration of

Lomé between the third and fourth indent of the preamble.

Finally, I would say to Lord Reay that, as rapporteur, I fully accept the tendency of his amendment. I would not say that I accept all the comments made by Lord St. Oswald and other members. The noble Lord will forgive me; comments are one thing and the substance of the problem is another. The Community itself obviously has a number of lists, and, as Mr Patijn's intervention has proved, the term 'preferential system' is used indiscriminately, whereas this dossier certainly merits a rather more thorough examination. But I think that Lord Reay will be proposing in a few moments a form of words which also meets the objection just recalled by Mr Christopher Soames.

To revert to the enlargement of the debate by most speakers, I would say that Parliament, through the medium of its Committee on Development and Co-operation, has appointed Mr Harmegnies chairman of an *ad hoc* group responsible for an overall study of questions of co-operation. There again, we shall have the opportunity of clarifying our thoughts.

(Applause)

President. — I call Mr Patijn, and would ask him to be brief.

Mr Patijn. — (NL) Mr President, I should like to thank Sir Christopher Soames for his answer to the question. I believe he must realize that his answer was disappointing. I had asked about the principles maintained by the Commission and not for a formal answer about Bulgaria, which has not yet submitted an application for generalized preferences, and an account of the preferences granted to Romania.

I understand Sir Christopher's problems, but I should like to point out one thing to him. The principle applied by the Community is that preferences can be granted to countries in the A list and in the C list. This system is confounded by Romania, which is in the D list, but the basic criterion, that within the Group of 77 only countries on the A and C list qualify for generalized preferences, remains the same.

I know that I shall probably not receive a more detailed answer, but I can assure Sir Christopher Soames that we shall continue to press him on the matter of the East-bloc countries and generalized preferences. If Bulgaria does submit an application the European Parliament will require a thorough discussion of the matter with the Commission.

I do not expect a more detailed answer—I do

Patijn

not think that I shall be given one—but I am far from satisfied at present.

President. — Does anyone else wish to speak?

The general debate is closed.

On Oral Question No 134/73 I have no motion for a resolution. The debate on this oral question is therefore closed.

We shall now consider the motion for a resolution contained in the Dewulf report.

On the first three recitals of the preamble, I have no amendments or speakers listed.

Does anyone wish to speak?

I put these texts to the vote.

The first three recitals of the preamble are adopted.

The House will remember that following Mr Harmegnies's request, the rapporteur, Mr Dewulf, submitted an oral amendment inserting the following new recital between the third and fourth recitals of the preamble:

‘—having regard to the final declaration of the Joint Committee issued at Lomé on 31 October 1973,’.

Pursuant to Rule 29(2) of the Rules of Procedure, I consult the House on the acceptability of this amendment in oral form.

Are there any objections?

It is agreed.

I put Mr Dewulf's oral amendment to the vote.

The amendment is adopted.

On the fifth and sixth recitals of the preamble and on paragraphs 1 to 7, I have no amendments or speakers listed.

Does anyone wish to speak?

I put these texts to the vote.

They are adopted.

After paragraph 7, I have received Amendment No 1, tabled by Lord Reay on behalf of the European Conservative Group and worded as follows:

‘Paragraph 7a (new)

After paragraph 7, insert a new paragraph worded as follows:

‘Requests, however, the Commission of the European Communities to undertake a fundamental review of the basis for determining the status of a developing country’.

I call Lord Reay to move this amendment.

Lord Reay — Mr President, I think enough was said by my friend Lord St Oswald and myself in the main debate for it not to be necessary to go into this matter much further now. Also, the rapporteur was good enough to suggest that this amendment is acceptable to him in principle.

However, I should like to allude to one or two matters that the Commissioner stated when dealing with this question. He pointed out that this had some quite tricky political implications. This of course is true. I made it plain in my speech that I considered the matter to be political. Plainly this has raised problems of timing. But such a matter, in the absence of an amendment like this, would be left to the Commission itself.

The point is that the Community has a right, we believe, to play a part in deciding whom it will assist and to know why it is doing so. The public also should be able to know why this is being done.

It is a most unsatisfactory list and it needs revision. Maybe the Commissioner is correct, and the best way is not to draw up specific criteria along the lines, for example, of the Regional Fund. But I must say I do not see how one can ignore enormous discrepancies in national income, income per head, and so on. However, I take his point.

Mr Bourges has suggested that in the amendment the word ‘criteria’ should be replaced by the words ‘basis for’. Perhaps I should read the whole amendment:

“7a. Requests, however, the Commission of the European Communities to undertake a fundamental review of the criteria determining the status of a developing country;”.

In this form I understand that it is acceptable to the rapporteur, and I hope, therefore, to the House.

President. — I call Mr Harmegnies.

Mr Harmegnies. — Mr President, I merely wish to declare my group's support for Lord Reay's amendment.

President. — I put Amendment No 1 to the vote. Amendment No 1 is adopted.

On paragraphs 8 to 19 I have no amendments or speakers listed.

Does anyone wish to speak? I put these texts to the vote.

Paragraphs 8 to 19 inclusive are adopted.

I put the motion for a resolution as a whole to the vote.

