

Annex

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NOTE TO READER

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

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

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IN THE CHAIR : Mr SPÉNALE

President

(The sitting was opened at 6.05 p.m.)

President. — The sitting is open.

1. *Resumption of the session*

President. — I declare resumed the session of the European Parliament adjourned on 17 December 1976.

Ladies and gentlemen, 1976 was an important and valuable year for Europe, particularly as regards the progress made towards the election of the European Parliament by direct universal suffrage. I am pleased

to say in this connection that the French Constitutional Council has just declared that the election procedure is completely compatible with the French Constitution, which really opens the way to ratification.

Since we are at the beginning of a new year, I venture to hope that 1977 will be really valuable from the point of view of the progress to be made towards this historic event.

(Applause)

2. *Apologies*

President. — An apology for absence has been received from Mr Jahn who regrets his inability to attend this part-session.

3. Tribute

President. — Once again, since we last met, two of our colleagues have sadly passed away.

Mr Jean de Broglie died on 24 December in tragic circumstances which are known to you all. He was a Member of the European Parliament from 1967 in the Liberal and Democratic Group. He was a member of the Committees for the Associations with Greece and Turkey and, more recently, of the Committee on Energy, Research and Atomic Problems and the Committee on Economic and Monetary Affairs.

His reports reveal a keen intelligence and great powers of comprehension. He was also a dedicated European.

On behalf of the European Parliament I have sent a telegram of sympathy to Mrs de Broglie and her family.

More recently came the death of Mr René Pêtre, an eminent member of the Christian-Democratic Group. Born on 5 June 1911 at Ghlin-lez-Mons, our colleague died on 27 December last following a long and painful illness, throughout which he demonstrated admirable courage and great dignity.

He was a Member of this Parliament from 1961 to 1968, when he became Minister of the Civil Service in his own country. Mr Pêtre came back to us in February 1972.

In addition to the important duties which he carried out in his country and his region, Mr Pêtre was a member of the Christian-Democratic Group in the European Parliament. He played an active part in the work of the Committee for Finance and Budgets, the Committee on Budgets, the Committee on Social Affairs and Health Protection and the Transport Committee. I had the privilege of working with him for a long time on the Committee on Finance and Budgets and seeing both his strength of mind on tight budgets and his open-heartedness in social matters.

We remember Mr René Pêtre as a great politician fired by a constant desire to serve his region, his country and Europe, to which he dedicated his enthusiasm and his work. To know him was an enriching experience. You will certainly remember the many reports he submitted to this House and his speeches which were always lively and pertinent, whether concerned with the free movement of labour, social action or consumer protection.

On your behalf and on behalf of this Parliament I express once again our deepest sympathy to his family and friends.

Let us observe one minute's silence in memory of the deceased.

(The House stood to observe one minute's silence)

4. Appointment of members of the Commission of the European Communities

President. — Mr van der Stoel, President of the Conference of Representatives of the Governments of the Member States has informed me that the following have been appointed members of the new Commission :

Mr Jenkins, President ; Mr Ortoli, Mr Haferkamp, Mr Gundelach, Mr Natali, Mr Vredeling, Vice-Presidents ; Mr cheysson, Mr Brunner, Mr Vouel, Mr Giolitti, Mr Burke, Mr Davignon and Mr Tugendhat, members.

The official presentation of the new Commission will take place tomorrow afternoon.

5. Documents received

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

(a) from the Council, requests for opinions on the following Commission proposals and documents :

— regulation on the common organization of the market in ethyl alcohol of agricultural origin and laying down additional provisions for certain products containing ethyl alcohol (Doc. 504/76)

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

— transfer of appropriations between chapters in Section III — Commission — of the general budget for the European Communities for the financial year 1976 (Doc. 505/76)

This document has been referred to the Committee on Budgets.

— regulation concerning the introduction of a Community consultation procedure in respect of power stations likely to affect the territory of another Member State (Doc. 506/76)

This document has been referred to the Committee on Energy and Research as the committee responsible and to the Committee on Environment, Public Health and Consumer Protection, the Committee on Economic and Monetary Affairs and the Committee on Regional Policy, Regional Planning and Transport for their opinions.

— directive amending Directive 75/271/EEC concerning the Community list of less-favoured farming areas within the meaning of Directive 75/268/EEC (France) Doc. 507/76)

This document has been referred to the Committee on Agriculture as the committee responsible and to the Committee on Regional Policy, Regional Planning and Transport and the Committee on Budgets for their opinions.

— a letter on the establishment plans of the European Centre for the Development of Vocational Training and the European Foundation for the Improvement of Living and Working Conditions, for the financial year 1977 (Doc. 508/76)

President

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

(b) the following oral questions :

- the oral question with debate by Mr Cointat on behalf of the Group of European Progressive Democrats to the Commission of the European Communities on the Community agreement on oil drilling in the Western Approaches to the English Channel (Doc. 498/76);
- the oral question with debate by Mr Prescott on behalf of the Socialist Group to the Commission of the European Communities on Mr Adams and Hoffman-La Roche (Doc. 499/76);
- the oral question with debate by Mr Pisoni, Mr Liogios, Mr Liogier, Mr Früh, Mr Pucci, Mr Fioret, Mr Bersani, Mr Vernaschi, Mr Ripamonti, Mr Brugger, Mrs Cassanmagnago Cerretti, Mr Colombo, Mr Granelli, Mr Martinelli, Mr Noè, Mr Riz, Mr Scelba and Mr Mursch to the Commission of the European Communities on excise duties and other taxes on wine (Doc. 501/76);
- the oral question with debate by Mr Guldberg on behalf of the Committee on Economic and Monetary Affairs to the Commission of the European Communities on a common policy for the aerospace industry (Doc. 502/76);
- the oral question with debate by Mr Cousté on behalf of the Committee on Economic and Monetary Affairs to the Commission of the European Communities on the second programme on data processing (Doc. 503/76);

(c) the oral question without debate by Mr Corterier to the Commission of the European Communities on the application of the preference agreement with Brazil to the import of powered coffee into the Community (Doc. 500/76);

(d) oral questions by Mr Berkhouwer, Mr Evans, Mr Johnston, Mr Ellis, Mr Cousté, Mr Cointat, Sir Geoffrey de Freitas, Mr Dondelinger, Mr Hamilton, Mr Gibbons, Mr Molloy, Mr Osborn, Mr Creed, Mrs Dunwoody, Mr Pisoni, Mr Scott-Hopkins, Mrs Ewing, Mr Hamilton, Mr Liogios, Mr Pisoni, Mr Fletcher, Mr Dykes, Mr Spicer, Lord Bethell, Mrs Dunwoody and Mr Shaw for Question Time on Tuesday, 11 and Wednesday, 12 January 1977, pursuant to Rule 47A of the Rules of Procedure (Doc. 509/76).

*6. Texts of treaties forwarded
by the Council*

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

- agreement in the form of an exchange of letters amending Tables I and II annexed to Protocol No 2 to the agreement between the European Economic Community and the Swiss Confederation ;
- an agreement in the form of an exchange of letters amending Annex A to Protocol No 1 to the agreement between the European Economic Community and the Swiss Confederation ;

- agreement in the form of an exchange of letters amending the English version of Table II of Protocol No 2 to the agreement between the European Economic Community and the Swiss Confederation ;
- agreement in the form of an exchange of letters amending Tables I and II annexed to Protocol No 2 to the agreement between the European Economic Community and the Kingdom of Sweden ;
- agreement in the form of an exchange of letters amending Annex A to Protocol No 1 to the agreement between the European Economic Community and the Kingdom of Sweden ;
- interim agreement between the European Economic Community and the Kingdom of Morocco and Final Act ;
- cooperation agreement between the European Economic Community and the Kingdom of Morocco and Final Act ;
- interim agreement between the European Economic Community and the Republic of Tunisia and Final Act ;
- cooperation agreement between the European Economic Community and the Republic of Tunisia and Final Act ;
- interim agreement between the European Economic Community and the People's Democratic Republic of Algeria and Final Act ;
- cooperation agreement between the European Economic Community and the People's Democratic Republic of Algeria and Final Act ;
- agreement between the European Economic Community and the Republic of Korea on trade in textile products.

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

7. Reference to committee

President. — Pursuant to Rule 38 of the Rules of Procedure, I have referred

- to the Legal Affairs Committee the problem of the questionnaire addressed to officials of certain nationalities by the Commission of the European Communities ;
- to the Committee on the Rules of Procedure and Petitions the problem of improving voting procedures at the European Parliament.

*8. Motion for a resolution
on unemployment in Europe*

President. — You will recall that on 13 December 1976 I received a motion for a resolution tabled by Mr Pisoni and others, with request for a debate by urgent procedure pursuant to Rule 14 of the Rules of Procedure, on unemployment in Europe (Doc. 439/76). This document has been placed on the agenda for Thursday (No 367), but a decision on the adoption of urgent procedure must first be taken. I shall consult

President

the House on this at the beginning of tomorrow's sitting.

9. Tabling of a motion for a resolution

President. — I have received a motion for a resolution tabled by Mr A. Bertrand and Mr Springorum on behalf of the Christian-Democratic Group, with request for urgent debate pursuant to Rule 14 of the Rules of Procedure, on the need to establish a site for JET as a prerequisite for effective research measures to secure the Community's energy supplies in the long term (Doc. 510/76).

I shall consult the House on the adoption of urgent procedure for this motion for a resolution at the beginning of tomorrow's sitting.

10. Limit on speaking time

President. — In accordance with the usual practice and pursuant to Rule 28 of the Rules of Procedure, I propose that speaking time be allocated as follows :

Reports :

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

For *Oral questions with debate* the Rules of Procedure provides as follows :

- 10 minutes for the author ;
- 5 minutes for other speakers.

Are there any objections ?

That is agreed.

11. Order of business

President. — The next item is the order of business. The following Commission proposal has been placed on the agenda for this sitting under the *procedure without report* pursuant to Rule 27 A (5) of the Rules of Procedure :

- Regulation on the common organization of the market in products processed from fruit and vegetables (doc. 458/76)

This document had been referred to the Legal Affairs Committee. Unless any Member has asked leave to speak on this proposal or amendments are tabled before the opening of the sitting on Friday, 14 January 1977, I shall declare this proposal approved.

At its sitting on 17 December 1976, Parliament adopted the agenda for this part-session which has been distributed.

Since then, certain changes have been made.

The following documents were not adopted in committee and have been withdrawn :

No 363 — Motion for a resolution tabled by Mr Springorum on behalf of the Committee on Energy and Research on a site for JET. No 380 — Report by Mr Ellis on inspections and verifications by the International Atomic Energy Agency.

No 373 — Report by Lord Ardwick on the investment of transferable securities.

I have also received an oral question with debate by Mr Fellermaier on behalf of the Socialist Group, with a request for it to be included in the agenda for this part-session, on the failure by the Council to agree an interim Community internal fishing regime for 1977.

The Liberal and Democratic Group has asked for the report by Mr Kofoed on fishing, item 332 on the agenda for Wednesday, 12 January, to be held over to the February part-session. In support of this request they cite the wish expressed by Mr Gundelach : since the negotiations in progress between Member States and third countries concerning the *ad hoc* fishing arrangements for 1977 seem to have reached a critical phase, the Commission would not feel in a position to make a satisfactory contribution to the debate on this matter.

I call Mrs Ewing.

Mrs Ewing. — Mr President, I must make the strongest protest, to yourself and to this Parliament, if this matter is allowed to be deferred yet again. We accepted the situation last time when this item was down for discussion on a Friday, a day when we know there is not a good attendance. I, myself, suggested in a point of order then, when a postponement was discussed for what seemed good reasons, that a full debate should take place in this part-session of Parliament. I suggested we had it on a meaningful day, such as a Wednesday. I was gratified — and so were the representatives of the fishing industry that I have been meeting for the last month in my country — to notice that this request had been granted by the people who arranged the agenda.

Now, once again we are getting a postponement. It is not possible for anyone to go back to the fishing industry in the United Kingdom and explain this satisfactorily, without all the people taking the view that this Parliament is not worth coming to. It really is intolerable if this matter is deferred once again, and I must make the strongest possible protest against any deferment.

President. — I call Mr Bangemann.

Mr Bangemann. — (D) Mr President, may I set Mrs Ewing's mind at rest and at the same time explain the reasons underlying my group's request. When we asked that this debate should be deferred — and we did so, incidentally, at the express request of the member of the Commission who now has responsibility in this area and who discussed the matter with

Bangemann

the rapporteur — our intention was not in any way to harm the interests of fishermen and of people in the Community who depend on fishing for their living. Quite the opposite, such a deferment would actually serve these interests, whereas a debate at this moment and any decisions that might be taken would be of no help at all, not even to Scottish fishermen. On the contrary, it would only worsen the situation, and I would therefore ask that our request for a deferment be accepted.

Mr Prescott. — As one who has opposed previous requests by Mr Kofoed to cancel his reports, I think this time it is entirely legitimate to ask for the cancellation on two specific grounds which I feel the honourable lady will agree with on reflection.

First, there are the very difficult negotiations taking place with Iceland at the present time. The political forces in Iceland will have to come to an agreement in their parliament in the next week or so. Problems that might be outlined in this Parliament could make it very difficult for the Commissioner to achieve an agreement in Iceland itself. I think that is a very important political reason why we should not make the difficulties any greater for the Commissioner, who has an extremely difficult job in itself.

The second reason is equally valid and important. The Kofoed report deals with a set of proposals that have come from the Commission. These proposals, as the honourable lady knows, are not acceptable to certain nations, particularly Britain and Ireland. The Commission has been asked to look at possible other formulas that it may present to the Council and, presumably, to this Parliament for consideration. So, it is not relevant at this time to consider a document that may well change, because it is commenting on Commission's proposals that themselves may change in the next month or so.

I think that for those two reasons, the Commissioner is right to request, as the honourable Member is right to request, that in fact we should defer discussion on this matter at this stage.

(Applause)

President. — I call Mrs Ewing.

Mrs Ewing. — Words have been put in my mouth by Mr Prescott which I do not accept, and I think it is only right, as he has done that, that I get the right to reply.

He has said that he is sure that I will agree with him, and I normally do and I think I have done all the way up till this point of time. But on this occasion I must say, Mr President, that I cannot agree with Mr Prescott for this reason: while I appreciate the points he makes very deeply, he must also appreciate that in the month that has passed since the postponement I and many others have had to explain to very, very angry

and to very, very many fishermen and fishing associations in my country that there is going to be at least an opportunity for people like me to express what they are feeling. If I have to go back and tell them there is another postponement there is no way to explain this to the people back home; it may seem very reasonable to you here but it will seem entirely unreasonable to them. I therefore beg of this House to have a debate and we will all try and be as moderate as we can and not do anything to upset the delicate negotiations. A promise has been given: let us try and keep some of the promises on a matter where the whole industry is at stake and where blockades are being talked about.

President. — We must make a distinction between the problem of the permanent fishing regime, which is the subject of Mr Kofoed's report, and the *ad hoc* fishing regime for 1977.

Furthermore, regardless of whether the Commission is able to attend a debate or not, Parliament can always decide to hold one. In this case, however, since the Commission wishes to preserve its freedom of negotiation, there is a risk that some of the necessary elements might be lacking.

However, I now consult the House on the request for the Kofoed report to be held over until the February part-session. That is agreed.

I assume that the same decision applies to the question by the Socialist Group on the adoption of an interim Community internal fishing regime.

The report by Sir Derek Walker-Smith on the respect for basic rights — item 358 — is held over until a later part-session, as discussions are to be held between the President of the Council, the President of the Commission, the rapporteur of the Legal Affairs Committee and myself on the suggestions made by the Bureau.

I call Mr Fellermaier.

Mr Fellermaier. — *(D)* Mr President, you have suggested rather abruptly that consideration of my group's question should also be put off until the February part-session. I see no direct connection with the Kofoed report and would therefore ask that the question be dealt with in January.

President. — In those circumstances I shall consult the House at the beginning of tomorrow's sitting on the request by the Socialist Group for an urgent debate.

The statement by the President-in-Office of the Council on the programme of work for the first half of 1977, item 357 on Wednesday's agenda, will probably give rise to a twenty-minute debate as usual.