The motion for a resolution as a whole is adopted.¹

10. Agenda for next sitting.

President. — The next sitting will be held tomorrow, Friday, 14 December 1973, from 9.30 a.m. to 12 noon with the following agenda:

- report by Mr Martens on the fat content of milk;
- report by Mr Martens on pollution of the sea from land-based sources (without debate);
- report by Mr Premoli on dangerous substances;
- report by Mr Krall on cold-water meters;
- report by Mr Kater on weighing machines (without debate);
- report by Mr Bro on pressure vessels and gas cylinders;
- report by Mr Durieux on minimum prices;
- report by Mr Vetrone on frozen beef (without debate);
- report by Mr Vals on the vegetative propagation material of the vine;
- report by Miss Lulling on tobacco leaves;
- report by Mr Thomsen on fishery products from Norway (without debate);
- report by Mr de Koning on wines from Portugal (without debate);
- two reports by Mr Thornley on eels (without debate);
- report by Mr Baas on currants and raisins (without debate);
- report by Mr de la Malène on the association with Tunisia and Morocco;
- report by Mr de la Malène on olive oil from Tunisia and Morocco;
- report by Mr Ligios on bitter oranges;
- report by Mr Spénale on small non-commercial consignments;
- report by Sir Tufton Beamish on olive oil from Turkey (without debate);
- report by Sir Tufton Beamish on the EEC-Turkey Additional Protocol (without debate);
- report by Mr Boano on agricultural products from Turkey (without debate);
- report by Mr Klepsch on wines from Cyprus (without debate);
- report by Mr Walkhoff on legislation concerning bread.

As I shall not have the honour of presiding again this year, may I take this opportunity of wishing all my colleagues a very happy and holy Christmas and peace and prosperity in our Community in the New Year.

The House is adjourned until 9.30 tomorrow morning.

The sitting is closed.

(The sitting was closed at 11.20 p.m.)

¹ OJ No C 2, 9. 1. 1974.

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IN THE CHAIR: MR DEWULF

Vice-President

(The sitting was opened at 9.30 a.m.)

President. — The sitting is open.

Ladies and gentlemen, I am sure that today you are all thinking of Copenhagen.

As you can all see, we have a lot to do this morning, as we have to consider at least 24 reports, I would therefore ask you to make an effort.

1. Approval of minutes

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

Are there any comments?

The minutes of proceedings are approved.

2. Text of treaty forwarded by the Council

President. — I have received from the Council of the European Communities a certified true copy of the Minutes concerning the notification of completion of the procedures necessary for the entry into force of the agreements between the European Coal and Steel Community and its Member States, of the one part, and, respectively, the Republic of Austria, the Portuguese Republic, and the Kingdom of Sweden, of the other part, and the agreement between the Member States of the European Coal and Steel Community of the one part, and respectively, the Republic of Iceland and the Swiss Confederation of the other part, together with the additional agreement of the validity of the latter agreement to the principality of Liechtenstein.

This document will be placed in the records of the European Parliament.

3. Regulation on the fat content of whole milk

President. — The next item is a debate on the report drawn up by Mr Martens on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No 1411/73 as regards the fat content of whole milk (Doc. 296/73).

I call the rapporteur, Mr Martens.

Mr Martens, rapporteur. — (NL) Mr President, I shall be pleased to comply with your request for brevity. I have nothing to add to the written report, which was unanimously adopted by our committee.

President. — The representative of the Commission has informed me that he has no remarks to make.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

4. Council decision on the prevention of sea-pollution

President. — The next item is a vote without debate on the motion for a resolution contained in the report drawn up by Mr Martens on behalf of the Committee on Public Health and the Environment on the proposal from the Commission of the European Communities to the Council for a decision concerning the participation of the European Economic Community in the negotiations for the conclusion of a convention for the prevention of sea-pollution from land-based sources (Doc. 284/73).

¹ OJ No C 2, 9. 1. 1974.

President

I have no speakers listed.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

5. Directive on the classification, packaging and labelling of dangerous substances

President. — The next item is a debate on the report drawn up by Mr Premoli on behalf of the Committee on Public Health and the Environment on the proposal from the Commission of the European Communities to the Council for a directive amending for the fifth time the Council Directive of 27 June 1967 concerning the approximation of the laws, regulations and administrative provisions relating to the classification, packaging and labelling of dangerous substances (Doc. 214/73).

I call Mr Bourdellès, deputizing for Mr Premoli, who has asked to present the report.

Mr Bourdellès, deputy rapporteur. — (F) Mr President, you have just said that Mr Premoli's report does not differ from the Commission's text. In fact, Mr Premoli did introduce two small amendments.

In the first place, the Committee on Public Health and the Environment asked that the instructions appearing on the packaging of dangerous substances should be given in several languages.

Secondly, it requested that Member States should be obliged to have advice on safety precautions appear on the packaging of dangerous substances.

The Committee on Public Health and the Environment attaches great importance to these two points, which the rapporteur emphasized in his report.

These are, Mr President, the two amendments proposed.

President. — I call Mr Gundelach to state the Commission's position on the amendments proposed by the parliamentary committee.

Mr Gundelach, Member of the Commission of the European Communities. — (DK) Mr President, I should like to thank the Committee on Public Health and the Environment for its outstanding report.

With regard to the second proposal for an amendment I can confirm that the Commission accepts that it should be made obligatory for dangerous products to carry instructions for use...

President. — Mr Gundelach, we are having some difficulty with the interpretation. Could you continue in English?

Mr Gundelach. — I can speak in English. I start by thanking the committee for its very useful work. In regard to the second proposal to which the rapporteur referred, I want to confirm that the Commission can accept that it should be made obligatory that dangerous products must carry a description of how they will be used.

The question of labels is a matter to which I have addressed myself on several occasions in Parliament. I must make clear once again that the Commission considers that it would be too strict a requirement to demand that these labels must always be written in the language of the country of sale. We think that there should be more latitude in this matter. I do not want to go into it again, because it is a subject to which we have addressed ourselves several times in the past.

The Commission thinks it safe and reasonable to leave this matter to the Member States and to give them some latitude.

President. — Thank you, Mr Gundelach.

Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

6. Directive on cold-water meters

President. — The next item is a debate on the report drawn up by Mr Krall on behalf of the Committee on Economic and Monetary Affairs on the proposal from the Commission of the European Communities to the Council for a directive on the approximation of the laws of the Member States relating to cold-water meters (Doc. 235/73).

I call Mr Lange, deputizing for the rapporteur, who has asked to present the report.