Following very brief consultations with the political groups it seems to me that speaking time could be allocated roughly as follows:

President

Socialist Group : 5 minutes ;

Christian-Democratic Group : 4 minutes ;

Liberal and Democratic Group : 3 minutes ;

European Conservative Group : 2 minutes ;

Group of European Progressive Democrats : 2 minutes ;

Communist and Allies Group : 2 minutes.

I call Mr Fellermaier.

Mr Fellermaier. — (*D*) Mr President, I am astonished to hear that there is agreement between the political groups. I have not so far been approached, and had I been I would never have fallen in with a procedure under which parliamentary proceedings would be regulated by a stop-watch. When a statement by the Council or the Commission comes to our knowledge, then I feel that the groups should be given the time for reflection warranted by the importance of the matter, and this regardless of their size, since the degree of expert knowledge has nothing to do with the number of members in a group. It should be left to the groups themselves to reach agreement over a period of time and then to submit to you, Mr President, a suitable proposal.

President. — I think there is some confusion. The agreement with the groups which I have just mentioned related to Parliament's reply to the statement by Mr Jenkins.

I call Mr Berkhouwer.

Mr Berkhouwer. — (*F*) Mr President, I thought that Mr Jenkins was going to introduce the members of his Commission to us tomorrow, but not his programme ...

President. — I call Mr Bertrand.

Mr Bertrand. — (*NL*) Mr President, I would ask you to allow us one or two minutes tomorrow, after Mr Jenkins has delivered his statement, in which to welcome the new President of the Commission on behalf of all the political groups. But let us not hold a debate. A few simple complimentary remarks will suffice. Secondly, I would point out, Mr President, that there are only a few items on Wednesday's agenda : Question Time, the vote on the motions for resolutions tabled by Mr Memmel and Mr Lagorce, the statement by the President of the Council and a single oral question. That is all. Exceptionally, therefore, we have time to hold a calm debate on the Council's work programme. I would therefore also ask that we should be allowed to avail ourselves of this opportunity, given the lucky chance that the agenda for Wednesday is such a light one.

President. — I call Lord Bruce.

Lord Bruce of Donington. — Mr President, I am not sure whether there was not, perhaps, an error in

translation, but I did understand that you referred to a statement by the Commission. Would you mind giving us the number of that item on the agenda? May I also ask, on behalf of those of us who are trying to mark up their agenda as you make changes in it, if you would kindly refer to the number of the item which you are altering, postponing or cancelling?

President. — I call Mr Normanton.

Mr Normanton. — Mr President, I wonder if I could get your agreement and the support of the House for a proposal to defer item No 361 that is, the Guldberg report — because this in fact is going to be the subject of a similar parallel report which Mr Giraud will be presenting on behalf of the Committee on Energy and Research presumably at the February part-session. It seems to me logical that we should take these two reports as part of one debate rather than having to repeat the same debate on two separate occasions. With your approval, Mr President, I suggest that this item be struck of the agenda, which could, of course, allow more space for the debate which Mr Bertrand has been pressing for.

President. — I call Sir Peter Kirk.

Sir Peter Kirk. — Mr President, can I come back to this question of the statements by the President of the Commission and the President of the Council?

The draft agenda that we have before us announces for tomorrow afternoon — for Lord Bruce's benefit, under item No 352 — 'Presentation of the new Commission of the European Communities', with a footnote : 'The programme declaration will take place in February.' I had clearly understood that if Mr Jenkins said anything at all tomorrow it would largely be courtesies. Consequently, when, Sir, your *chef de cabinet* asked me, as I understand he asked the chairmen of the other political groups, how much time we should need, I said that I would like courteously to return the courtesy and that that would take me about two minutes. But if this is going to be a statement of political content, I cannot limit myself to two minutes and I don't think anybody could. We are entitled then to a proper debate.

(Applause from certain quarters)

I think what we must know is what the President of the Commission is going to do tomorrow, because if he is going to make a political declaration then we shall need to have a debate.

So far as Wednesday's business is concerned, I agree absolutely with Mr Bertrand. We have the time for a proper debate on the President of the Council's statement, and I would like to see that such a debate takes place.

(Applause)

Mr Vouel, member of the Commission. — (F) Mr President, to clarify matters, I should like to confirm that President Jenkins will confine himself tomorrow to introducing members of the Commission. For this purpose he will be making a brief statement lasting some twenty minutes, which is much too short to present his programme. The statement on the programme is scheduled for the February part-session.

President. — I call Mr Notenboom.

Mr Notenboom, vice-chairman of the Committee on Economic and Monetary Affairs. — (NL) Mr President, I would point out as a matter of sober fact that this report has regularly appeared on the agenda each year and that consideration of it, for whatever reason, has on each occasion been postponed. It is becoming more and more difficult to take this situation seriously. The report has been complete now for almost one year. Every time its consideration is artfully postponed. As vice-chairman of the committee that drew the report up, I should like to draw attention to this state of affairs and to record my objection to it.

President. — I call Mr Radoux.

Mr Radoux. — (F) Mr President, the text of our agenda is, I believe, quite clear. The President of the Commission will introduce the Commissioners; but nothing is said about a debate or about his presenting his programme. The Commission's programme will therefore be presented in February.

As regards the President of the Council, if his statement were followed by a debate, this would have to be announced. To my mind, there would have to be a statement by the President of the Council and the debate would have to be held later. I can scarcely see him providing at this moment a complete outline of his work for the first six months. What I should like to know is if this statement will cover the entire programme and if there will be a debate.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, as regards the introduction of the new Commissioners by the President of the Commission tomorrow, he will presumably not merely ask them to rise as a matter of courtesy when he names them but will also say something about the distribution of portfolios and the 15-hour tussle that preceded it, about which we learned from a communiqué and on which the entire press — at least the English, French and German papers I have seen here today — has made widely differing comments. I cannot believe that this Parliament will meet this week and merely say: in February, when the Commission's annual programme is published, we will say something about it. There may be good grounds, after the new President of the Council has introduced himself in his 20-minute speech, for our making, at

least on behalf of the political groups, one or two remarks. I feel, therefore, that up to ten minutes should be made available to them. When I say ten minutes. I want to exclude the stop-watch procedure, which also makes things difficult for the President. I believe this is a reasonable proposal, and one that should bring home to the Commission that what goes on in this House is not a monologue but always a dialogue.

Moreover, as regards the President of the Council, I expressly endorse Mr Bertrand's view that when this House has time for political debate at the beginning of the year under a new President of the Council it should make careful use of it.

(Applause)

President. — Ladies and gentlemen, I think I am somewhat to blame for a certain amount of confusion in the discussion and I apologize for that.

I am grateful to Lord Bruce for asking me to mention the item numbers. That will make things clearer.

The first item under discussion — No 352 — is the presentation of the new Commission. That will be taking place tomorrow afternoon at 3 p.m. Afterwards, and the new President of the Commission has been told about this, the political groups will reply. If the House agrees with Mr Fellermaier's last proposal, each group could have a maximum of 10 minutes to welcome the Commission and possibly refer to the allocation of responsibilities.

The second item — No 357 — is the statement by the President of the Council on the programme of work for the first half of 1977.

Last time we had a debate lasting one hour following this statement. We can do the same if the political groups agree.

Finally, Mr Vouel has said that the Commission will present its programme of work in February. At that time we will have a full debate, for which we shall have to agree on the allocation of speaking time.

I call Mr Mursch.

Mr Mursch. — (D) I should like to propose that Mr Prescott's interim report be removed from the agenda for the following reasons.

On 27 June 1975 the Bureau of the European Parliament authorized the Committee on Regional Policy, Regional Planning and Transport to draw up a new own-initiative report on sea transport, after Mr Seefeld's report had been rejected by a chance majority at 1 a.m. in plenary sitting. The committee has again appointed Mr Seefeld rapporteur. On 25 September 1975 the Liberal and Democratic Group, with a view to supporting the Transport Committee in its efforts, submitted a motion for a resolution by Mr Bangemann to this end.

Mursch

Parliament took an unfortunate decision when, on a proposal from the President, it referred this motion for a resolution on 25 September 1975 to the Committee on Economic and Monetary Affairs, with the result that two reports on the same subject are being worked on in two committees. Each committee was in turn asked to deliver an opinion on the report drawn up by the other.

To avoid the preparation of two opinions in addition to two reports, it was suggested that each report should in turn serve as an opinion. The Bureau approved this procedure by deciding that the two reports should be considered simultaneously in plenary sitting in the course of a joint debate.

Now we have the following situation. In the Committee on Regional Policy, Regional Planning and Transport Mr Seefeld has drawn up a report which will be considered at that committee's next meeting. In the Committee on Economic and Monetary Affairs Mr Prescott has submitted the report now before us on the shipping industry in the Community. In spite of his earlier report, the Bureau decided to place this interim report on the agenda of the January part-session, although the committee asked for its opinion has not yet delivered it, although the rapporteur was not or could not be present at the proceedings, and although the submission of a report by the Committee on Regional Policy, Regional Planning and Transport is shortly to be expected.

Mr Prescott's interim report, which was thus prepared without adequate coordination with the committee competent to deal with transport questions and by no means confines itself to matters falling within the province of the Committee on Economic and Monetary Affairs but also deals with highly important aspects of transport policy, contains a number of dubious and controversial proposals on which the plenary sitting can on no account decide in a rush on the basis of an interim report. If this were to happen, nine proposals for amendments would have to be tabled from my side alone. I will only mention briefly two of them — the most important — and this will interest you, Mr Blumenfeld. It is being suggested that an investigation could be made of the possibility and usefulness of a Community preference under which Community shipowners would have to procure some of their vessels from Community shipyards. A highly controversial and difficult problem of immediate concern to the Transport Committee.

Secondly we have the question of the scope for a common regulation for harmonizing the rules on jobs and wages. This, however, would mean the end of freely negotiated collective agreements.

There is another objection, of a formal nature. Mr Prescott's report was published on 6 January but only distributed today. No-one has had a chance to look into the difficult problems outlined in the report. I

therefore feel, Mr President, that it is only reasonable that we should deal with this report in February, when the Transport Committee too will have met.

President. — I call Mr Prescott.

Mr Prescott. — Mr President, can I, perhaps, reassure Mr Mursch about a number of aspects that he has raised. Certainly there were two reports when we first embarked upon this subject. There has been a resolution from Mr Bangemann and my report has been formulated along the lines of the request in that particular resolution. The argument for that resolution was that Parliament had sent back to the committee the previous Seefeld report, with which I have considerable agreement. A certain amount of duplication of work has gone on, but my report is the one produced by the Committee on Economic and Monetary Affairs and deals with the economic consequences rather than the transport implications.

But that really is not the reason why I would like Mr Mursch to reconsider his arguments. There are two particular points: one is that I may not be here after the February part-session. That was one thing which the committee had in mind when it put before this House an interim report. But more important than that is that the resolution does not declare that this is the definitive view of this Parliament. What it does do is to suggest that we should consider looking at an industrial structural policy and to call for a conference which will consider some of the ideas embodied in the resolution, the controversies that rightly will come about wages or other matters. Indeed, the Committee on Regional Policy, Regional Planning and Transport may wish to present its own views to such a conference on these important matters. It is not a resolution expressing the Parliament's opinion about wages but containing matters which a conference could further consider, so it would be quite proper to call it an interim report for this Parliament to discuss and then refer to a conference if it can agree to that. Every one of us could then take part in the conference, and we could come back with a proper report on an industrial strategy for the very problems that this industry is facing at the present time. There is no commitment in that sense, only a commitment to the idea of holding a conference to look at these ideas, not necessarily to endorse them.

President. — I call Mr Bangemann.

Mr Bangemann. — (D) Mr President, since I am the one who is more or less responsible for all this confusion I feel there is something I ought to be allowed to say. Originally my group's motion for a resolution was concerned — at least in the main — more with problems of sea transport than with industrial policy problems, namely with the shipbuilding industry. Now, on an earlier occasion Mr Prescott rightly

Bangemann

pointed out that these problems are linked together. For examples, a Community preference for newly-built ships, which we can perhaps discuss here when Community shipbuilders are affected, brings out this connection quite clearly.

The difficulty, Mr Prescott, lies not in the fact that you may be leaving this House, which I personally would regret, but that the connection between these two areas, to which you yourself have at various times drawn attention, is so clear that there is something to be said for the views put forward by Mr Mursch. If Mr Prescott were to agree to proceed on those lines, that would meet the Bureau's original wish, namely that the two reports should be presented together and at all events discussed in the same connection. Mr Prescott says that all that is being asked for here is a conference. Admittedly, but he is calling on the conference, for example in this matter of a Community preference, to make a proposal, and there is no doubt that such a proposal, without a report by Parliament's Transport Committee, would not be calculated to cover the problem in all its aspects.

I would therefore urge you, Mr Prescott, to signify your agreement as rapporteur; you too, after all, are anxious to see a reasonable solution both to shipping problems in the narrow sense of the term and to the problems of the shipbuilding industry. This, in the last analysis, is what we want. What matters now is not which of the reports is given preference but how these problems are to be solved. I beg you, therefore, to reconsider what you have just said.

President. — I call Mr Prescott.

Mr Prescott. — Mr President, I can perhaps assist in this particular dilemma, especially as the report has not been available long and is an extremely complicated one. I wonder if we could be given some assurance that the enlarged Bureau would look favourably at the possibility of dealing with the two reports at the next part-session in February. I think some effort should be made to do that. I do not think we can get any answer at this stage, Mr President, and bearing that in mind, I am prepared to consider withdrawing the report, if that is the wish of the House, though I desire to present it. I would hope then to present it in February, and also to hear the opinions of others involved at that stage.

President. — Mr Prescott, since the other report has not yet been adopted in committee, it is impossible to give you an assurance yet that the Bureau will decide on a joint debate on these two reports in February. However, it will consider this matter in the most

constructive way possible and will ask the committee concerned to complete its report soon so that this joint debate can be held. One other matter pending is the question of the report by Mr Guldberg, item 361. Mr Notenboom, on behalf of the Committee on Economic and Monetary Affairs, is against a postponement. Mr Normanton, do you still maintain your request for a postponement?

Mr Normanton. — Yes I do, Mr President. I think it would be far more productive for the debate if we took the two papers together, rather than going through the same process of debating the same subject in the same way on two separate occasions.

(Applause from certain quarters)

President. — I now consult the House on the request for Mr Guldberg's report on increased energy prices to be held over to the February part-session.

That is agreed.

I call Mr Lagorce.

Mr Lagorce. — *(F)* Mr President, I should like to propose an amendment to Tuesday's agenda.

My oral question with debate on the Community's water policy is the last item on the agenda for the afternoon.

Now, I really must take the last plane for Paris which takes off at 7 p.m. because the next day I have to lead a French parliamentary mission to the Ivory Coast. Could not my question be considered as early as possible in the afternoon instead of that by Mr Cousté, who would be prepared to cede his place to me? Obviously I would be even happier if my question could be called before that of Mr Spicer, but I have not seen Mr Spicer and do not know what he would feel about it. At all events, I thank Mr Cousté here and now for his kindness in making way for me.

President. — I call Mr Spicer.

Mr Spicer. — I am perfectly happy to accommodate Mr Lagorce on that particular point.

President. — I call Mr Lagorce.

Mr Lagorce. — *(F)* I should like to thank Mr Spicer for being so understanding.

President. — Are there any objections to the proposal?

It is agreed. Item 250 will therefore be debated after *Question Time*.

The order of business is therefore as follows:

This afternoon:

— Lagorce report on the setting up of sub-committees

President

Tuesday, 11 January 1977

3 p.m.:

- presentation of the new Commission (each political group will subsequently be allowed to speak for up to 10 minutes)
- Question Time
- oral question with debate to the Commission on water policy
- Spicer report on the Community's competence in the field of external economic relations
- Cousté report on trade relations between the Community and the United States
- oral question without debate to the Commission on coffee imports from Brazil

Wednesday, 12 January 1977

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

- Question Time
- Lagorce and Memmel reports on the Rules of Procedure (vote)
- Council statement on the work programme for the first half of 1977 (with debate)
- oral question with debate to the Conference of Foreign Ministers on Southern Africa
- Lange report on multinationals
- oral questions with debate to the Commission on Hoffman-La Roche

Thursday, 13 January 1977

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

- oral question with debate to the Commission on oil drilling in the Western Approaches to the English Channel
- oral question with debate to the Commission on the aerospace industry
- oral question with debate to the Commission on data processing
- Creed report on the extension of social protection
- Osborn report on goods transport by inland waterway
- oral question with debate to the Commission on wine duties
- Sandri report on cooperation with developing countries

Friday, 14 January 1977

9 a.m. to 12 noon:

- procedure without report
- possibly, continuation of Thursday's agenda
- Lautenschlager report on the European Cooperation Grouping
- Ney report on plant protection products
- W. Müller report on toxic wastes
- Fisher report on prepackaged products
- Fisher report on dangerous substances
- Kruchow report on waters capable of supporting freshwater fish
- Vandewiele report on the footwear sector.