Mr Lange, deputy rapporteur. — (D) Mr President, I am sorry that I have to take the floor at this point because the Committee on Economic

¹ OJ No C 2, 9. 1. 1974.

¹ OJ No C 2, 9. 1. 1974.

Lange

and Monetary Affairs has decided that the reports by Mr Krall and Mr Kater should be put to the vote without debate.

The amendment tabled by Mr Liogier has no place in the motion for a resolution and should therefore, in my view and in the view of the committee, be rejected.

I should like to add, Mr President, that the committee felt it was vital for these two very technical subjects to be looked at from economic and trade policy points of view, since what in principle is concerned here is the elimination of technical obstacles to trade. This is of course something which the committee would welcome. It is just that the committee has never claimed—despite the respect that the Commission is showing in us as Parliamentarians—that we are in a position to express an opinion on the technical details.

I would also refer to another matter, namely the proposal for a regulation on the suppression of radio interference. One would have to be a real expert to understand these things properly. No Parliamentarian is in this position. The committee feels—and this is why we have given these two reports the same wording—that the Commission should give some thought to whether it could not draw up a basic regulation on the elimination of technical obstacles to trade and issue all the implementing regulations on the basis of this basic regulation without consulting Parliament. For how is a parliament to appraise these technical nuances? It is asking far too much of us. Our concern is the elimination of technical obstacles to trade. What the author of the amendment is asking for is basically another opinion on a technical detail which has no place in the resolution. I have no objection to a suggestion of this kind being put to the Commission, but I would ask that the amendment be rejected so that the true content of the committee's proposals is not lost and the Commission's activities then centre on those proposals.

One last remark, which is directed at you as representative of the Bureau of the House: I would request that the Committee on Economic and Monetary Affairs be again made responsible for reports on proposals for the elimination of technical obstacles to trade in the future rather than the Legal Affairs Committee, as has been the case with the suppression of radio and television interference I mentioned just now.

Mr President, that is the only additional remark I wanted to make. I apologize if my comments have taken too long, but they were necessary.

President. — Mr Lange, I shall ask the sessional services to draw up a note to the Bureau, taking

into account the very relevant remarks which you have just made.

We shall now consider the motion for a resolution.

On the preamble and paragraphs 1 to 6, I have no amendments or speakers listed.

Does anyone wish to speak?

I put these texts to the vote.

The preamble and paragraphs 1 to 6 are adopted

After paragraph 6, I have Amendment No 1, tabled by Mr Liogier on behalf of the Group of European Progressive Democrats and worded as follows:

After paragraph 6, insert a new paragraph worded as follows:

'6a. Asks that the directive be supplemented, as soon as possible, by the adoption of precise standards relating to the methods and apparatus for testing this equipment.'

Mr Bourdellès, are you maintaining Mr Liogier's amendment?

Mr Bourdellès. — (F) No, Mr President, although I should briefly like to state the reasons why Mr Liogier tabled this amendment. His aim was simply to call the Commission's attention to the fact that these stringent regulations had to be taken into account.

He felt obliged to point this out, but in other respects considers this proposed directive to be excellent.

President. — Thank you, Mr Bourdellès.

The amendment is therefore withdrawn.

I call Mr Memmel.

Mr Memmel. — (D) Mr President, having been a member of the Legal Affairs Committee for many years, I should just like to say that we would be only too happy not to be consulted on such things as cold-water meters or totalizing weighing machines or even legislation on the harmonization of packaging for smoked cod and other such matters.

President. — I call Mr Gundelach.

Mr Gundelach, *Member of the Commission of the European Communities.* — (DK) Mr President, I should first like to comment on the more general remarks concerning the elimination of technical obstacles to trade which have been made here this morning, and with which I am fully in sympathy.

Gundelach

Not only the Members of this House, but also those of the Commission and other Community decision-making bodies have difficulty in judging all the technical elements which must necessarily be included in these proposals.

We are fully aware that a different procedure would be desirable in all the Community bodies, and we are considering the matter with a view to a debate here in this House at the beginning of next year.

I am not sure that it is possible to accomplish this with an outline directive, precisely because the technical variations are so great, and I am also afraid that an outline directive of this sort would be so general as to be of no use at all. That, however, is a question of procedure. I quite agree with the basic viewpoint and a solution must be found to facilitate work in all institutions and to make it more relevant.

I am not quite sure whether the amendment to the new paragraph 6a in the motion for a resolution has been withdrawn. If not, I have a number of comments to make on it.

President. — The amendment has been withdrawn, Mr Gundelach.

Following this debate, I think we are in agreement as to the spirit in which we shall hold our discussions in future.

On paragraphs 7 and 8, I have no amendments or speakers listed.

I put paragraphs 7 and 8 to the vote.

Paragraphs 7 and 8 are adopted.

I put the motion for a resolution as a whole to the vote.

The resolution as a whole is adopted. ¹

7. Directive on totalizing weighing machines

President. — The next item is a vote without debate on the motion for a resolution contained in the report drawn up by Mr Kater on behalf of the Committee on Economic and Monetary Affairs on the proposals 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 continuous totalizing weighing machines (Doc. 236/73).

I have no speakers listed.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted. ¹

8. Directives on pressure vessels and gas cylinders

President. — The next item is a debate on the report drawn up by Mr Bro on behalf of the Committee on Public Health and the Environment on the proposals from the Commission of the European Communities to the Council for

— a directive with a view to harmonizing the legislation on common measures of the Member States with regard to pressure vessels and methods of control of vessels

— a directive on the approximation of the laws of the Member States relating to seamless steel gas cylinders

(Doc. 221/73).

The rapporteur has informed me that he has nothing to add to his written report.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted. ¹

9. Decision extending the system of minimum prices

President. — The next item is a debate on the report drawn up by Mr Durieux on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a decision extending the system of minimum prices (Doc. 273/73).

I call Mr Houdet, deputizing for the rapporteur, Mr Durieux, who has asked to present the report.

Mr Houdet, deputy rapporteur. — (F) Mr President, I would ask you to excuse the absence of Mr Durieux, who has been called away by his national parliament. Very briefly, I should like to outline the points that he wanted to make.

The decision before you concerns the extension of the validity of a decision taken in 1962 by the Council of Ministers relating to a system of minimum prices and countervailing charges for agricultural products not covered by a common market organization.

¹ OJ No C 2, 9. 1. 1974.

¹ OJ No C 2, 9. 1. 1974.

Houdet

This decision of 1962 was extended successively in 1969, 1970, 1971 and 1972. In 1972 the Commission had asked that its validity should be extended until 31 December 1974.

Both Parliament and the Council had refused this application and had restricted extension to 31 December 1973.

Today we are considering a new extension until 31 December 1974. This application is based on two considerations. In the first place on the fact that it was impossible to establish a common organization of the potato market owing to the enlargement of the Community since this would have created problems, especially in the United Kingdom. Such a common organization of the potato market is envisaged in the Commission's memorandum on the improvement of the Common Agricultural Policy.

The second consideration is as follows: In Germany, edible vinegars and their substitutes come under the common organization of the market for alcohol, which is under consideration by both Parliament and the Commission.

For these two reasons the Committee on Agriculture feels bound to approve the proposals for a further extension until 31 December 1974 of the period decided upon in 1962.

President. — I call Mr Gundelach.

Mr Gundelach, Member of the Commission of the European Communities. — (DK) Mr President, apart from thanking the committee for its comprehension I should like to say on behalf of the Commission that there is every reason to expect that the missing products will be subject to an organization of the market in the course of the coming year.

President. — Thank you, Mr Gundelach.

Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

10. Regulation on frozen beef

President. — The next item is a vote without debate on the motion for a resolution contained in 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 opening, allocating and providing for the administration

of a Community tariff quota for frozen beef falling within subheading 02.01 A II a) 2 of the Common Customs Tariff (1974) (Doc. 257/73).

I call the rapporteur, Mr Vetrone.

Mr Vetrone, rapporteur. — (I) Mr President, I have nothing to add to my written report.

President. — I call Mr Houdet.

Mr Houdet, chairman of the Committee on Agriculture. — (F) Mr President, the Committee on Agriculture did not ask that the report on this proposal should be considered without debate. Our rapporteur, Mr Vetrone, has prepared a very precise text, but I believe that some Members would like to speak on this subject. I therefore ask you, Mr President, to allow those who wish to speak to do so.

President. — Since several Members have asked to speak, we shall have a debate on this report.

I call Mr Bourdellès.

Mr Bourdellès. — (F) Mr President, ladies and gentlemen, I wish not so much to speak against the report itself, as to draw your attention to the current disorder on the European market and to utter a warning as to future supplies.

The European Community has just undertaken, as part of the last multilateral negotiations in GATT, to raise the Community tariff quota of frozen Argentine meat from the 1973 level of 22 000 tons to 34 000 tons from 1 January 1974, in view of the accession of three new Member States.

The European authorities have thus demonstrated their intention to maintain, if not to increase, beef imports.

Is this justified? Undoubtedly yes, since Europe has a considerable deficit in this product, the overall deficit being 590 000 tons in 1971 in the EEC of the Six and 750 000 tons in 1972 in the EEC of the Nine.

In the Europe of the Nine, Ireland and France are the main exporters. In 1971 France had a surplus production of 184 000 tons and in 1972 190 000 tons. Despite this, France is importing increasing quantities of frozen beef from third countries: 16 559 tons in 1970, 18 497 tons in 1971 and 45,645 tons in 1972.

France's quota of the frozen meat imported from Argentina has increased year by year: 9.6% in 1970, 11.2% in 1971, 16.3% in 1972; and this is happening at a time when French stockbreeders are going through an unprecedented crisis.

¹ OJ No C 2, 9. 1. 1974.

Bourdellès

Never have they had so much difficulty in finding buyers for beef on the hoof and never have they had to sell at prices so low that they do not even cover production costs.

This is why at the moment when the European Parliament, by this text, is being asked to deliver its opinion on the distribution of frozen meat from the Argentine, I feel bound to call the Commission's attention to the French quota, which is still much too high: 12.4% or 2 480 tons of imports, is far too much for a country that is trying to export.

If the Common Market is a reality and if the Community preference system is to be upheld, is it not normal that the deficits of Member States should in the first place be made good from the surpluses of other Member States?

It would be absurd to oppose imports from third countries to the EEC on principle. However, should we not in the first place consider the possibilities existing within the Community?

How can we explain imports to French stockbreeders at a time when price levels in their country have been falling since the beginning of 1973 to the point of posing problems for them which are at the moment insoluble?

The chaos prevailing on the market had been triggered off by the introduction of the shortage clause, involving halving of the customs duties. Simultaneously, as is admitted in Mr Lardinois' memorandum, the Community market suffered disintegration as a result of a variety of monetary operations, leading to a frightful muddle in the meat sector. It is absolutely essential that we should find a way out of this crisis.

The simplest and most facile solution would be to establish or increase imports! But would this be enough? Would it not be more logical to give greater help to the producing countries, to those breeders in European countries capable of providing a supply of quality product?

In the stockbreeding country of Brittany, young farmers have for the past two or three years invested considerable sums in meat production, but they have become discouraged and many of them are on the point of abandoning it in the face of the serious difficulties confronting them.

If this situation continues for another two months we could well witness a recession in this sector, and Europe could be forced to look to third countries almost exclusively to satisfy its demand. In contemplating such a possibility, our minds turn inevitably to our recent experience with soya and—at this very moment—energy. Mr Lardinois would tell me, if he were here, that 'in its memorandum the Commission

proposed the strengthening of measures to encourage meat production'.