Are there any objections?

That is agreed.

12. Time-limit for tabling amendments

President. — I propose that we set the time-limit for tabling amendments to the report by Mr Lagorce on the setting up of sub-committees (Doc. 461/76) at 12 noon on Tuesday, 11 January 1977.

Are there any objections?

That is agreed.

13. Setting up of subcommittees

President. — The next item is the presentation of and debate on the report by Mr Lagorce (Doc. 461/76) on behalf of the Committee on the Rules of Procedure and Petitions on problems raised by the setting up of subcommittees (Rule 39 (2))

I call Mr Lagorce.

Mr Lagorce. — (*F*) Mr President, ladies and gentlemen, the report I have the honour of presenting to you starts with the discussion that took place on 15 June 1976 on point 6 of the resolution proposed by Mr Cointat at the end of his report on the role and function of parliamentary control of Community resources and expenditure.

There are two opposing arguments as regards the publication of its minutes and reports by the subcommittee of the Committee on Budgets responsible for such control. One argument, that advanced by Mr Cointat in point 6 of his report, is to the effect that the European Parliament could empower the subcommittee to publish its minutes and reports; the other, put forward in the amendment tabled by Mr Broeksz and Mr Behrend on behalf of the Socialist Group, is that the Committee on Budgets should retain the power to publish the minutes and reports of the subcommittee.

The Committee on the Rules of Procedure and Petitions has made a searching study of this question. In the note outlining its opinion which it sent to the Bureau and which combined the provisions of Rule 39 of the Rules of Procedure with those of Rule 41 (a note confirmed in its report) it came to the conclusion that the reports and minutes of subcommittees could not be published, except in the case of the control subcommittee of the Committee on Budgets which, if the Committee on Budgets felt it necessary, could be authorized to publish these documents by Parliament. At the same time, in its note to the Bureau, the Committee on the Rules of Procedure and Petitions expressed a wish to look into the general problems thrown up by setting up subcommittees within Parliament's committees, bearing in mind in particular the amendments made to the Martens report stipulating

Lagorce

the need for the Bureau's consent before subcommittees are set up. Here then is the origin of the present report, which the Bureau instructed our committee to present to you today and of which I shall proceed to give you a brief summary.

The first point I should like to make is that, after surveying the whole range of problems it had been instructed to study, the Committee on the Rules of Procedure and Petitions reached the conclusion that these problems could be reduced to a single problem, namely whether or not the agreement of the Bureau ought to be secured before setting up subcommittees. You will remember that the Martens report, which was adopted by the Commission in April 1976, provided for such agreement to be compulsory, whereas a Socialist amendment tabled at the sitting of 7 July was for maintaining the existing text, which permits the Bureau's prior agreement to be dispensed with. As this amendment was adopted by the Committee on the Rules of Procedure and Petitions, it was not possible to propose the amendment of Rule 39 (2) to the European Parliament when it had to vote on the Martens report during the November part-session. The committee then made a study of comparative law on subcommittees but this was of no use to it at all because of the diversity of legal provisions governing this question in the national parliaments of the Member States.

In the end the committee had the idea of allowing the utmost freedom to committee chairmen, who are in a better position than anyone else to assess — with, of course, the agreement of committee members — the desirability of setting up subcommittees to facilitate their work, and therefore decided to retain the present wording of Rule 39 (2). But since setting up subcommittees, particularly a great number of them, raises problems of material organization with financial implications, the committee feels that it would be as well to limit the number of journeys, visits, fact-finding missions and even meetings of such subcommittees. For example, subcommittees could meet as far as possible on the same day as the committees that have set them up — either before or after a committee meeting — with a view both to simplifying the work and to effecting economies. But provisions of this kind come under the heading of instructions and have no place in the Rules of Procedure themselves.

On the other hand the Committee on the Rules of Procedure and Petitions proposes that you should extend to the subcommittees the possibility, reserved by Rule 39 (4) to members of a committee, of undertaking study or fact-finding missions involving journeys or visits, given that subcommittees need no authorization to meet in the normal way.

This is the only amendment proposed to Rule 39 of the Rules of Procedure. It is certainly only a minor amendment and one which will not entail long

debates and which brings to mind the mountain which brought forth a mouse. But if this is how far your committee has got after a careful and searching study of the problems posed by setting up subcommittees, it is because it realized that Rule 39 of the Rules of Procedure was pretty well thought-out and because our predecessors were able to grasp the problems that have been receiving our attention.

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

Mr Berkhouwer. — (NL) Mr President, we are dealing here with a succinct and relatively formal report. The one point that may call for some reflection is whether or not subcommittees ought to be set up with or without the Bureau's agreement. Mr Lagorce's report does not regard such agreement as necessary, a view unanimously backed by the committee. Both as a member of the Bureau and as a member of the Committee on the Rules of Procedure and Petitions I can fall in with this view, but my political friends and I would not like to see too many subcommittees set up. So long as there is any talk of dual mandates this must not be allowed to happen. I therefore believe that Parliament can accept the proposal as such. After direct elections have been held, however, we should come back to this question, and the various working parties concerned with the working methods of the directly elected Parliament should bear it in mind. This is all I have to say on behalf of my group, Mr President. In all other respects we can declare ourselves in agreement with the report.

President. Since no-one else wishes to speak, the debate is closed.

The vote on the motion for a resolution will take place on Wednesday, 12 January following *Question Time*. I would remind you that amendments to the Rules of Procedure can be adopted only if they secure the votes of a majority of the Members of Parliament.

14. Agenda for next sitting

President. — The next sitting will be held tomorrow, Tuesday, 11 January at 3 p.m. with the following agenda :

- presentation of the new Commission
- Question Time
- oral question with debate to the Commission on water policy
- Spicer report on the Community's competence in the field of external economic relations
- Cousté report on trade relations between the Community and the United States
- oral question without debate to the Commission on coffee imports from Brazil.

The sitting is closed.

(The sitting was closed at 7.10 p.m.)

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IN THE CHAIR : MR SPÉNALE

President

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

President. — The sitting is open.

1. *Approval of the minutes*

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

Are there any comments?

The minutes of proceedings are approved.

2. *Texts of treaties forwarded by the Council*

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

— agreement in the form of an exchange of letters amending Tables I and II annexed to Protocol No 2 to the agreement between the European Economic Community and the Republic of Austria ;

— agreement in the form of an exchange of letters amending Table I annexed to Protocol No 2 to the agreement between the European Economic Community and the Republic of Iceland ;

— agreement in the form of an exchange of letters amending Tables I and II annexed to Protocol No 2 to the agreement between the European Economic Community and the Portuguese Republic ;

— agreement in the form of an exchange of letters amending Tables I and II annexed to Protocol No 2 to the agreement between the European Economic Community and the Kingdom of Norway ;

— agreement in the form of an exchange of letters amending Tables I and II annexed to Protocol No 2 to the agreement between the European Economic Community and the Republic of Finland ;

— agreement in the form of an exchange of letters amending Annex A to Protocol No 1 to the agreement between the European Economic Community and the Republic of Austria ;

— agreement in the form of an exchange of letters amending Annex A to Protocol No 1 to the agreement between the European Economic Community and the Republic of Iceland ;

President

- agreement in the form of an exchange of letters amending Annex A to Protocol No 1 to the agreement between the European Economic Community and the Kingdom of Norway ;
- agreement in the form of an exchange of letters amending Annex A to Protocol No 1 to the agreement between the European Economic Community and the Republic of Finland ;
- agreement in the form of an exchange of letters extending the trade agreement between the European Economic Community and the Argentine Republic.

These documents will be deposited in the archives of the European Parliament.

3. Presentation of the new Commission

President. — Ladies and gentlemen, the new Commission is attending our proceedings for the first time. Only a few moments after taking the oath on which its actual assumption of office is contingent, the new Commission of the European Communities, what will doubtless later be known as the 'Jenkins Commission', is here to introduce itself to the European Parliament. On behalf of all of us, I wish to extend it a most hearty welcome.

(Applause)

It is also the first time that the Commission — an essentially political institution, in so far as it has the right of initiative and fulfils executive duties — is presided over by a citizen of one of the three States which acceded to the Community in January 1973.

Furthermore, both the Council and the Economic and Social Committee are now also presided over by Britons. We welcome this assumption of additional responsibilities by the United Kingdom, since it implicitly marks the consolidation of the Community over and above its enlargement.

This assumption of responsibilities comes at a moment which is both important and difficult — important because, in about sixteen months' time, we shall have to make, at all levels, the preliminary arrangements necessary for the election of the European Parliament by universal direct suffrage, and difficult because unemployment, inflation, economic and monetary divergences, the energy crisis — all these things confront the Community with serious problems.

If these problems are to be surmounted, we must show imagination, courage and political will. We count upon the new Commission, and we hope that it will succeed — first of all, because, Mr Jenkins, we are acquainted with your career, your reputation, your character, your dynamism and your European principles, with which you have never compromised ; next, because all the members of this Commission are men of distinction and achievement ; and finally, because its composition — in which a happy balance has been

struck between the new members and the old — holds out a promise of renewal combined with the indispensable continuity.

For our part, we, the European Parliament, can assure you that you find in us the best possible spirit of co-operation and the most enthusiastic support for the exercise of your full prerogatives and for the success of the mission we have to accomplish if that new Europe is to be created which, balancing in its institutions the peoples that go to make it up, will succeed in solving our problems and establishing our common destiny.

'The King is dead, long live the King !' *(Amusement.)*
We extend to you, one and all, our best wishes for the accomplishment of your task.

(Applause)

I call Mr Jenkins.

Mr Jenkins, President of the Commission. — Mr President, I thank you for your words of warm welcome to me and my colleagues in the new Commission, which I have the honour to present to you today.

Today is both an intimidating and a moving occasion for me. Over a long span in national politics I have devoted much of my energies, and invested most of my political capital to and in the cause of European unity. I have done so instinctively because I felt it in my bones to be the most worthwhile cause to which a European citizen could apply himself. But I have constantly been to fortify this instinctive belief with the intellectual cement of seeing in detail how few problems we are any of us able to solve on a purely national basis.

Despite this deep, long-standing and active commitment to the European cause, I have never previously worked closely within the institutions of the Community. I recall a remark of Winston Churchill's. When asked what was his relationship with the Church of England, he said : 'I could be hardly be called a *pillar* of the church. I am more in the nature of a *buttress*. I have supported it from the outside'. This being so, Mr President, I now enter the portals with some humility towards those who have long worked within, but also with the complete commitment and determination which is necessary in order to undertake any great task.

I am also aware of coming from outside in another sense. I am, as you mentioned in your introductory remarks, Mr President, the first President of the Commission from a country which was not, alas, present at the creation of the original Six. Britain may still in some ways appear remote from the heart of Europe. But Britain is now decisively a part of the Community, the decision confirmed by an overwhelming public vote 19 months ago. It was indeed the most recent great popular victory won by the European cause. That should not be forgotten, either in Britain or elsewhere. I do not, however, intend to be a

Jenkins

British President. I intend to be a *European* President.

(Applause)

I do not of course wish to deny my national origins. Anyone who attempted to do that would be a narrow man, with at least one dimension lacking. He would also be a foolish man, particularly at a time when the desire for local cultural identification, erupting within national States but in no way necessarily contradictory to the broader European concept, is taking on a fresh force throughout many of the Community countries.

We are of course all of us in large part a product of our national, cultural, linguistic and political background. That is one reason why we are able to talk with meaning about the richness and diversity of Europe. As a result, we all want our countries to benefit from the success of the Community. But here we are at a delicate hinge. To wish to benefit from the success of the Community is a very good thing. But what is quite different, and indeed highly undesirable, is constantly to try to strike a narrow arithmetical balance as to exactly how much day-to-day profit or loss each country is getting out of the Community. The Community is not a betting-shop, or a lottery stall, into which one takes one's stakes and hopes to come away with more than one went in, but knowing always that the pool is fixed, that nothing can be created therein, and that a gain can therefore only be at the expense of another member's loss. Such a narrow approach would soon recoil upon the head of any nation, rich or poor, which attempted to live by it. The Community can and must be more than the sum of its parts. It can create and give more than it receives, but only if the Member States, people and governments alike, have the vision to ask what they can contribute, and not just what they can get.

I also come before you as a politician, a Minister intermittently — that tends to be the way with ministers — over a span of 12 years, and a parliamentarian continuously over a span of 29 years. I do not think that is a bad thing. The Commission should be a political rather than a technocratic body, constantly aware of the public impact of its proposals...

(Applause)

... but combining vision with practicality, efficiency with humanity. The diversity of our respective backgrounds and experience will strengthen and broaden our ability to do the job before us.

The Commission, Mr President, must also work most closely with this Parliament. No doubt we shall occasionally have disputes, but we, the Commission and Parliament, are on the same side. Although we have thought it right in this Commission to designate a member with Special Responsibilities for Relations with Parliament, we should all of us, as Commissioners, have close links with Parliament, and be prepared to answer to you for our various responsibili-

ties. We should none of us seek to shelter behind an intermediary. Apart from the Commissioner with Special Parliamentary Responsibilities, the Budget Commissioner, as has been historically the case with evolving Parliaments, may well also develop an especially close relationship. His portfolio, I think, demands a concentration of attention. And that is why we have not associated it with a totally disparate one, as was previously so. But the lead in relations with Parliament must be given by the President. I shall endeavour to the best of my abilities to give that lead, and to establish close relations with the political groups within Parliament. We are a coalition Commission, as is wholly right, at least at the present stage of development. And I shall therefore need to be a coalition rather than a partisan President. I shall be a partisan only for the unity of Europe.

(Applause)

I attach the highest importance to the prospect of direct elections. Europe is a political enterprise, which we have so far endeavoured to advance by mainly economic means. It is concerned with the hearts of men and women and not merely with the management of packages. Let us manage the packages well, as we have mostly but not invariably done in the past, but let us never forget the objective and the purpose. We must therefore greatly welcome the introduction of this new political dimension of universal suffrage. For the target date to be missed would be a major setback. The responsibility on any country which impeded this development would be heavy and damaging.

(Applause)

The direct election of the Parliament will not in itself give greater legal powers. But it will have greater moral authority. I believe that the best contribution that the new Commission can make towards this beneficial transition, which will make a dramatic divide in the four-year lifespan of the new Commission, is to anticipate this development: to get used to treating the present Parliament as it will treat the new directly-elected one. I intend from here forward to inject into our consideration of any proposal we put forward to the Council the systematic and serious consideration of whether it is one for which we can reasonably expect the support of a majority in this Parliament. So, allowing for the pull of leadership as well as the response of democracy, do enlightened national governments behave. We will do the same.

I have emphasized the high priority I intend to give to Parliament. This, the first occasion on which I address you, is the right moment to make that emphasis clear. But I shall also be addressing you next month on the occasion of the presentation of the Programme of the Commission. That speech — that February speech — is obviously the one in which I should go into the detail of the policies which the Commission intend to pursue. Nonetheless, I should

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like, at this time, to set out some indication of the direction in which I believe both the Commission and the European Community should be pointing.

I must naturally start with the distribution of portfolios in the new Commission. In taking the decisions of the night of 6/7 January, the Commission has sought both to give emphasis to some developing and crucial policy areas, and at the same time to try to bring, where possible, greater coherence to certain key functions.

First, all the information activities of the Commission have been brought under my authority as President. It is, I believe, of fundamental importance, especially in the lead up to direct elections, that the informative role the Commission should be seen to have and receive a single clearly collegial sense of direction and purpose. This can best be done under the authority of the President, and I am determined to try to ensure a vigorous presentation to the public of the Commission's activity.