I admit that this is a wise measure; but apart from the premiums envisaged in the development plans, Community policy in this sector has tended to concentrate on limiting milk production rather than positively encouraging meat production.

A real solution will only be found with a market organization based on the most fundamental and concrete data: genuine price guarantees to the producers, realistic multi-year norm prices corresponding to the cost of production; automatic intervention below floor prices; finally, Community preferences. Let us not forget that meat production involves such social disadvantages that, whatever the economic solutions, breeders will tend to change to crop farming.

Mr President, ladies and gentlemen, it is time to act. When our meat producers, our European breeders, discouraged by unremunerative prices, have given up the struggle, Europe will find itself dependent on third countries for the major part of its meat supplies.

I shall leave you to judge what might happen in such a situation. Forgive me if I have spoken for rather a long time, Mr President, but the problem is an important one.

President. — I call Mr Gundelach.

Mr Gundelach, Member of the Commission of the European Communities. — Mr President, I admit that there are certain problems in regard to meat. You will remember that various methods have been suggested by the Commission and dealt with by the Council. Others will undoubtedly follow.

However, I should like briefly to state that I do not think the overall situation is nearly as gloomy as the Member gave us to understand.

I shall not continue to discuss the question of beef at present, as there will be an opportunity to discuss the subject in a broader context at the beginning of the New Year.

I wish only to recall that what is in front of you today is a proposal regarding annual tariff quotas—that is, amounts coming at the 20% duty which we have, but without levy. The volumes in question are, relative to the market, small and conservative—22 000 tons from last year plus an additional quota of 12 000 tons to take care of the three new Member States. That means that it is a very conservative proposal.

Gundelach

Finally I make the point that, in accordance with the proposal, the volume can be modified if necessary during the period of its operation.

I therefore see no difficulties with this proposal at this time.

President. — I call Mr Vetrone.

Mr Vetrone, rapporteur. — (I) Mr President, I do not have a great deal to add, having been preceded among others by Commissioner Gundelach, who made the same points that I intended to make.

In practice, there has been no increase as against last year in the 22 thousand tons originally envisaged for the Six countries, so that the Council of Ministers was left with the task of fixing the additional quota for the other three countries.

Last year, the Council of Ministers fixed the quota for these three countries at 12 thousand tons; that is why an inclusive quota of 34 thousand tons has been put forward this year. One factor which has naturally played a part in the distribution by country, in my opinion, is the fact that this time all Nine countries took part in the distribution, whereas last year the original Six took part first, and then the other three.

President. — Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

11. Directive on propagation material of the vine

President. — The next item is a debate on the report drawn up by Mr Vals on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a directive modifying the Directive of 9 April 1968 concerning the marketing of vegetation propagation material of the vine (Doc. 248/73).

The rapporteur has informed me that he has nothing to add to his written report.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

¹ OJ No C 2, 9. 1. 1974.

12. Regulation on certain types of tobacco

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 regulation on the granting of special aid for certain tobaccos used for wrapping cigars (Doc. 258/73).

The rapporteur has informed me that she has nothing to add to her written report.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

13. Regulation on fishery products from Norway

President. — The next item is a vote without debate on the motion for a resolution contained in the report drawn up by Mr Thomsen on behalf of the Committee on External Economic Relations on the proposal from the Commission of the European Communities to the Council for a regulation on customs treatment to be applied to certain fishery products originating in Norway (Doc. 291/73).

I have no speakers listed.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

14. Regulations on wine from Portugal

President. — The next item is a vote without debate on the motion for a resolution contained in the report drawn up by Mr 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 Community tariff quotas for Port wines falling within subheading 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

¹ OJ No C 2, 9. 1. 1974.

President

within subheading 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 Setubal muscatel wines falling within subheading ex 22.05 of the Common Customs Tariff, originating in Portugal
(Doc. 287/73).

I have no speakers listed.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

15. *Regulation increasing the Community tariff quota for certain eels*

President. — The next item is a vote without debate on the motion for a resolution contained in the report drawn up by Mr Thornley on behalf of the Committee on External Economic Relations on the proposal from the Commission of the European Communities to the Council for a regulation increasing the Community tariff quota for certain eels falling within subheading ex 03.01 A II of the Common Customs Tariff (Doc. 289/73).

I have no speakers listed.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

16. *Regulation on a Community tariff quota for certain eels*

President. — The next item is a vote without debate on the motion for a resolution contained in the report drawn up by Mr Thornley on behalf of the Committee on External Economic Relations on the proposal from the Commission of the European Communities to the Council for a regulation opening, allocating and providing for the administration of a Community tariff quota for certain eels falling within subheading ex 03.01 A II of the Common Customs Tariff (Doc. 290/73).

I have no speakers listed.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

17. *Regulation on dried grapes*

President. — The next item is a vote without debate on the motion for a resolution contained in the report drawn up by Mr Baas on behalf of the Committee on External Economic Relations on the proposal from the Commission of the European Communities to the Council for a regulation opening, allocating and providing for the administration of a Community tariff quota for dried grapes falling within subheading 08.04 B I of the Common Customs Tariff, in immediate containers of a net capacity of 15 kg or less (Doc. 288/73).

I have no speakers listed.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

18. *Regulation on the EEC-Morocco Association - Regulation on the EEC-Tunisia Association*

President. — The next item is a debate on the report drawn up by Mr de la Malène on behalf of the Committee on External Economic Relations on:

- I. a regulation on the conclusion of an Agreement in the form of an exchange of letters amending Article 5 of Annex I to the Agreement establishing an Association between the European Economic Community and the Kingdom of Morocco,
- II. a regulation on the conclusion of an Agreement in the form of an exchange of letters amending Article 5 of Annex I to the Agreement establishing an Association between the European Economic Community and the Tunisian Republic (Doc. 254/73).

The rapporteur has informed me that he has nothing to add to his written report.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

¹ OJ No C 2, 9. 1. 1974.

¹ OJ No C 2, 9. 1. 1974.

19. *Regulations on imports of olive oil from Morocco and Tunisia*

President. — The next item is a debate on the report drawn up by Mr de la Malène 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 on imports of olive oil from Morocco;
- II. a regulation on imports of olive oil from Tunisia.
(Doc. 255/73).

The rapporteur has informed me that he has nothing to add to his written report.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

20. *Regulation on bitter oranges and saffron*

President. — The next item is a debate on the report drawn up by Mr Ligios on behalf of the Committee on Agriculture on the proposal from the Commission of the European Communities to the Council for a regulation temporarily and partially suspending the autonomous duties in the Common Customs Tariff on bitter or Seville oranges of subheading ex 08.02 A II a) and b) and saffron, neither crushed nor ground, of subheading 09.10 C I (Doc. 279/73).

The rapporteur has informed me that he has nothing to add to his written report.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

21. *Regulation on the rate of import charges on certain agricultural products*

President. — The next item is a debate on the report drawn up by Mr Spénale on behalf of the Committee on Budgets on the proposal from the Commission of the European Communities to the Council for a regulation concerning the rate of import charges levied on small non-commercial consignments of agricultural products and products coming under Regulation (EEC) No 1059/69 (Doc. 285/73).

The rapporteur has informed me that he has nothing to add to his written report.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

22. *Regulation on imports of olive oil from Turkey*

President. — The next item is a vote without debate on the motion for a resolution contained in the report drawn up by Sir Tufton Beamish on behalf of the Committee on External Economic Relations on the proposal from the Commission of the European Communities to the Council for a regulation on imports of olive oil from Turkey (Doc. 293/73).

I have no speakers listed.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

23. *Regulation on the EEC-Turkey Association*

President. — The next item is a vote without debate on the motion for a resolution contained in the report drawn up by Sir Tufton Beamish on behalf of the Committee on External Economic Relations on the proposal from the Commission of the European Communities to the Council for a Council regulation on the conclusion of an Agreement in the form of an exchange of letters amending Article 7 of Annex 6 to the Additional Protocol to the Agreement establishing an Association between the European Economic Community and Turkey (Doc. 292/73).

I have no speakers listed.

Does anyone wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

24. *Regulation on certain agricultural products originating in Turkey*

President. — The next item is a vote without debate on the motion for a resolution contained in the report drawn up by Mr Boano on behalf of the Committee on External Economic Rela-

¹ OJ No C 2, 9. 1. 1974.

¹ OJ No C 2, 9. 1. 1974.

President

tions on the proposal from the Commission of the European Communities to the Council for a regulation on the total or partial suspension of Common Customs Tariff duties on certain agricultural products originating in Turkey (Doc. 294/73).

The rapporteur has informed me that he has nothing to add to his written report.

As the chairman of the Committee on Economic and Monetary Affairs has asked to speak, we shall have a brief discussion.

I call Mr Lange.

Mr Lange, chairman of the Committee on Economic and Monetary Affairs. — (D) Mr President, I should like to take this opportunity to point out to the House that it is an impossible situation for the Council or Commission—whichever is responsible—to submit to us at the very last minute documents which we cannot therefore discuss in detail. This has happened with the document we are now debating and with the other document, on which Mr Klepsch is the rapporteur. The Committee on External Economic Relations has refused to discuss three other documents. I would ask that a note be made of these circumstances and passed on to those responsible. Relations between the institutions cannot remain as they are if our work is to bear fruit and be performed in a responsible way.

President. — Thank you, Mr Lange. You have made a particularly important point, which shall be noted. I hope that it will be taken into account.

I call Mr Gundelach.

Mr Gundelach, Member of the Commission of the European Communities. — In a way, I associate myself with the comment which has been made by the honourable Member. The Commission also feels that these decisions are taken in conditions which are bordering on the intolerable. I can only assure Mr Lange that we on the Commission side are doing what we can to get these decisions taken and submitted in time to the various other bodies of the Community.

President. — Thank you, Mr Gundelach.

I am sorry that we are short of interpreters. Some of our interpreters have been called to Copenhagen. That is why we are having problems.

I call Mr Houdet.

Mr Houdet, chairman of the Committee on Agriculture. — (F) Mr President, I am grateful to Mr Gundelach for that statement.

On behalf of the Committee on Agriculture, I would like simply to associate myself with Mr Lange's protests.

President. — I take note of that, Mr Houdet.

Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

25. Regulation on wine from Cyprus

President. — The next item is a debate on the report drawn up by Mr Klepsch on behalf of the Committee on External Economic Relations on the proposal from the Commission of the European Communities to the Council for a regulation extending the period of application of Regulation (EEC) No 1253/73 on imports of the wine products exported under the label 'Cyprus sherry', originating in and coming from Cyprus, and the introduction of subsidies for similar wine products produced in the Community as originally constituted and exported to Ireland and the United Kingdom (Doc. 295/73).

The rapporteur has informed me that he has nothing to add to his written report.

Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

26. Directive on legislation concerning bread

President. — The next item is a debate on the report drawn up by Mr Walkhoff on behalf of the Committee on Public Health and the Environment on the proposal from the Commission of the European Communities to the Council for a directive relating to the approximation of legislations of the Member States concerning bread (Doc. 108/73).

The rapporteur has informed me that he has nothing to add to his written report.

I call Mr Gundelach.

Mr Gundelach, Member of the Commission of the European Communities. — I do not intend

¹ OJ No C 2, 9. 1. 1974.

Gundelach

to go into the many details involved in this report, for a reason which I shall indicate. The Commission will have to revise the directive in view of the comments made by Parliament through its committees, and also in view of the fact that the Community has been enlarged since this matter was being drawn up. I therefore want to go on record here in Parliament as saying that a rather substantial review of the directive will have to be carried out by the Commission. The matter will undoubtedly revert to Parliament and the Council at a later stage.