Secondly, over the lifetime of this Commission, the Community will be making decisions about those countries which seek membership. This is a key task and the questions inherent in the future enlargement of the Community are so important that we have thought it right to make it a priority task, not the sole task, but a priority of one Commissioner. But we have not approached the creation of this portfolio for special responsibilities solely on the basis of a single policy issue. There is, in my view, a real need for a senior member of the Commission to be in a position to take on and concentrate on a wide and changing range of vital *ad hoc* issues of this sort.

Thirdly, the portfolio for Employment and Social Affairs provides for a greater concentration on the problem of unemployment, particularly structural unemployment, which confronts all member countries, even the most economically successful of them. To ensure that the Commissioner responsible for these tasks can operate on a broad enough canvas, we have linked the Tripartite Conference with this portfolio. The Vice-President responsible will have important relations with the trade unions and indeed with both sides of industry.

Fourthly, there is the closely-related issue of the manner in which the various financial instruments available to help correct imbalances within the Community are administered. There has, I think, been too great a tendency to see the various Community funds in isolation one from the other. The policy in relation to them should be seen and coordinated as a whole.

(Applause)

Finally, in this field, we have decided substantially to reorganize the area of the Internal Market and Industrial Affairs by bringing together the existing Directorates-General and placing them under the authority of a single member of the Commission. Industry

throughout the Community is undergoing a sustained period of rapid structural change; and it is therefore important that the Commission services dealing with industry should be brought under one hand and organized as rationally as possible.

There are the principal changes, Mr President, in the shape of the portfolios by which we have sought to emphasize the priorities as we now see them. But there is one other aspect which, although it is most clearly embedded in a single portfolio, is a theme which should run through all Commission responsibilities. The Community is designed to protect and advance the interests of *all* its citizens. Policies to safeguard the producer need to be balanced by policies to safeguard the consumer.

(Applause from certain quarters)

That balance has not always been struck in the past. This means that we should give greater weight to the protection of the consumer as well as to that of the environment in which we all live. The common agricultural policy can serve as an example. In the difficult times which lie ahead, the Commission must work to maintain and improve the common good by providing stable supplies of food at reasonable prices, as well as stable markets for an efficient European agricultural system.

(Applause from the left)

In short, we must seek to ensure that the Europe of the Community, and especially the Commission, which is its servant, is seen to have, and has in fact, a human face which individual citizens in Member States can both recognize and trust.

The previous Commission, Mr President, under the dedicated leadership of François-Xavier Ortoli, has had to operate for three-quarters of its mandate under the pall of the most discouraging economic weather which we have known for a generation. In this climate they have brilliantly defended the citadel. They have even with great courage and skill made some successful forays out of it, particularly, but not exclusively, in the area of relations with the outside world, both developed and developing. But essentially they have had to live in winter quarters. I am bound to tell you that I do not yet feel any benign stirring of the breezes of spring. But what I do feel is that there comes a time when you have to break out of the citadel or wither within it. That time is now very close upon us. Nor are the omens necessarily unpropitious. The Member States have recently gone too much their own way.

They cannot possibly congratulate themselves upon the result. One aspect of the result has been a greater sense of apprehension, a greater sagging of hope than Europe has experienced since the beginning of its post-war resurgence. Out of this morass they may be more inclined to listen to Commission proposals for the future, provided they are cogently, firmly and selectively presented. And across the Atlantic we have

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a new President who has made it clear in his public statements that he is anxious to work in partnership with Europe as a Community. But what this will mean in practice, and how effectively we can have an equal relationship across the Atlantic, will depend essentially on how seriously we take ourselves as a Community. Our own attitude is a pre-requisite for the reactions of others.

The logic of working together must be clearly argued. The 25 years up to the end of 1973 were among the most stable, prosperous and hopeful in the whole long history of this continent. But there is a paradox about this achievement. Precisely because we became so prosperous, and enjoyed such a degree of political stability, we came to take it for granted and to forget that the foundations on which these rest are in reality extremely fragile. We may forget also how our prosperity and stability were achieved, and in forgetting, behave in ways which will put their continuation in jeopardy.

The truth is that the prosperity and stability which Europe has enjoyed are in large measure due to the vision and statesmanship of those who created the European Community in the late forties and fifties. But if our children are to enjoy comparable prosperity and stability in the 1980s and '90s, this generation will have to display the same vision and statesmanship as did our predecessors. It is easy today to think in terms of anniversaries. It is 30 years since the first stirrings of the modern European Movement. It is 25 years since the Coal and Steel Community took up its tasks in this city of Luxembourg. It is 20 years since the signature of the Treaty of Rome. It is also easy to praise the great names of the past, and praise they certainly deserve.

Yet I believe that our duty at the present juncture is not to invoke history, but to start once again to make it...

(Applause)

... not to praise famous men by sitting idly on the scaffolding of a half-finished building and drinking toasts to those who laid the foundations so well. The best tribute we can pay to them is not to praise them, but to emulate them — to get on with our job and add at least another storey to the building. We cannot live indefinitely on the triumphs of half a generation ago. If we do this, we shall ensure that the idea of Europe means little to the hearts of the young, and is only an evocative evening memory in the minds of the middle-aged and the old.

We are indeed at a potentially dangerous junction of generations. Those who made the Community were mostly well advanced in life, but they were sustained by a great wave of European enthusiasm amongst the young, to whom the conflicts and the suspicions and the narrow nationalisms of the past were not merely repugnant, but almost incomprehensible. It was the older generation, who had been brought up to hate

and distrust those whom they had fought, who found it difficult to bury the past. Now, if we are not careful, it may be the other way round. It may be the young who will yawn at Europe and only their elders who will remember its great message.

That would be a most dangerous balance for the future. And we must be determined to avoid it. And that can only be done by showing that Europe has a direct relevance not only to the mechanics of our economies but to combating the uglinesses and frustrations and injustices of everyday life; and relating it too to the transcendent purposes of world peace and human freedom. We must graft the idea of Europe into the lives of its people. No matter how technical are the proposals which come before us, the prior question we must ask ourselves is: How will this improve the lot of the European citizen? How in particular will it affect those whose future seems purposeless and unrewarding? Will it make them more content at work? Will it indeed give them a better chance of finding work? Will it make the individual citizens feel that this Europe of ours is not just an affair of professional politicians but is a better place to live in, and thus attach the citizens to its higher purposes, not as an abstraction however noble, but as a continuum, extending from world influence to job opportunity?

To underpin this public impact we must, of course, endeavour to end the growing divergence of the economies of the Member States. This cannot be done overnight or by simple decree. And it certainly cannot, and should not, be done by asking the strong to become less strong and less effectively managed. It is certainly no part of our business to promote an equality of weakness. Common disciplines and learning from success are an essential part of the philosophy of convergence.

But on this basis we must, like any civilized community, help the weaker members. This is in the interests of the strong as well as the weak, for if the weak were to fall by the wayside an essential part of the foundation of unity on which the strong have built their prosperity would be destroyed. Nor in my view should we be too surprised that divergencies have arisen. We would have been singularly lucky had they not. What greater unity in the world, from the Roman Empire to the United States of America, would ever have been created if divergencies were regarded as a recipe for despair? The test is how we face them. Help for the weaker members, provided they are also prepared to help themselves, is one of the distinguishing signs of the existence of a community. It applies to the community of the family. It applies to the community of the State. And it must apply to our Community of European Nations. The larger the Community the easier it is for the weaker areas to be neglected. We cannot do this without ultimately destroying the Community.

Jenkins

And in all our activities we must remember our underlying political purposes. Our means are largely economic. But our end is, and always has been, political. It is to make a European Union. It is to preserve and fortify our peace and liberty. It is to restore to Europe the influence in the world which we have so wantonly thrown away in a generation of European civil wars. Much has already been accomplished. However great may be our present difficulties, they are as nothing compared with the problems which confronted those who had to build afresh out of the rubble and bitterness of the late forties.

Let us not bemoan too much. But let us at the same time be aware of the size of the stakes. The values of justice for all, individual freedom and intellectual integrity, which were the norms of a civilized society, and to which can now happily be added a sense of social fairness, are genuinely at risk. There are not many countries in the world which can be counted upon to sustain them. We here represent about a half of that number. If our Community cannot be made to work, what can? If we, among the richest and certainly among the most favoured and talented of the populations of the globe, cannot learn to work together, what prospect is there for humanity? Or for a decent civilized life for ordinary men and women? These are the stakes and these are the issues. Let us approach them with an awesome sense of responsibility, but also with a courageous and determined optimism.

(Prolonged applause)

President. — Mr Jenkins, the unanimous welcome with which the Parliament has greeted your statement as President of the Commission is proof that you have had the attention and understanding of all those present and is a happy augury for the collaboration between your Commission and this Parliament.

I call Mr Fellermaier to speak on behalf of the Socialist Group.

Mr Fellermaier. — *(D)* Mr President, ladies and gentlemen, let me say a word of welcome, on behalf of the Socialist Group, to the new President of the Commission, a statesman who has shown throughout his long career that it is in the European Community that he sees the future of his people and the future of the European people as a whole. It is his courage in saying what is unpopular but politically necessary that has distinguished him in the past, as it does now, and, I am sure, will continue to do in the future in his office of President of the Commission. It is a good and hopeful sign that such an experienced and universally esteemed statesman should be taking over this onerous office at a time when the Community is facing a difficult internal and external situation. Roy Jenkins has our best wishes for success in the performance of his task.

We also welcome the Commission as a whole in the hope of good cooperation, both with those Commis-

sion members who have long experience in European affairs — with at their head Mr Ortoli — and the newly appointed members who will have to familiarize themselves with new fields of activity.

A word on the distribution of portfolios in the Commission. It took long nights of altercation before this could be finally settled. This is not the right moment to pass a detailed judgement on what was decided. The future will allow us to judge to what extent it is a suitable, practicable and efficient distribution of portfolios.

However, there are two hopeful signs. One is the better organizational concentration of the Funds, which raises the hope of greater budgetary clarity and accuracy and of greater efficiency in the running of these Funds. The second — something, I would emphasize, which the Socialist Group has long urged — is that at long last consumer protection is being given recognition in the European Community.

(Applause from the left)

When you said in your speech, Mr Jenkins, that the Commission must be a technocratic institution but a political institution always aware of its political repercussions, then we wish you the courage needed to go ahead and again make of this Commission what it actually ought to be under the Treaties: not a body for implementing technocratic regulations and recommendations but, in line with the letter and spirit of the Rome Treaties, the guardian and driving-force of European unification. For this, the prerequisite is a grasp of what is essential and practicable combined with a grasp of both the European and the world political outlook, which the Commission must always have in mind.

As Socialists, we also hope that the Commission has set itself the aim of bringing into being a Europe that is democratic and social, both internally and in its relations with the rest of the world, for the benefit of the Member States and also in order to achieve a peaceful balance with all the other countries.

The new President has rightly accorded high priority to direct elections. The European Parliament is ready to conduct with the Commission a permanent dialogue that will serve the interests of Community citizens, with a view to remedying, through direct elections, any democratic shortcomings in the European Community.

Like this Parliament, however, the Commission will not be judged by lofty speeches and declarations of intent but by practical measures. This is why I am grateful to you. Mr Jenkins, for having raised the problem of unemployment in the European Community in the course of your address. I should like to see unemployment, which may become a constant source of anxiety for the younger generation, if it has not

Fellermaier

already done so, dealt with in close connection with the first direct elections to the European Parliament, at which the European citizen will ask the Commission, the Council and Parliament whether they have managed to do something, politically and economically, to eliminate this intolerable state of affairs. Seldom before can a new Commission President and a new Commission have had to take up office in so difficult an economic situation. In the last few months economic developments in the Member States have diverged rather than converged, and the new Commission will be judged by its ability to put its finger on the trouble underlying this disruptive trend.

If, as Mr Jenkins clearly said in his speech, this Europe is to develop along social and peaceful lines, then the European Community must be more than a Community of banks and large concerns. Something must be done to transform this Europe into a Europe of workers, from which at present we are a long way off.

(Scattered applause)

I am grateful to you for pointing out, Mr Jenkins, that the weaker members, provided they do all they can to help themselves, should be helped by the stronger.

Let me now conclude. Today, with the appearance before us of the new President of the Commission, we have heard an address, which justifies our hopes, by a dedicated European. We now look to the Commission to follow this up with deeds. Parliament welcomes the political programme which we shall be discussing in detail in February. This programme will serve as a test for the European Community. The new Commission must not disappoint the hopes pinned on it. This must not be allowed to happen, and I wish you therefore good luck.

(Applause)

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

Mr Bertrand. — *(NL)* Mr President, I note with considerable satisfaction that this Parliament has seldom shown such an interest in a debate, to judge by the number of Members and visitors present. There are also a great many representatives of the news media. This clearly shows how great the expectations are and how important the rôle of the Commission is in the Community at this time. I also noted with great pleasure that the new President adapted himself immediately to this atmosphere and in presenting the new Commission delivered a political speech to Parliament which was of exceptional importance in its content and intentions and went much further than a mere introduction of the Commission.

The Christian Democrats listened with very great interest to the political intentions of the new President and of his Commission, which is, of course, a

collegial body. May we begin by expressing our satisfaction at the appointment of Mr Roy Jenkins as President of the Commission. We are delighted that a politician of such stature who has shown such a deep commitment to Europe should now be taking over the leadership of the Commission and interpreting that leadership in the manner we had hoped to see. We are grateful to him and wish both him and the whole Commission which he has just introduced to us every success.

Mr President, I gathered a number of very important points from the speech by Mr Jenkins which will undoubtedly determine our attitude to a great extent in our future cooperation with the Commission.

Mr Jenkins said that he was a European rather than a British President. We are pleased to note this attitude of yours, Mr Jenkins. We are pleased to see that, coming from a great country with such great national traditions, you have stated today that you are in the first place a European President with European concerns and European intentions, without denying your British origins. We have taken note of this and will no doubt have an opportunity from time to time to remind you of your words. You also said that you do not see the Community as a lottery but as a community of interests, the focal point of all that the citizens hope of a European policy which must ensure their security, stabilize their welfare and further deepen the existing achievements in the process of further development so that the European Community can acquire a practical, human face and no longer be merely a 'mercantile' Community whose activities have so far not appealed sufficiently to European public opinion. We have noted your declarations with great satisfaction.

You also said that you view the Commission which is now under your leadership primarily as a political body and not as a technical institution which must simply solve technical problems in the context of an economic Community, and that you are therefore coming to this Parliament as a politician. You spoke to us as a politician and it was clear that your approach to Parliament was based on the recognition that the Commission must cooperate closely with us. As a politician you are therefore aware of the fact that the Commission is responsible to this Parliament for its policy and that it is the only Community body which is accountable to Parliament for its policy. It is also in that spirit that we are prepared to work with you on the basis of mutual confidence.

You added that you are leading a 'Coalition Commission' and must take that fact into account in defining the Commission's policy. We are pleased that you used this expression because we regret — although this is not your responsibility — that the political composition of the new Commission does not reflect the true balance of political forces in the Community.

Bertrand

This is a point which gives us some concern as Christian Democrats.

(Laughter on the left)

This is a pity from the angle of the necessary normal cooperation in the Community.

We are sorry that one of the major Community countries has failed to honour tradition by appointing an opposition member to the Commission. In the past all the large countries have respected that tradition. But now one country did not feel the need to do so.

(Murmurs of disapproval)

We Christian Democrats wished to stress this point, although we realize that you, Mr Jenkins, are not to blame. We note that you have tried to restore the balance through the distribution of portfolios within the area of your responsibility.

You made the point that in arranging this distribution you wanted to give a different form, content and significance to two departments in particular. In the social policy department, by grouping together employment, social problems and preparation of the tripartite conference, you gave political expression to your desire for closer cooperation with the union movement and through this, a normal relationship with the social partners. In this way you wanted to approach the problem of unemployment in a different spirit than has perhaps been the case up to now. You also reshaped a second department, that of industrial policy, the customs union and the domestic market, in order to achieve a more dynamic internal development of the Community following the external development we have seen in recent years. Mr President of the Commission, the Christian Democrats will adopt a vigilant and constructive attitude towards your Commission with a view to working out a European policy jointly with you. Our attitude will be watchful but positive. We expect you to meet your promise and pursue a pluralist policy with your Commission in a spirit of coalition; your Commission must not bear party labels but rather express European cooperation with a view to the achievement of the great objective which you have outlined to us today in so striking a manner in your first address to us; that aim is in the interests of the citizens of Europe. It is in this spirit that the Christian Democrats will determine their attitude towards your Commission.

(Applause)

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

Mr Durieux. — *(F)* Mr President, we thank the new President of the Commission for having presented to us, at the very beginning of our January part-session, the team which will be responsible for promoting European policy for the next four years.

We have known since July that the Council had reached agreement on the appointment of Mr

Jenkins, but we had to wait until the December meeting to learn, after numerous and difficult bilateral talks, the final composition of the Commission.

We would, of course, have preferred it if the European Parliament as such had been consulted a little. In our opinion, the new team does not entirely reflect the political representation that exists in this Assembly, and I endorse on this point the remarks that have just been made by our Christian-Democrat colleague. But we have taken note of your statement, Mr Jenkins, that you intend to be a coalition President and a European President, and this will be a compensation. This is why we also, each one of us, await direct elections with impatience, because then the European Parliament could not be brought in over the appointment of commissioners.

We therefore extend a welcome to Mr Jenkins, a convinced European who, in the course of his career, has always displayed high esteem for the parliamentary institution as such, and who has served with great distinction in the Parliament at Westminster and at the Consultative Assembly of the Council of Europe.

We also welcome the new Commissioners, and are convinced that relations of trust will be established between them and Parliament. We reserve a special greeting for Mr Vredeling, who, as a member of this Parliament, has built up a reputation as a champion of the written question, in point both of number and of quality. The experience he has acquired in this area will enable him, we feel sure, to answer our questions with the minimum of delay.

We are also happy to see in our midst the former Commissioners, who will ensure that there is no break in European policy. As you observed, Mr President, the old Commission had no easy task during its term of office.

We pin a great deal of hope on this Commission. It reflects — to borrow a certain expression — change with continuity. May it get down to its work with an enthusiasm reflecting the European enthusiasm its President has displayed! One of our colleagues wrote recently that this year Europe would become British. For our part, we see this as an opportunity for Great Britain to become somewhat more European. We are surely approaching the end of a transitional period and the final integration of the United Kingdom in the Common Market. On this point, too, Mr President, you have reassured us, and we thank you for it.

We shall not today discuss the programme of the new Commission because you will be telling us about it next month. We Liberals, too, will wait till the February part-session to tell you what measures we feel are most urgently needed if progress is to be made on the road to European unity. As has often been said of the new governments of our respective countries, we must await deeds before we can criticize

Durieux

them or sing their praises. 'Wait and see', in the celebrated words of a Liberal prime minister whose biography you have written, Mr President.

We, too, wish Mr Jenkins and his team every success and the courage and strength needed to fulfil their mandate so that, all together, we may succeed in achieving European Union as quickly as possible in — to use your words — 'peace and liberty'.

(Applause)

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

Mr Lenihan. — Mr President, on behalf of my group, I should like to welcome Mr Roy Jenkins as President of the new Commission. He has a very distinguished record in politics in Britain over a number of years and we are very glad that a politician — I emphasize the word 'politician' — of his stature now assumes the task of President of the Commission. And I would like to welcome back our friends from the last Commission and the new friends who have now been recruited to the present Commission under President Jenkins.

I think it was very appropriate that the President emphasized the collegiate aspect of his new Commission. Indeed, I would like to see that collegiate aspect extended to the activities and affairs of the Council of Ministers as well, because what we want is a collegiate aspect at that level as well.

I think it goes without saying — and everybody in this Parliament would agree with me — that the great hope in Europe at this historic juncture lies in a more fruitful partnership between the Commission and this Parliament. It is quite evident that the next four years of Mr Jenkins' presidency are going to be very important years — and I use that word 'important' advisedly. We shall have direct elections next year — the important step of the participation of our peoples in directly electing Members of this Parliament; we have the important negotiations with new countries seeking membership of this Community — European countries with a long historic and cultural record of involvement in the growing development of Europe — Greece and Portugal and, we hope, Spain; and within the next four years this Commission, in association with the other institutions of the Community, will finally have to grapple with the problems of inflation and unemployment which have meant the virtual abandonment of the objective of Economic and Monetary Union by 1980. On the social and economic levels, this again presents a tremendous challenge to the institutions of this Community. I feel it is through a fruitful partnership between the Commission and Parliament that we can achieve some of these objectives over the next four years; but I also feel that if that sort of collegiate attitude which has been adopted

by the Commission can be adopted by our Council of Ministers, in line with the recommendations in the Tindemans report, then we shall be moving towards some form of decision-making action on the part of the institutions of the Community as a whole.

I was very glad to hear Mr Jenkins emphasize the political nature of this Community — that means, of course, political in the broadest sense of the word: political Community in which we can achieve economic and social objectives which will enable all our people, and in particular our young people, to nurse the aspiration and the hope for the future that they can usefully utilize their aptitudes and talents to the fullest extent by making a contribution at their own personal level to the benefit of society as a whole within a European Community conscious of its ideals and of its objectives.

The important aspect of this — a practical political aspect — is the question of motivating our people towards the ideal of European Union. This is not just a philosophical ideal but a practical objective of European Union in the fullest sense of the word. The first step in that motivation will be direct elections in May—June of 1978. I am very glad that the President of the Commission is taking a personal and direct administrative interest in this whole area of information leading up to direct elections and beyond direct elections. I feel there is a very real need to have our peoples fully informed on the workings of the institutions of this Community and in particular on the workings of the Commission and this Parliament. It is only by being given the fullest range of information in this area that our peoples will respond to the challenge of direct elections and vote in sufficient numbers to give this Parliament the legitimacy and the moral backing that is I believe that this particular work is of fundamental importance over the next 18 months, and I was very glad to hear President Jenkins make particular reference to this and to make it clear that he was taking an administrative responsibility in this area, because a technocratic or bureaucratic Europe removed from the ordinary lives and aspirations of our peoples, is a mere nothing, a meaningless bauble, unless our peoples are interested in a very real and human manner. We can do our duty by them by ensuring between now and the actual day of direct elections that they are fully informed on all aspects of this Community, so that they can go out and vote in a meaningful, democratic and substantial way throughout the whole Community and thereby give real legitimacy to this most important democratic institution of the Community — this Parliament — which can then work in harness with that most unique creation of the founding members of this Community — the Commission that we welcome here today.

(Applause)

President. — I call Sir Peter Kirk to speak on behalf of the European Conservative Group.

Sir Peter Kirk. — Mr President, the European Conservative Group, the vast majority of whom have devoted many fruitless hours trying to encompass his downfall, welcome the new President of the Commission here today. We welcome him for the added strength that he will give to the Community. We welcome him also, perhaps rather selfishly for what we suspect may be a weakening of the institution from which he has come. And that can only be of benefit to us.

(Laughter from certain quarters)

We welcome him as one in whom we have always recognized a great European, one who has never allowed anything to stand in the way of principle in this regard, and one who is therefore worthy of respect even from his enemies. Let me assure him he will find no enemies here, not certainly in this part of the Chamber. There may be a few over in that corner, but that is something he will have to deal with himself. What he will find is friends, candid friends perhaps, and with his deep knowledge of history he will realize that that was not always regarded as an improvement. Nevertheless we shall of course support everything that he and his Commission put forward which is to the greater benefit of the Community. May I add a personal note: 16 years ago he and I and our colleague Lord Gladwyn signed the first appeal to the British people for membership of the European Community. For me to be working in the same organization with him is a very happy day indeed.

Sir, we welcome also his colleagues, some of them old friends, particularly former President Ortoli, to whom we said goodbye only a month ago. It is one of the quickest returns I can remember in political history.

(Laughter)

Old friends rediscovered like Mr Vredeling and some new friends as well. To them, too, the Conservative Group will give its fullest support. We may put down a motion of censure from time to time, but it will not be very often, and we probably shall not win it anyway so it doesn't really matter.

I was glad that the President in his very impressive speech made a reference to youth. I agree with him that if this Community does not show some signs of forward motion again in the near future, there is a grave danger of an alienation of youth not hostility but a general boredom. And one of the most remarkable things, as I discovered in the referendum campaign and as we are discovering again as we prepare for direct elections, is the amount of support for the Community among the young people in all the nine countries. We cannot betray the trust they are putting in us and the approach that the President

has put forward today is one, I think, which will restore that trust.

Direct elections, as the President has quite rightly said, will be a landmark in the history of the Community. There is a tendency among some to dismiss them as purely cosmetic. I do not believe this. I believe they are of fundamental importance regardless of the powers that may subsequently accrue to that directly elected European Parliament. But equally there is a tendency in the other direction to imagine that by achieving that we have somehow achieved a solution to a very large number of our problems. We have not. We may have made the solution easier; we may in some curious way even have made it more difficult by introducing a greater element of democracy within the Community.

The one supreme task that faces the Commission and faces the President, the one on which I think everything else depends, is not the successful achievement of direct elections, it is halting the divergence of the economies of the nine Member States and beginning the convergence of those economies. Until that is done, then we cannot even *attempt* to solve a mass of other problems — problems like the common agricultural policy, the Regional Fund, the Social Fund, and so on — let alone resolve them. It is good, therefore, that the new President not only is a noted economist, and a notably successful former Chancellor of the Exchequer himself, but has with him Mr Ortoli as his senior Vice-President in charge of economic affairs. This is a formidable team. We expect very big things from them and we hope — and indeed believe — we shall not be disappointed. So sir, like the President, we are optimistic of the future. We look forward to supporting him, to working with him, to criticizing him, but above all, to succeeding with him and that is what I believe we shall do.

(Applause)

President. — I call Mr Galluzzi to speak on behalf of the Communist and Allies Group.

Mr Galluzzi. — *(I)* Mr President, ladies and gentlemen, I too should like to convey to President Jenkins and the members of the new Commission the warm greetings of our group together with our best wishes to them in the difficult task they are called on to perform.

I do not think I am being rash, Mr Jenkins, when I say that you are taking up office at a very difficult phase in the life of the Community, a time when all the basic snags have to be sorted out and when the contradiction between the existence of a plan, confirmed again and again since it was first put forward, to make of Europe a single harmonious entity, and the ability to put this plan into practice, is becoming more and more obvious. It suffices to read the basic parts of the Treaty establishing the Commu-

Galluzzi

nity to realize that there is little or no connection between avowals such as those contained in the Preamble to the Treaty :

Anxious to strengthen the unity of their economies and to ensure their harmonious development by reducing the difference existing between the various regions and the backwardness of the less favoured regions ;

and the actual state of Community Europe. I would say with you, Mr Jenkins, that we have not only not yet reached the final storey of the Community edifice but that several storeys are still missing. Admittedly we have made progress, even substantial progress, in eliminating customs duties, but there is little sign of a really uniform European policy. Moreover, the differences within the Community have reached the point where the talk is not only of two-speed Community development but also of a trend which is becoming more and more worrying, a divergence between northern and southern Europe, between the Europe of the rich and the Europe of the poor, giving rise to a serious threat to the cohesion of the Community edifice itself.

Mr Jenkins, in a speech to which we listened with the greatest interest, said that the Community is undergoing a difficult test on which not only its development but its very existence may depend. He added — we noted with pleasure — that he was ready to stake his entire political capital in the strengthening and development of the Community edifice. I recall that it was in more or less the same terms that many new Commissioners expressed themselves in the past, combining an awareness of the serious difficulties that had to be overcome with faith in the future of Europe.

This is a worthwhile commitment which cannot and must not be underrated. But the problem is not only one of trust and dedication but also of common choices, of aims and coordination ; above all it is one of choices of new democratic forms, which can no longer be deferred and which alone can give Europe a real rôle and thus ensure real progress. The Treaty offers the Commission wide scope for making these choices, whether by recognizing — as may be inferred from the letter of the Treaty — its independent power of decision or by guaranteeing the independence of its activities.

What we ask you to do, without, as Mr Jenkins a short time ago pointed out, forsaking the countries and political movements each of you represents, is to avail yourselves of these powers and of this independence to ensure for the Community — particularly with an eye on direct elections to the European Parliament by universal suffrage and, therefore, on the election campaign and the day we shall stand before an elected Parliament a democratic development with wider and more direct participation by the workers in its affairs. In other words, it will be necessary to provide the proof, through specific political choices, of what a

united Europe may mean for the development of the Member States and the people of our continent, for peace and for a new world order in cooperation, development and economic and social progress.

We shall do all that lies in us to give you support, President and Commissioners, so that progress can be made towards a real policy of renewal and democratic development. Fixing with you this appointment to deal with specific aspects of Community policy next February, we trust that you will be able to perform useful work. We express this wish, not in a formal sense, but in readiness to enter into those closer relations between Commission and Parliament to which you, Mr Jenkins, referred in your address, and also to enter into open debate, voice and accept criticism, and accept our joint commitment.

(Applause from various sides)

President. — I call Mrs Ewing, non-attached Member.

Mrs Ewing. — Mr President, I cannot say that I add my voice to welcome Mr Jenkins as a group, because he can see for himself that I am hardly a group, although the non-attached Members get very many privileges in this House, for which I am very grateful.

I should like to pay two particular tributes to Mr Jenkins. He will know that I served as a colleague of his — although he may not have regarded me as such — in two Parliaments. He remained totally consistent in his view about Europe, at a time when I was opposing him — and I have been reasonably consistent on this myself, though I have had my views dented somewhat by the experience of coming here. But Mr Jenkins has been totally consistent, and I admire him for this very much ; I admire him because it was at a time when it could hardly have been called political opportunism. It looked to some that that might have been the end of his very distinguished career, but instead we have found him here in a very distinguished position, and I would like to pay that tribute.

Perhaps I would also add, just in passing, that anyone who has been the Chancellor of the Exchequer of the United Kingdom has a fairly broad back. Probably that will be very helpful to him when this Parliament has to tackle him and his colleagues on very many subjects.

I would also like to welcome back those Commissioners I have already had the privilege of meeting, and I hope I will have the privilege of meeting the new ones.

Can I say that I think there is such a thing as a European identity ? Certainly, my education in Scotland — which is known for its quite distinguished background of educational tradition — brought us up to know the history of every country in Europe. As a Scots lawyer in my later life, I knew that we took our

Ewing

law extensively from the European tradition. We shamelessly borrowed a law where we thought it was good one. We therefore developed a European system of law. So it is with no difficulty that I identify myself as a European. And in saying that, I do not mean that one sinks one's own identify, because the richness of the European identify can be recognized from the variety of cultures represented in this House today. I think everyone knows where my heart lies, so I won't say anything more on that at this point.

Could I say a word or two, though about a remark that the President of the Commission made about winning over the hearts and the minds of the people. I am somewhat concerned about the lack of knowledge of the institutions on the part of the man in the street — certainly where I come from. I would like to suggest that if, as I believe, money has been allotted in the budget for the greater acquainting of the man in the street with facts about the institutions, we should not have a last burst of expenditure by the political parties for their campaigns; I would rather see the money spent now extensively on encouraging newspapers who cannot normally afford to have representatives here, to come here in full strength during this run-up period. It perhaps seems a rather novel idea, and I assure you I am not getting any backhanders from the gentlemen in the press gallery. But I do think this is the practical way to disseminate the knowledge now, to create the interest, and not to leave it until the last moment.

I would like also to say that I have found the Commissioners very available people to talk to. But I have found that they are not yet responding to certain overtures from this Parliament that their deliberations must be made open, just as we have found the Council of Ministers to be rather reluctant to acquaint us with their deliberations. It sometimes seems to me, going back on the charter aeroplane after we have been talking about jams, jellies, marmalades and mayonnaise, that the Council and the Commission get all the exciting things to talk about, the exciting initiatives to take. And one begins to become that little bit suspicious that perhaps the Commission sometimes prefer this Parliament to talk about jams jellies and mayonnaise, and not to get down to some of the nitty-gritty subjects which would better occupy our attention. I would welcome a little bit more openness, for what influence the Commission have on this place — although they seem to have some, because what happened yesterday, when the Commission said: 'We are not ready to answer you', did have a dynamic effect on the agenda even of this Parliament.