However, I would not wish to miss the opportunity to welcome on behalf of the Commission the motion of the committee and to indicate that we regret as much as the committee that the intention of the proposal has in some quarters been misrepresented and misunderstood. The Commission shares the view of your committee that the proposed directive will both preserve for Member States the highly individual character of their domestic products and at the same time enlarge the choice available to people in the Community as a whole, because so many quite different types of bread whose composition complies with the terms of the proposed directive will be for the first time admitted to free circulation.

I am making these comments, which are in agreement with the main line of the committee's report, to make it clear that we are not going into the business of harmonizing commodities to have harmonized Euro-products, but we are going in for a flexible process of harmonization in order to permit trade to be free, which is something entirely different. That has been understood in the report. I underline it only because there has been so much misunderstanding among the public over the subject.

I shall revert to the specific points in the report in subsequent discussions when revisions to the text have been made.

President. — Does the rapporteur wish to comment on Mr Gundelach's remarks?

I call Mr Walkhoff.

Mr Walkhoff, rapporteur. — (D) Mr President, ladies and gentlemen, I had thought that as a written report and a motion for a resolution had been submitted, this speech would not have been necessary, but I will willingly make a few brief comments.

In the view of the committee responsible, the Commission made a very wise choice in deciding on the principle of partial harmonization when drawing up a directive on the approximation of

Member States' legislation concerning bread. Partial harmonization means in this case that bread which is exported must satisfy the provisions either of the importing country or of the Community, in other words the provisions submitted to us as a Commission proposal.

This partial harmonization is an attempt to satisfy varying interests and necessities. In the first place, there will be no 'Euro-bread', if I may call it that, since national provisions are to continue to apply side by side with Community provisions. Too much levelling would be contrary to the sense of the European Community and national and regional traditions, customs and peculiarities would be thrown overboard in favour of a uniform European way of life, which would probably not satisfy anybody.

This means where the Commission's proposal is concerned that there must be no encroachment on the many and varied tastes and traditions in the manufacture and consumption of bread. It must continue to be possible to use in the manufacture of bread in the various countries substances which are not allowed by the provisions of other countries or of the Community, since the specific nature and specific taste of the bread often depends on the use of such substances.

On the other hand, a Community regulation will eliminate obstacles to trade arising out of the considerable variations in the Member States' provisions on the composition, manufacture, packaging and labelling of bread, which compel producers to adapt their products to meet the provisions of the Member State for which they are intended.

The Commission's representative referred to amendments and adjustments to be made in the future. I hope—and I am sure the committee will agree—that when these adjustments are made, the principle of this proposed directive is upheld, in other words that the intention is not to achieve total harmonization.

On behalf of the Committee on Public Health and the Environment I welcome not only the considerable liberality demonstrated in allowing individual Member States to retain their various tastes and traditions, which I would describe as pro-consumer, but also the fact that the Community provisions are guided to a great extent by the consumer's interests. Member States which have these interests at heart will not therefore be faced with difficulties when adopting this directive. We assume that this positive tendency of the proposed directive is due not least to the fact that consumers' associations were consulted in this case.

Walkhoff

In the few cases where the Commission's proposal does not take account of the consumer's interests we have suggested amendments. As the report and the motion for a resolution are available in writing, I need not at this late hour go into our various proposals for amendments in greater detail. I ask you to adopt this report and resolution.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — The Commissioner has made a very important statement concerning the fact that he is to take the report back and re-examine it and then come forward with further proposals. If he is to do that, I question what we are doing by passing this document. I congratulate the rapporteur Mr Walkhoff on the work he has done and on the discussions we have had in committee over the weeks and months, but it now seems that the base document is to be withdrawn and resubmitted by Commissioner Gundelach after he has had an opportunity to rephrase it and compose the proposals differently.

I equally welcome—perhaps this is more fundamental—the point he made concerning harmonization. He put our minds at rest by his brief statement concerning total harmonization, which was echoed by our rapporteur. I hope that when the Commissioner winds up the debate he will confirm that there will be no question of total harmonization concerning bread throughout the Community. I know that a number of people would welcome any change in British bread, which many consider not as good as it might be and that any change would be good, because it would be bound to be for the better and could not be for the worse. That is beside the point, although on the whole I cannot help siding with those people.

The issues raised by Mr Gundelach are very important. I hope that he can elaborate a little further, first on how his mind is working concerning the directive. We are talking about bread that can flow freely—if that is the right word—between Member States of the Community, assuming that it reaches certain standards of labelling, packaging, content and so on. Does the Commissioner propose to change that or will he try to liberalize it further?

Can the Commissioner also say a little more about where his mind is leading him concerning partial and total harmonization? Both he and the House will know that there has been a great deal of ridicule throughout the Community about the amount of time that is wasted, or appears to be wasted, on the harmonization of

matters which are not of prime importance. We spend a lot of time doing this and it is sometimes queried whether it is essential.

It would be of great help to the House if we could have Mr Gundelach's thoughts about how he intends to proceed in the future, because we all want to see an increase of trade within the Community. We do not want to see restrictions unnecessarily placed on Community trade. We want to see a free flow. Neither do we want our time to be taken up unnecessarily in dealing with matters which are only technical and should not occupy the time of the House.

I welcome in principle what the Commissioner has said, but my final question is: do we need to pass this document now?

President. — I call Mr James Hill.

Mr James Hill. — Mr President, I should just like to say that this change in direction by the Commissioner is indeed most welcome. I think that it requires the greatest amount of publicity in the Member States, because there has been a tremendous amount of almost anti-European feeling about Euro-beer, Euro-sausage, and Euro-bread. I think that Mr Gundelach has made a speech on this to the Council of Ministers. If this could be given greater publicity it would be helpful to Members of Parliament who have to explain Europe to their constituents.