After direct elections, when we are not coming for one week each month, but, presumably on a fulltime basis, without a dual mandate, we will no longer have to decide whether we miss something vital in our own Parliament by coming here. I have had many of these

choices to make, and so have all the other Members. It seems to me that, as a fulltime Parliament, we should expect to control the two heads of the Executive, and I do trust that the new President will not disagree with my view that the elected Members are more important even than the august persons called Commissioners. Perhaps next month when he makes another statement, he might indicate whether he agrees with that view.

Finally, on the subject of human justice, can I say that there is a tendency in debates, here when something is a great problem for a country or a region, to say:

'Well, we can always give them compensation or give them retraining'. I am thinking of course of my fishermen, which will not surprise anyone. Is it a matter of human justice or human dignity, or of economic justice for human beings? If the Community is to have a human face, there must be a recognition that you cannot always give human justice and dignity by giving a man cash and compensation and telling him to stop carrying on his trade or his career. And that is what seems to me to be happening to a vital industry in my country.

I hope we do have new partners in this Community, Mr President, during the next few years, because I do believe that the basic justification for the whole set of institutions is to reduce any possibility of future violence, wherever it may occur, or lack of democracy in any country within the European continent.

(Applause)

President. — I call Mr Jenkins,

Mr Jenkins, *President of the Commission.* — Mr President, I would like very briefly indeed, if I may, to express my deep gratitude to the seven speakers, mostly leaders of groups, who have spoken and assured me of their support, necessarily at this stage in the most general terms. I have been moved — genuinely moved — but I have not been deceived. I bear in mind Sir Peter Kirk's remark that you are all potential friends of mine here, but as time goes on you will become increasingly candid friends. I have no doubt that is so and I have no doubt that, bearing in mind Canning's remark: 'Save, oh, save me, from the candid friend', I may in the future wish that I did not have quite so many candid friends. But nonetheless, I have expressed my firm conviction that a partnership between the Commission and Parliament — this Parliament that we now have for the next two years and the greater directly-elected Parliament in the future — is vital for the future of Europe. I, together with my colleagues — and I wish to stress the collegiate nature of the Commission; we wish to work very much as a team, and we shall work very closely as a team — will certainly play our part in trying to make that partnership work, and make it

Jenkins

work ever more productively to deal with the real problems of Europe and try and overcome them.

Let me say I tried to outline some of the problems briefly this afternoon. I did not provide solutions to them, nor I fear, did any of the speeches we heard subsequently. Let us try and go a little further in February. Let us try to be more concrete, which I will certainly do. But it is always easier to outline problems that to solve them. We must outline them; we must diagnose before we get solutions, but having then got them, we must proceed, without believing we can do everything overnight with some blueprint which answers everything but making steady and concrete progress. And I believe that in order to do this, we have to have the Commission and Parliament working together in the closest partnership. That, on our part, we will endeavour to assist.

(Applause)

President. — The debate is closed.

We shall now suspend our proceedings for fifteen minutes in order to enable the television teams to dismantle their equipment.

The House will rise.

(The sitting was suspended at 4.30 p.m. and resumed at 4.55 p.m.)

The sitting is resumed.

4. Agenda

President. — Since the five-week time-limit provided for under Rule 47 (2) of the Rules of Procedure has not been observed, the Council has refused to answer the oral question, with debate, put by Mr Fellermaier on behalf of the Socialist Group to the Council on the Council's failure to act in the matter of the adoption of interim internal Community arrangements as regards fishing in 1977. I am therefore not in a position to propose that this question be placed on the agenda for the current part-session.

Secondly, since the Lautenschlager report on the European Cooperation Grouping, although it was adopted in committee on 21 December 1976, has not yet been received, this report cannot be distributed in good time for it to be placed on the agenda for Friday, 14 January. It has therefore been postponed to a later part-session.

5. Decisions on urgent procedure: Site for JET and Unemployment in Europe

President. — I now consult the Parliament on the adoption of urgent procedure for the motion for a resolution tabled by all the political groups on the need to establish the site for JET (Doc. 510/76/rev.).

Are there any objections?

The adoption of urgent procedure is agreed.

I propose that this motion be placed on the agenda for Wednesday, 12 January, as the next item after the

statement by the President-in-Office on the Council's programme of work for the first half of 1977.

Are there any objections?

That is agreed.

I now consult the Parliament on the adoption of urgent procedure for the motion for a resolution tabled by Mr Pisoni and others on unemployment in Europe (Doc. 439/76).

Are there any objections?

That is agreed.

I propose that this motion be placed on the agenda for Thursday, 13 January, after the oral question on data-processing.

Are there any objections?

That is agreed.

6. Time-limit for tabling amendments

President. I propose that we set the time-limit for tabling amendments to the Lange report on multinational undertakings (Doc. 441/76) at 8 p.m. this evening.

Are there any objections?

That is agreed.

7. Question Time

President. — The next item is Question Time, comprising the questions to the Commission (Doc. 509/76).

The appropriate member of the Commission is invited to reply to these questions and to any supplementary questions that may be put.

Question No 1, by Mr Berkhouwer, reads as follows:

Subject: Thefts of European art treasures

At present there exists in the EEC an extensive and well-organized gang of criminals which specializes in the theft of European art treasures from museums, churches, etc., and which is apparently described in a report to the Commission by Mr Jean Chatelain. Will the Commission make this report public and take steps to ensure effective joint action to combat these art thefts?

Mr Brunner, Member of the Commission. — (D) Mr President, ladies and gentlemen, the development in this sector has recently been appalling. Indeed, we would be really delighted if the increase in productivity of art thefts were to be experienced in any other 'service sector'! The fact is that the number of these thefts is going up in geometrical progression. We have had a study prepared on this subject by Professor Chatelain, of Paris University. This shows that the number of art thefts between 1970 and 1974 reached 34 000 in Italy and 14 000 in France. This is an impossible state of affairs.

Brunner

Now, what can the Commission do to help put things right? The Commission is just now in the process of evaluating this study. This, as you know, is the answer the Commission always gives to such questions: We are looking into the possibilities of improving the situation.

Secondly, we can do what we can to get things started. What precisely can be done? We have been told today that this is Britain's hour. Now if there is one thing the Commission cannot do, it is to play at Sherlock Holmes. What it can do, however, is to introduce the appropriate measures. It would enormously lighten the work of the police in all Member States if standard forms were provided giving a description of the works of art and if their owners were to fill them out, so that investigations could be swiftly got under way using modern methods. The other step would be for all Member States at long last to sign the 1969 convention on the protection of objects of archaeological interest.

I consider the question put by Mr Berkhouwer to be of outstanding importance. We ought to concern ourselves about these things. The traffic going on in this sector in Europe is something that in the long run cannot be tolerated.

Mr Berkhouwer. — (NL) The Commissioner has said that the growth rate in this sector is one that other sectors well might envy. I would remind him that in the days of antiquity the god of thieves and of traders was one and the same. Has the Commission had the report drawn up merely to leave things as they stand, or with a view to taking appropriate measures? I cannot imagine that the Commission is a club for the study of vanished antiques; I would, however, ask the Commissioner to take the necessary steps — seeing that we in the Community do not live by bread and wine alone — to think up some practical way, on the basis of the report, of combating this growing evil.

Mr Brunner. — (D) Mr Berkhouwer's surmise is correct. After it has gone into the findings of this study, the Commission will put forward a number of additional specific measures for consideration. Moreover, it will make this report available, and I should be delighted to present Mr Berkhouwer with one of the first copies, if necessary a special print-off.

Mr Dalyell. — Is it not an uncomfortable reality that the art market itself, or sections of it, are turning a blind eye to goods that come to them? What discussions is the Commission going to have with the art market representatives in our various countries?

Secondly, because so many of the treasures find their way to the United States, is there not some basis here for a discussion with the American Government?

Mr Brunner. — (D) Mr President, I would rather not now, while the report is being evaluated, go too far in this matter. I want above all to avoid a shadow being thrown over the entire art trade. I think that here we should be extremely careful. This is a Community problem, but first and foremost it is a national problem. What we can do as a Community is to promote and make easier cooperation between Member States in this sector. Whether at a later stage talks with non-member countries would be a good thing only the report itself can show.

Mr Schwabe. — (D) Mr President, I should like to point to the reverse of the medal, which perhaps also ought to be borne in mind. I refer to the fact that such an excellent, comprehensive and detailed expert report as this promises to be could also be used as a guide, an encouragement for further art thefts. I would like to ask whether, perhaps, such a report should not be treated as confidential, so far as that is possible. In this connection I would mention that I read in the paper today that a painting in the Notre-Dame cathedral here in Luxembourg has been identified as the work of Rubens.

Allow me to drop a hint, which I hope will be heeded in some form or other. There was a saying, in the recent history of German administration of art treasures, which went: *de Justibus* — Mr Justi was the chief administrator of the largest German collection of art treasures in Berlin — *non est disputandum*. This Mr Justi once said: There is an excellent remedy against overvaluing ancient art: buy modern works and arouse among the people the consciousness that this modern art particularly merits support.

Mr Brunner. — (D) Mr President, to the last part of this statement clothed as a question I can only answer: *de gustibus non est disputandum*. Apart from that, I welcome the suggestion that we should not distribute this report too widely. I believe, however, that Parliament is entitled to acquire some insight into its contents.

Mr Normanton. — Has the Commission considered that there may well be a direct link between the rise in the incidence of theft — and each one on an ever bigger scale — and the rise in personal taxation?

(Laughter)

May there not also be a link with the inappropriateness and frequent farcical irrelevance of the penalties which courts impose on those who are eventually convicted? Would he not also agree that this is still further evidence of the way in which personal taxation serves to penalize honest and conscientious endeavour, and rewards the criminal for his successful efforts?

(Applause and laughter)

Mr Brunner. — (*D*) Mr President, my respect for finance ministers, amounting well-nigh to fear, prevents me from giving you a detailed answer to this question.

President. — Ladies and gentlemen, since the discussion of this question has taken on a somewhat humorous note, I would ask the Commission to consider whether the preparation of a detailed inventory of valuable works of art would not be more likely to assist the thieves, who, as everyone knows, have a horror of making mistakes!

(Smiles and applause)

Question No 2, By Mr Evans, reads :

Subject: Rules of the European Regional Development Fund

Will the Commission produce a proposal to amend the Rules of the European Regional Development Fund to allow regions and major local authorities which qualify for aid from the ERDF to make direct representations to the Commissioner responsible for Regional Policy regarding projects which affect their areas?

Mr Giolitti, Member of the Commission. — (*I*) I consider this question a very important one. Obviously I am not today in a position to announce proposals, or even intended proposals, from the Commission. I can say that the problem of the review of the regulation governing the Fund will be tackled by the Commission in relation to three main aspects which I regard as essential: regional policy, which is not to be identified with the Regional Fund, the resources to be made available to the Fund in the future, and finally rules for the operation of the Fund.

Let me remind you that during the debate held in this Parliament on 7 December last year on the basis of Mr Delmotte's report, Lord Thomson was able to put forward some ideas, which I share, on the lines he would have liked the Community's future regional policy to follow, and therefore on the work of the Commission in this area. He also started up a dialogue with Parliament on the proposals the Commission is required to put forward in the current year. I am firmly resolved to continue that dialogue, particularly when the new report which Mr Delmotte has been asked to draw up on the revision of the regulation comes up for discussion. There will be no lack of opportunities — welcome to me and highly useful — to look into the problem raised by Mr Evans. So far the regulation establishing the Fund provides that requests for contributions should come from the Member States. But my predecessor, as I have mentioned, was in frequent and direct contact with local and regional authorities. I intend to follow his example and also to study the proposals to be submitted to the Commission for closer involvement of regional and local authorities in the matter of regional policy and Fund contributions.

Mr Evans. — I would very much like to take this opportunity, Mr President, as the chairman of the

Committee on Regional Policy, Regional Planning and Transport, of welcoming Commissioner Giolitti to this Parliament, congratulating him on his appointment and wishing him every success, I trust that he will have a happy and fruitful relationship with the Parliament and with the committee. I also assure him that we shall give to him on that committee the same cooperation and friendship that we gave to Commissioner Thomson before him.

I would like to thank him for the helpful answer that he gave me. Could I ask the Commissioner that when he is formulating his ideas to put to the Council of Ministers on the operation of the Community's Regional Fund and regional policies after 1977 he recognizes that there is a very strong and a growing demand from the Community's regions that they be allowed to voice their opinions to the Commission on projects which affect their areas? It would be in the very best interests of the EEC and its future to make provisions in the new regulations to allow the regions to voice that opinion.

Mr Giolitti. — (*I*) I think this is a very useful suggestion, which I am certainly prepared to take into account, because here the views of the regions and of the local authorities could be of the highest utility.

Mr Fletcher. — Is the Commissioner aware that this is a very serious and important proposal and that action along these lines would be warmly welcomed by everyone who is genuinely interested in regional development? Since the objections, of course, will come from national governments, will the Commissioner tell the House that he is prepared to argue with national governments in order to ensure that local interests are represented directly in the affairs of the Regional Fund and regional development?

Mr Giolitti. — (*I*) Naturally I am perfectly prepared, and would be greatly interested, to hold discussions also with the national governments. I do not consider that the problem we are discussing has been solved once and for all by the provisions of the present regulation, and I think therefore that it should be reviewed.

Mrs Kellett-Bowman. — Mr President, may I welcome part of the reply given by the Commissioner, especially his emphasis on the fact that it is regional policy and not just the Regional Fund that is at issue? But may I say that in my view it is not sufficient for regional and local authorities merely, as my colleague Mr Evans suggests, to be able to express their opinion in these matters? I believe that they should have some right of disposal of part of the fund.

Would he consider the suggestion put forward by his predecessor, Mr Thomson, that it might be an idea to set aside perhaps 20% of the fund, for which local

Kellett-Bowman

authorities could make direct applications without going through the central governments, for projects which they believe are of very great importance to their own particular areas and regions?

Mr Giolitti. — (I) There is nothing more I can say on this problem either at the moment, before the Commission has had an exchange of views among its members, other than to say that I am ready to approach it in a constructive spirit. I feel it would be going too far at this moment to say I can accept 20 % as a reserve to be set aside for local authorities. I believe, however, that the whole problem, in its procedural and regulative aspects, ought to be considered with an open mind and with a readiness to revise the existing rules.

Mr Lenihan. — Mr President, will the Commissioner not agree that reform in this area would represent a real test of the *bona fides* of the Community in a particular field of policy where there should be a genuine transfer of resources, that a first step in the direction sought by the questioner and other speakers here must be to get away from the situation where national exchequers are, as at the moment, subsuming regional funds and adopting a 'watering-can' treatment in regard to the allocation of these funds, and that as long as that situation exists no progress can be made? Would the Commissioner not agree that this should be the first step, namely, that, whatever method is adopted — whether that suggested by Mrs Kellett-Bowman or otherwise — a major share of this fund must be allocated by the Commission in conjunction with genuine regional authorities, in accordance with genuine regional plans and proposals that would include the common agricultural policy and the Social Fund and other areas of social expenditure, so as to ensure maximum advantage to regions, and that this is what this fund should be about?

(Applause from the Group of European Progressive Democrats)

Mr Giolitti. — (I) I am delighted by the insistence of Members on this matter and I have noted the solutions which they propose to the problem; I take considerable comfort from the wishes of Parliament, which — let me say this explicitly — coincide with my own.

However, I obviously cannot anticipate here the opinions which it is for the Commission itself to express. I can only state my own personal inclinations, which, I repeat, coincide with the views I was pleased to hear from the Members of Parliament who have spoken today.

Mr Gerlach. — (D) Mr President, having regard to Section VI of the explanatory texts to the Rules of Procedure, which stipulate that a question must be put briefly and followed by a brief answer which must

not digress from the subject of the question, I would like to ask the Commissioner, bearing in mind also the observations by the chairman of the Committee on Regional Policy, whether he would be prepared and would have the time to continue this discussion on 24 or 25 January in the Regional Policy Committee.

(Applause from several quarters)

Mr Giolitti. — (I) I did not wish to refer to the meeting of the Committee on Regional Policy of 25 January because I thought I might seem to be avoiding the question put to me here. Nevertheless I too consider — and I am grateful to Mr Gerlach — that the committee meeting of 25 January will provide me with an opportunity to give more detailed information than I have been able to today on this subject, which, I repeat, is in my view of great importance.

President. — Question No 3, by Mr Johnston, reads :

Subject: Regional Development Fund

Has the Commission had discussions on Regional Development with the Highlands and Islands Development Board in Scotland, directly or indirectly, and have any grants from the Regional Fund as a consequence of this been made to projects within the Board's area? If so, will they list these grants?

Mr Giolitti, Member of the Commission. — (I) The Commission is perfectly familiar with the Highlands and Islands Development Board and sets great store by its highly profitable and useful activities. My predecessor, Commissioner Thomson, to whom I must refer once again, met the chairman and other representatives of the Board on two occasions, if I am not mistaken: first in Inverness and later in Brussels.

Other working meetings have been held at departmental level, especially in connection with a study on leisure installations in the Highlands and Islands. That study has now been completed. We are pleased that the Regional Fund has been able to contribute to a series of projects falling within the area of responsibility of the Board. The relevant decisions have been published in the Official Journal. I should like to draw your attention to one project in particular, concerning the improvement of port structures at John o'Groats. This is a good example of an initiative taken by the Board using subsidies from other sources.

The Commission welcomes these fruitful informal relations which have been established with the Board, as has also been the case with other regional organizations in the Community.

Mr Johnston. — Mr President, while I thank the Commissioner for emphasizing the value of the contacts that the Commission has had with the Highlands and Islands Development Board and similar

Johnston

regional organizations, would he not agree — and I appreciate he is not prepared to take strides today but perhaps he would take a couple of little steps — that it would be for the best, in developing an effective regional policy within the Community, if such bodies as the Highlands and Islands Development Board were enabled to play a more active role, rather than a passive role and that this will require in the future that the Regional Fund is not shared out in a pre-determined way by the Council of Ministers? Could he assure me that he will bring pressure on that point and, linked to that, that within the Commission itself, greater resources must be allocated to his department to enable it more effectively to administer the fund?

Mr Giolitti. — (I) I am grateful to the questioner for stressing this problem, which we also dealt with when we were discussing the previous question. I believe it is correct to recognize the essentially active role of these local authorities like the Highlands and Islands Board and the other regional and local authorities.

As the Commissioner responsible for regional policy, I am, of course, in favour of an increase in the financial resources of the Regional Fund. I would, however, add that in my view the problem is one not merely of the volume of resources but above all of making the best possible use of these resources. That is why I attach great importance to my task of coordinating all aspects of regional policy; I hope that we shall be able to help more effectively to overcome regional disparities in the Community.

Mrs Ewing. — As a Member of Parliament half of whose constituency is under the HIDB, could I say that they will be very pleased to hear your views, because they were worried in case they were illegal under the Treaty of Rome. May I take it from what has been said today, that they are not illegal under the Treaty of Rome?

Mr Dalyell. — Nonsense!

Mrs Ewing. — ... This question takes us back to Mr Evans' question and is a recognition that applications under the fund are best based on local knowledge and local needs. And I would like to know whether the Commissioner agrees with the previous Commissioner, George Thomson's view that 20% of the Regional Fund should be based on this type of allocation. Could I also ask him when he intends to visit the area covered by the HIDB?

Mr Giolitti. — (I) I am most grateful for this kind invitation from the author of the question and I wish to assure her that I shall make that interesting, and certainly agreeable, visit to the Islands of Scotland as soon as my diary of commitments allows me to do so. I have already taken good note, because it is my belief that the regions which are facing the greatest diffi-

culty should be first on the list of visits by the regional policy Commissioner.

Mr Ellis. — In connection with this question, the previous question and several of the supplementary questions, will the Commission, as an almost tentative first step towards establishing a meaningful Community regional policy, reverse the decision of the previous Commission, given to me in a parliamentary reply, and establish a definitive list of regions characterized, in general terms, according to criteria best suited towards implementing and developing a genuine Community regional policy?

Mr Giolitti. — (I) I want to reassure the questioner that this aspect of the problem which he has just stressed and to which he has called my attention will also receive our careful, practical consideration. I apologize for the fact that my answers may seem rather cautious and general. However, I hope you will recognize the limits I have to place on my statements in this initial, even preliminary phase of my activities.

President. — Ladies and gentlemen, we have taken half-an-hour to deal with three questions. I insist, therefore, that you be brief: there is no need to turn every question into a demonstration. I would ask the Commission to be brief in its replies.

(Applause)

Question No 4, by Mr Ellis, reads:

Subject: Information policy for the United Kingdom

What are the aims of the Commission's information policy for the United Kingdom?

Mr Jenkins, President of the Commission. — The general aims of the Commission's information policy in the United Kingdom are the same as those in other member countries and were set out in the document on information policy which the previous Commission submitted last year to Parliament. The priority task is to interest citizens of all the Member States in the work of the Community, to maintain and increase their support for it, and to associate them with its future development. More specifically, the Commission's Information Offices in London, in Cardiff and Edinburgh are seeking to explain the practical ways in which the Community is helping the United Kingdom, especially in dealing with those economic and social problems which the United Kingdom, like other member countries, faces at the present time.

Mr Ellis. — Is the President of the Commission aware that there is a long road indeed to travel before we attain those objectives? I offer a small example in the comparison between the excellent popular literature magazines produced in countries other than the UK and the pathetic scrap of paper which is the comparable literature in Britain.

Ellis

Secondly, and speaking to the President as his first candid friend, can I assure him that I am concerned equally with the quality of information in all our countries and therefore, putting the question as a Member of Parliament using a language which is not his mother tongue, can I express the hope that the practice which took place today, either by mischance or otherwise, of the President's keynote speech being made available to the press only in English will not be continued in future?

Mr Jenkins. — On the first point, I am of course aware that there is room for improving our impact upon the public, certainly in the United Kingdom, probably in other member countries too. I am not aware that there is a sharp distinction between the quality of the literature put out in the different member countries, but I will of course look into that. So far as the question of my speech is concerned, I am anxious to have it available as soon as possible in as many languages as possible. We will certainly try and ensure that, if it was not available in all languages today, this is not repeated in the future. The difficulty always is that a speech has a little greater immediacy if one is allowed to change one's mind about its contents until fairly near the occasion on which one makes it. The price one pays for that, is that you do not have the printed and translated document available many hours beforehand. It is a difficult balance which has to be struck. But I can assure Mr Ellis that my desire would be to make anything that I say available in as many languages as possible.

Mrs Dunwoody. — Would the President of the Commission be kind enough to allocate a certain amount of the money that he has for information in Great Britain to explaining to the British housewife exactly why it is that the common agricultural policy appears to be working in the very opposite interest to her own? I think he might find that that would do a great deal for public relations.

(Mixed reactions)

Mr Jenkins. — It may well be desirable to allocate some money to explaining the questions which are involved in the common agricultural policy, both in its advantages, and in some of the aspects of it which no doubt need correcting at the present time. But I think a balanced explanation would have to be put forward if this were to be done appropriately.

Lord Ardwick. — Before direct elections the electors will need to study the scope and the work of the Community as a whole in order to assess the particular role of this Parliament. Is it then not essential that the Commission's information services should work alongside Parliament's own information services in a jointly planned, objective educational campaign before the party-political campaigns begin?

Mr Jenkins. — At the political level we shall maintain regular contact with the Political Affairs

Committee on information matters. At the level of the services, regular meetings are now being held between the Directors-General of the two information services and their senior colleagues. Both services have also sent directives to their respective offices in the capital, underlining their joint wish to work together, particularly in the context of the preparations for direct elections. Therefore, I think we have seen some improvement in liaison here. We wish to continue this: if further improvement is necessary, let us by all means study it.

Sir Geoffrey de Freitas. — Is the President aware that opinion polls show that the institutions of our Community are not at all popular in the United Kingdom? Will the President take account of this when allocating resources for information?

Mr Jenkins. — I will certainly take account of any facts which need to be dealt with, as Sir Geoffrey de Freitas knows. The idea of membership of the Community was very popular indeed in the referendum, as I pointed out in my speech. It may be that the detailed institutions and their work are not as well known or understood as they should be. It may be that we all ought to improve the quality of our work as well as the quality of explaining it. We will certainly do what we can in these directions.

Mr Dalyell. — Would the Commission undertake to study in some depth the reactions of their information office in Edinburgh to this cascade of demands from two political parties, that Scotland should have independent representation both on the Commission itself and on the Council of Ministers?

Is it not one thing for a State existing before the creation of the Community to be represented, and quite another for *part* of a Member State of the Community to demand separate representation? Could we have some philosophy from the Commission on this, because it does seem to some of us that they are passing by like the Biblical Levite on the other side of the road, rather than facing up to and giving an answer to this question?

Mr Jenkins. — If Mr Dalyell would forgive me, I would like a little time to study our policy on this question. The policy of the Commission naturally is that the Commission deals with Member States — the Member States are nine — but equally, as I indicated in my speech, there are certain local considerations to be taken into account, though those do not necessarily affect the legal basis of representation here in this Parliament, or in any other way. We don't wish to pass by on the other side of the road, ignoring this question, but I would like a little more time than I have had beforehand to study its impact upon the Commission.

(Applause from certain quarters)

Mr Fletcher. — I would ask the President of the Commission to give special consideration to the situation in Northern Ireland, inasmuch as there is no information office in Belfast and there are no Northern Ireland Members of Parliament here.

I know it is a very difficult problem, but if you would give some special consideration to the position in Northern Ireland, I am sure the House would be most grateful.

Mr Jenkins. — I am certainly of the opinion that the impact of the Commission and of our work generally in Northern Ireland should be a matter of concern to us all. I don't necessarily want to give the impression that one can solve this problem just by setting up another information office: we have three in the United Kingdom already, and I would not like to say that, automatically, one was to move to four.

The programme now being carried out includes regular visits to Northern Ireland by staff members of the London office and a series of seminars in Northern Ireland, the latest of which, in November was attended by several senior officials of the Commission. Clearly, it is a matter which does require consideration. I would certainly not like to rush into a proliferation of offices, as these cost money and don't necessarily solve problems.

Mrs Squarcialupi. — (I) Does the Commission consider that the public opinion polls have been carried out correctly? According to the results of the survey on the forthcoming elections to the European Parliament, an absolute majority of the persons questioned in Italy, would have given their preference to the republican and social-democratic parties, which are of minimum political significance in my country.

Mr Jenkins. — No doubt direct elections will deal with the problem of the representation of political parties from all countries in a somewhat more direct way than is the position at the present time.

It is also, of course, the case that, in preparing for direct elections, Vice-President Natali has among his other important responsibilities the specific and very important one of overseeing contacts with member governments and public opinion as regards preparations for direct elections. I am sure that the assistance of his attention to this matter will be of great value during this period of preparation.

President. — Question No 5, by Mr Cousté, reads:

Subject: Decision by the President of the United States to raise the customs duties on brandies

On 26 November the President of the United States announced his decision to raise customs duties on brandies with an fob. value of 9 to 17 dollars per gallon coming from the Community. Can the Commission say whether there is any likelihood of these decision's being revoked in the foreseeable future and in what circumstances?

Mr Haferkamp, Vice-President of the Commission. — (D) Mr President, I believe that Mr Cousté put this question before 26 December last. In his question he wonders whether this decision might be revoked and if so under what conditions. However, as Mr Cousté now knows, this decision entered into force on 26 December, so that the matter has been settled. I should nevertheless like to make a few observations at this stage.

The Commission publicly expressed its regret at this decision and put its view to the American administration; as you know, this matter had been discussed at some length during earlier negotiations. You are also aware that the Americans linked this matter with the conditions under which American turkey-meat is allowed access to the Community. It is now apparent that both European exporters of cognac to the United States and American exporters of turkey-meat to the Community are in a worse situation than before: this is just a small example of what protectionism on both sides can do.

So much for the past and present situation. I believe that we should now look to the future. The Americans have also regretted the fact that a satisfactory arrangement could not be found. They expressed the hope that this problem could be successfully dealt with during multilateral trade negotiations. On behalf of the Commission, I can state here that as soon as the new American administration is in a position to do so the Commission will enter into negotiations in Washington, Brussels or Geneva, wherever and whenever the opportunity arises, in order to improve the situation. Our debates on economic affairs will have shown you our views on the risks of protectionism. We shall proceed in conformity with our views.

Mr Cousté. — (F) I am grateful to Mr Haferkamp for his first statement to us and for the positive direction of his action on behalf of the Community in this turkey and cognac war.

Is the Commission aware that since 1970 sales of turkeys in the Community have more than doubled in volume while sales of cognac to the United States have increased by only 20%. There is thus an imbalance and I think the Commission recognizes it.

(Laughter)

Mr Haferkamp. — (D) We are of course aware of the situation in terms of both volume and value. I do not wish to go into a detailed comparison here of the relative consumption of brandy and turkeys. That seems perhaps to be more a matter of public health policy.

(Laughter)

Mr Scott-Hopkins. — Is the Commissioner aware that in point in fact it is quite a disastrous situation as far as agricultural exports and imports between the Community and the United States is concerned? Their exports have gone up over 2½ times since 1970, and ours have gone up by something like 66 % only. What is the Commission doing and will they use their very best endeavours to put this situation right? We cannot go on like this.

(Applause)

Mr Haferkamp. — *(D)* Mr President, we have a report on our agenda today which deals specifically with the subject of trade relations between the United States and the Community. The report gives particular attention to this matter and I would consider it more appropriate for us to deal with it in connection with Mr Cousté's report, which has been submitted to Parliament with a motion for a resolution. We could then look at the matter in greater detail.

President. — Question No 6, by Mr Cointat, reads :

Subject: Farm prices for the 1977 — 78 marketing-year

When does the Commission expect to submit its farm-price proposals for the 1977 — 78 marketing year, and when does it expect the Council to reach a decision?

Mr Gundelach, Vice-President of the Commission. — As I am sure the House will be aware, the farm prices for the 1977/78 marketing year will be one of the first crucially important decisions for the Commission to take, not only for the farmers, but also for consumers and for our economies as a whole. The proposals are, as you will also remember, complex and comprehensive. I think you will understand, for these reasons, that a certain minimum of time will be needed for a new Commission to come to its political decisions. On the other hand the prices have to be fixed by the Council by April, and in particular the farmers, and also the consumers, are entitled to know where they will stand for the remaining part of the year. So although we have to act quickly, we must have reasonable time for proper reflection as to where we are going. It is our intention to submit our full proposals around the middle of February, which will leave, in our view, reasonable time for other Community institutions — Parliament, the Economic and Social Committee, and the Council — to take the necessary decisions by 1 April.

Mr Cointat. — *(F)* Will the Commission give priority, as President Jenkins implied just now, to the interests of consumers or will it seek to improve the earnings of farmers?

(Laughter in some quarters)

Mr Gundelach. — Mr President, no. In my proposals to the Commission — and I am sure the Commission is going to follow the same line — I am going to take a balanced view.

(Laughter. Applause from the left)

Miss Boothroyd. — I was glad to hear the Commissioner pay attention to the consumer and give the undertaking, which I believe he implied, that not only would farmers' organizations be consulted when farm prices were discussed, but that the Consumers' Advisory Committee would be brought in right at the beginning of these discussions. Now that we have this new-found togetherness between us, institutionally speaking, I mean...

(Loud laughter)

... would he agree with me that decisions on farm prices cannot be taken in isolation from anti-inflationary policies pursued by Member States, and that some mechanism for consulting ministers, other than Agricultural Ministers, must be found before final decisions are taken, and that one possibility would be joint discussions at Council level with Finance Ministers, or, where they exist, with ministers representing consumer interests?

Mr Gundelach. — I would certainly be delighted to consult consumer organizations in the course of my deliberations, just as I will be consulting other interested organizations, including the farmers.

In regard to the economic effects of the prices, I have already referred to that as being one of the three main factors which will lie behind our proposals.

In regard to the question as to how the Council organizes this work, you realize that this is not a matter which lies within the decision-making powers of the Commission. It has happened in the past that Finance Ministers have got together with Agricultural Ministers, and it may happen again in the future, but it is something which it is out of my hands to decide.

Sir Brandon Rhys Williams. — In framing their proposals for the coming year, will the Commission recognize that the serious problem of poverty on the land cannot be cured simply by application of the price mechanism, but is a social problem which can only be cured by social means?