I myself find that this is a very weighty document for what must be only a quite simple matter. I am sure that the volume of the document could be thinned down. Perhaps this wise committee that decides these matters should have a taste of the bread before the document is approved. It may be that it is passing a directive of which the product will be uneatable. Nevertheless, I welcome it because of the feeling that we have, certainly in the House of Commons, that we are meddling too far in the normal lives of our constituents.

Having said that, I should like to thank the Commissioner for, perhaps not his change of heart, but his change of direction, and I am sure that it will do the European Parliament a great deal of good.

President. — The rapporteur wishes to speak, but I think that it is better to listen first to Mr Gundelach.

Mr Gundelach, Member of the Commission of the European Communities. — Thank you, Mr President. I would first like to answer the rapporteur by saying that in any further changes in the text there can be no question, as I hoped

Gundelach

I had made clear in my initial statement, of departing from the road of so-called partial harmonization, and certainly no question of following the road of total harmonization. I can put his mind completely at rest on this point, just as I can put the minds of other Members of this Parliament completely at rest on this point.

As to the question of the report itself, there are a number of technical problems raised and debated in the report. The Commission is grateful for the work which has been done. We consider it extremely useful. We should like to have the benefit of this report in our future work. Therefore, as far as the Commission is concerned I see no difficulties in the report's being adopted. It will assist us in our future work.

It does not mean that the Commission necessarily agrees with all technical matters which have been dealt with or technical suggestions which have been made, but all these points are of minor technical importance and I should not wish, as the rapporteur did not wish, to go into them at this particular stage.

What I wanted to say were these two things—first, the line remains basically the same; secondly, the report is a valuable one which we should like to benefit from in our future work. As to the more general questions concerning the concept of harmonization which have been put to me, I would not wish on this occasion to make a long speech on the complicated subject of harmonization, but I should like to take the opportunity, since this is an item which has been subject to a considerable amount of public debate and also a considerable amount of misunderstanding, to say a few words further to my introductory remarks.

When we make proposals in the Community in regard to harmonization of laws, technical standards and so on, we are doing so on the basis of the Treaty. The Treaty permits us to do this in order to ensure that the free market which has been established as one of the cornerstones of our economic entity will not be taken away by replacing the old tariffs, quantitative restrictions and other traditional barriers to trade by new obstacles to trade which are, incidentally, being introduced, other than when Member States introduce legislation to protect such matters as public health, consumers' and environmental interests.

What we want to do, naturally, is not to hamper the pursuit of these public objectives regarding the environment, protection of the consumer and public health. We would rather, through flexible methods of harmonization — what I would prefer to call approximation of law —

see to it that these objectives are furthered. They are also Community objectives inasmuch as we do not hamper the free movement of goods and thereby the free choice of consumers in having a wider range of commodities. We do not hamper competition on prices, and this is in the interest of the consumer.

However, it is absolutely essential to bear in mind that this is the objective and the sole motivation for this exercise of harmonization or, as I would prefer to call it, so-called harmonization or *rapprochement des législations*.

There can be no question that we are seeking to further European unity by standardizing products, whether they be bread, beer, turkeys, chickens or anything else.

Our object is to see to it that the consumer has the broadest possible benefit and choice of diversified commodities at the best possible price. But we must do this in such a way that we do not hamper the legitimate aspirations of Member States or public objectives such as public health and protection of the environment. Therefore, we enter these fields in order to seek cooperation between Member States with the sole object of safeguarding and perfecting our free markets for goods and services.

President. — Thank you very much, Mr Gundelach.

I call the rapporteur, Mr Walkhoff.

Mr Walkhoff, rapporteur. — (D) Mr President, I should like to thank Mr Gundelach for clearly stating that there is no intention to introduce total harmonization in the future. Mr Gundelach has spoken of further approximation of legislation. When this is done, I should like to ask him to continue to put the consumer's interest in the forefront, as is the case in the proposed directive now before us. As we undoubtedly all know, the margarine industry has been lobbying not only the Commission but also Parliament in an effort to have the indication of the fat content dropped and that bakers small and large are complaining that they cannot use certain additives, which are not essential to the manufacture of bread but make it easier. When this directive undergoes further development, we should not heed these voices but give priority to the consumer's interests, as the committee has also done.

President. — This is giving us all an appetite!

I call Sir Brandon Rhys Williams.

Sir Brandon Rhys Williams. — I merely want to congratulate Mr Gundelach on his important

Rhys Williams

and highly sensible policy statement. It was clear, it will be popular, and it is right.

President. — Does anyone else wish to speak?

I put the motion for a resolution to the vote

The resolution is adopted.¹

27. Approval of minutes

President. — Rule 17(2) of the Rules of Procedure requires me to lay before Parliament, for its approval, the minutes of proceedings of this sitting which were written during the debates

Are there any comments?

The minutes of proceedings are approved.

28. Date and place of next sittings

President. — There are no other items on the agenda.

The enlarged Bureau proposes that our next sittings be held at Strasbourg during the week from 14 to 18 January 1974.

Are there any objections?

That is agreed.

29. Annual Meeting of the Parliamentary Conference of the EEC-AASM Association

President. — The Tenth Annual Meeting of the Parliamentary Conference of the EEC-AASM Association will be held in Rome from 30 January to 1 February 1974.

30. Adjournment of session

President. — I declare the session of the European Parliament adjourned.

Before closing the sitting, I should like to thank Mr Gundelach and his colleagues, and also all those who work for us, as it has been a long and difficult week, with signs of edginess at times.

A few days of holiday will be welcome.

Ladies and gentlemen, please allow the Chair to wish you a Merry Christmas and a Happy New Year by your own firesides; even if they are not as warm as we might like to have them, I hope that there will at least be warmth in your hearts.

The sitting is closed.

(The sitting was closed at 10.30 a.m.)

¹ OJ No C 2, 9. 1. 1974.