Mr Gundelach. — It is still early days but I do not think it is too early to say that the new Commission will pursue structural reforms, and probably as you will have seen from our new set-up, will do that with increased vigour. There is no doubt that a number of social problems will have to be dealt with by structural measures. But I would warn the House not to believe that this can be done overnight. It cannot: it takes a certain amount of time. And therefore there are certain social problems which — let us be frank about it from the beginning — at this point of time will have to be taken into account in the price policy as well, because we cannot change the world from one day to another.

Mr Laban. — (NL) I wanted to stress that the fight against inflation must be one of the principal priorities for the Community countries. But if workers are asked for that reason to show restraint, I consider it logical for a sacrifice to be required of the producers as well. The Commissioner answered my question satisfactorily by stating that the burden must be shared equitably. May I now ask the Commissioner whether it is his intention to include in his agricultural proposals the situation in the dairy sector and the question of monetary compensatory amounts, so that we can have a package of measures in this area?

Mr Gundelach. — Well, I think that desire on your part is going to be fulfilled by itself. Since the Council has not been in a position to take decisions on proposals made by the former Commission in regard to monetary compensatory amounts and in regard to the dairy sector, then obviously this Commission will have to decide how these matters are to be carried forward in the coming month.

Mr Scott-Hopkins. — Does the Commissioner realize that, if he publishes his proposals in the middle of February, it will be quite impossible for Parliament to discuss them in committee and get the matter on the floor of the House by the first week of March, which is the last time that this House can discuss these proposals before the Ministers have to take a decision in April? It is quite impossible — the time-table won't work!

Mr Gundelach. — I deliberately avoided fixing a specific date because I am becoming aware of the need to look very carefully at the calendar to see that the various institutions can come into play at the right moment. I would suggest that this is a question which could usefully be discussed in the Committee on Agriculture which meets next week and which has kindly invited me to be available and I will make myself available.

Mr Howell. — Does the Commissioner agree that a farm price review is meaningless so long as the green currency system exists? And will he give top urgency to phasing out the green currency system since as long as it exists there are no common prices and in fact have no common agricultural policy?

Mr Gundelach. — I would not go so far as to say that because of the complicating effects of the monetary compensatory system we have no common agricultural policy and the price fixing operation is meaningless. I must say with force that we still have a common agricultural policy and I will consider it my duty to continue to defend it, maybe also to adjust it, but certainly to defend it.

The old Commission — and I cannot hide the fact that I was a member of it — made its views on the monetary compensatory system quite clear and made specific proposals, which are still on the table and which I consider it my duty to continue to press

forward until I am told otherwise, but I doubt whether I am going to be told so.

President. — Question No 7, by Sir Geoffrey de Freitas, reads:

Subject: Standardization: A Commission with a human face

Is the Commission aware that it is difficult for its drive for standardization to be explained to the public as being relevant to social policies? Will the Commission help in the development of standard equipment suitable for manufacture and use within the Community for the assistance of physically handicapped people, and in particular will the Commission help in the development of a standard invalid carriage suitable for manufacture and use within the Community, thus not only directly benefiting the physically handicapped but also demonstrating the Commission's concern for people as well as things?

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, the question by Sir Geoffrey de Freitas gives me the opportunity to speak in this Parliament — our Parliament — again after a brief absence. I am now back with you again. In answer to the question by the honourable Member, may I point out that the Commission certainly does not advocate maximum standardization; I do not consider standardization desirable for its own sake. We have tried to achieve standardization only when it was essential to remove certain technical obstacles to trade.

My answer to the second part of the question is that I consider that the Commission does not have a direct contribution to make to the development of a standard invalid car. I consider it far more desirable for existing cars to be made suitable for use by handicapped persons depending on their individual needs. Moreover, a standard invalid car attracts attention and therefore fails to serve its purpose; I have the impression that it does not meet the needs of the handicapped.

Sir Geoffrey de Freitas. — I welcome the Commissioner back and thank him for his answer. I ask him to look at this again. Would not a policy of more standardization for social purposes achieve two results, first to present the Commission in a more human light and secondly to accustom the Commission to thinking at all times more and more of people?

Mr Vredeling. — Mr President, I completely agree with the motives behind the question put by the honourable Member although I am little doubtful whether the example he takes is a real example. He thinks it is very important that our work in the Community should acquire a more human face and that we should become more accustomed to those problems than we did in the past. I agree completely. The only slight reservation I make is that, if this very important principle has to be demonstrated in this example, I do not have a definite position on it. But what I think is more important is that we should take more account in our work of the factors he mentioned.

Mr Albers. — (NL) Will the Commission give particular attention in this connection to the fact that many public and private buildings must be accessible to persons using aids to make them mobile, and will he look into the possibility of getting progress under way towards a directive in which the Community could achieve improvements in this area and in that of public transport?

Mr Vredeling. — (NL) I am well aware of the importance of the subject which the honourable Member has raised. In the past the problems of the handicapped have all too often been forgotten, particularly in connection with the design of public buildings. When I come to determine priorities I shall certainly give a place to his suggestion of a directive in this area. But we cannot make everything a priority, otherwise we shall achieve nothing. Only the principal matters must be given priority. I recognize that this is an important matter and will look into it more closely when determining our future activities.

Sir Brandon Rhys Williams. — Will the Commissioner please undertake here and now to reconsider this attitude on this question of the design of an invalid vehicle? If he is not interested in the subject out of compassion, could he not approach it on grounds of business efficiency? It must be better to work for one solution to this difficult range of problems, than for nine separate Member States each to produce their own. Very small expenditure here could bring benefit to tens of thousands and soon pay for itself in terms of the economies available through production.

Mr Vredeling. — (NL) Well, the words of the honourable Member saying that I was not interested were his words — not mine. I would just stress the point that it is more important, perhaps, to adapt existing cars to the individual needs of the handicapped.

The question as to whether the standardization of invalid cars would make them cheaper can in general be answered in the affirmative. I wonder whether the industry concerned has given this sufficient attention. I certainly do not want to give the impression that I am not interested, but the question is whether the Commission should work out proposals in this area. I do not exclude that possibility, Mr President; in the long run we may do so. I agree that we must do more for invalids than we have in the past.

Mr Molloy. — I want very briefly to ask the Commission, bearing in mind that I support everything that has been said up to now, whether they would turn their minds to the idea of efficient standardization. That does not mean, for example for the disabled driver, one particular vehicle. There may be a method by which existing vehicles can be adapted for various reasons. Could I suggest to the Commissioner that the

people best informed as to the sort of vehicle they want, the sort of help they require both at work and at home, in working time and in leisure time, are the disabled themselves. There are enough disabled organizations in this Community that I would recommend he should contact and I am quite sure they will give of their best and, what is more, help to resolve their own problems and at the same time help the Commission.

Mr Vredeling. — I am in complete agreement with what has been said by the honourable Member.

President. — Question No 8, by Mr Dondelinger, reads:

Subject: Erosion of the incomes of active and retired frontier-workers

What steps does the Commission intend taking to deal with the constant erosion of the incomes of active and retired frontier-workers who are working or have worked in France and live across the border?

Mr Ortoli, Vice-President of the Commission. — (F) The Commission is well aware of the repercussions of unstable exchange rates in the Community on the level of earnings of certain sectors of the economy and in particular on the purchasing-power of certain retired persons and frontier-workers. But, as was indicated in the answers to questions by Mr Ansart and Mrs Iotti, it considers that at the present stage direct Community measures cannot be advocated.

The Commission wishes to point out that while the monetary variations are unfavourable to certain frontier workers, they also benefit persons employed in countries with strong currencies but resident in a country whose currency is losing in value. The Commission would also remind you that the situation to which the honourable Member has referred is not confined to frontier regions within the Community but also arises in regions which have a common frontier with third countries: *ad hoc* negotiations, which are liable to be long and delicate, would therefore have to be envisaged. Moreover, any Community measure of financial compensation, probably involving a corrective mechanism, would be both cumbersome and extremely complex and might cause distortions incompatible with the Rome Treaty. Finally, and most important of all, the Commission considers that this is merely one particular aspect of a more general problem: that of the divergence between national economic and monetary policies, to which no remedy can be found through sectoral measures, which would in any case be extremely difficult to implement.

The only lasting solution, in the Commission's view, must therefore lie in the implementation by the Community and national authorities of economic and monetary measures adopted jointly at European level

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with a view to restoring more stable exchange rates and a greater convergence of conjunctural trends.

Mr Dondelinger. — (*F*) The workers and retired persons are not responsible for the depreciation of the currencies of certain Member States. It is therefore not sufficient to relegate the problem to the background; in my view it must be dealt with under the European Social Fund and I shall not fail to raise this question at the next meeting of our Committee on Social Affairs and Employment. Meanwhile, I should like to know whether the Commission intends to draw the attention of the governments of the Member States whose currencies have depreciated sharply to this problem and ask them to ensure that the standard of living of frontier workers is maintained.

Mr Ortoli. — (*F*) The Commission does not intend to call the attention of the Member States to this specific problem, but you may rest assured that it will stress the general problem to them; the main need is for a solution to the basic problem — in other words, we must arrive as soon as possible at convergent policies and stable exchange rates within the Community; the evil would then be eradicated at its source.

Mr Albers. — (*NL*) I was sorry to learn from the Commissioner's answer that the suggestions made in the Gerlach report which we dealt with last November are not seen as a possible solution to the whole problem of frontier work. May I therefore ask whether the Commissioner, and with him the whole Commission, will give attention to that report and seek solutions representing an improvement to the situation of frontier-workers?

Mr Ortoli. — (*F*) I am not entirely familiar with the report just mentioned, but I shall look into it with my colleague responsible for social affairs and I shall have occasion to form a more precise judgment on the action which may be taken on the basis of this report.

President. — Question No 9, by Mr Hamilton, reads:

Subject: Equal pay

Is the Commission satisfied with the progress being made in Member States towards the implementation of equal pay? And, if not, what further steps are proposed?

Mr Vredeling, Vice-President of the Commission. — (*NL*) The Commission cannot be satisfied as long as there is any question of infringements of the principle of equal pay for men and women. At present the Commission is carrying out a study to determine whether all the Member States are applying in full the directive of February 1975. The honourable Member may rest assured that a procedure for infringement will be opened against those Member States which have failed to comply with the requirements. I shall also arrange for a study to be made of other Commis-

sion initiatives, such as a measure to combat the forms of indirect discrimination against women which still exist, e.g., in the area of job evaluation.

May I add that the Commission cannot on its own ensure the disappearance of discrimination. It needs the help of others for this purpose, in particular the union movement. We know from our own experience that in the union movement men too often have the upper hand. The unions should perhaps take greater account than hitherto of the special position of women.

Mr Hamilton. — Can the Commissioner tell the House what exactly he means when he says the Commission would invoke the breach procedure? What exactly is the 'breach procedure' in this matter? Can he say whether he accepts the proposition, as I am sure he does, that the legislation on equal pay will not be effective unless it is matched by legislation on equal opportunities and, in particular, education? Is he satisfied with progress in this respect, and can he say what example the Commission itself is setting in these matters, e.g., by giving women equal opportunity to occupy the seat that he now occupies?

Mr Vredeling. — (*NL*) Quite by chance I was listening to the English interpretation. I should perhaps repeat that I used the term 'procedure for infringement' in Dutch. This means that when a Member State is at fault the procedure leads ultimately to the Court of Justice. I agree with the speaker's second observation. It is not simply a matter of 'equal pay' but also of 'equal opportunities', especially in the area of education, to which he referred. I can perhaps best illustrate this by telling you that my own daughter is studying at a university where the ratio of men to women is 40:1. I therefore fully understand the speaker's point of view. It would perhaps have been desirable for a woman to be here instead of me. I find it difficult to envisage that situation, but it should be perfectly normal and possible.

Mr Yeats. — I should like to ask the Commission whether it is aware that in Ireland the position one year after the coming into force of the directive is that, as far as the vast majority of Irish women workers is concerned, there has been no advance at all — no change as a result of that directive — and that in trade-union circles it is accepted that at the present rate of progress it will be years before it is brought into force. In view of this, will he undertake to do something practical to ensure that in fact the directive is brought into force in Ireland and doesn't continue to be ignored?

Mr Vredeling. — (*NL*) The honourable Member will understand that I am not as yet altogether familiar with the problems of equal pay for men and women. If too little progress is being made in Ireland, I shall

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not fail to urge the Irish authorities to act. In this connection I must also draw attention to the special responsibility of the social partners in general and of the employers in particular.

Sir Brandon Rhys Williams. — Whilst we welcome the Commissioner's determination to see the implementation of the principle of equal pay, does he recognize that it makes more acute the differences in living-standards between families of different sizes depending on one breadwinner? Does he agree that this problem can only be tackled by the payment of adequate family allowances, and is he aware that in some countries in the Community the rates are very much below the average — notably in Britain, where the level of family allowances is now so small as to be almost insignificant?

Mr Vredeling. — (NL) Family allowances are, of course, an extremely important instrument with regard to the reasonable distribution of incomes. However, I do not see the connection with the subject of equal pay for men and women. It may well be that, as the honourable Member points out, in his own country for example the earnings of the breadwinner should be adapted to an average family and that child allowances may then only be a small supplement.

Mr Patijn. — (NL) I would like the Commissioner to state which Member States are in default at present and whether this means that all the Member States not named by him do apply in full the principle of equal pay for men and women.

Secondly, I would like to ask him whether he will draw the attention of the unions to the fact that individual women may turn directly to the national courts if they find infringements, since Article 119 of the EEC Treaty gives Court rulings direct applicability. In other words, women may appeal directly to their national courts.

Mr Vredeling. — (NL) I cannot say exactly which Member States are in default, because agreements were made in the Council on a time-limit which, I believe, expires in February 1978. The Member States must then comply in full with the regulations. Mr Patijn's question cannot therefore be answered until then, i.e. in just over a year's time, which is fairly soon.

As to this comment on individual cases, I am familiar with the possibility mentioned by him from my own experience. But I would like to point out that this in itself valuable ruling of the Court is limited somewhat by the fact that it relates only to equal pay for equal work. However, discrimination against women frequently consists in the provision in collective labour contracts that light work should be reserved for women. There is then no possibility of a comparison with men. Light work is badly paid in these cases. Often, too, typical female skills are given few points

in the job evaluations and work classifications. We still live in a typically male society. All this means that a good deal of time will be needed to ensure the real abolition of discrimination against women in remuneration and job evaluation. We still have a long way to go. I need only look around this Chamber, Mr President. There are far more men than women here.

Mrs Squarcialupi. — (I) When it comes to the subject of women's work and equal pay I consider that, as we have often seen, laws or coercive provisions of any kind do not serve much purpose. What is needed is a cultural renewal in the population's attitude to women and their work. The previous Commission have an assurance that funds would be made available to promote equality for women. I wish to repeat that request to the new Commission.

Mr Vredeling. — (NL) I can only confirm that a cultural revolution will be needed, as the honourable Member has just said, before men and women can become completely equal. I fully concur with that view, Mr President.

Mrs Dunwoody. — Would the Commissioner accept that, until he is sitting in a row of seats of which at least 50 % are filled with women, and until he is facing a Chamber in which at least 50 % of the Members are women, we shall find many of his kind remarks really rather empty? Would he like to lead a very immediate revolution by getting at least 50 % of his fellow-Commissioners to resign in order that their places may be taken by efficient women?

(Laughter)

Mr Vredeling. — (NL) Mr President, until the honourable Member is able to settle this herself, her words must remain rather empty!

President. — I assume that Mrs Dunwoody's remark is addressed to the Council, since it is the Council which designates the Commission.

Question No 10, by Mr Gibbons, for whom Mr Yeats is deputizing, reads:

Subject: Control of beef imports

How does the Commission justify its decision to lift the ban on imports of beef from 1 April 1977, at a time when beef prices within the Community remain substantially lower than the guide-price, and what safeguard measures will the Commission introduce to protect Community producers?

Mr Gundelach, Vice-President of the Commission. — The principal justification for the decision of the previous Commission to lift the so-called ban on imports of beef on 1 April this year is to be found in the expectation, which has been fulfilled, that a new import machine as proposed by the Commission would be adopted by the Council and enter into force on the same day as the ban disappears. In other words,

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we are replacing the ban, which was not a ban, because it was accommodated, as you know, with certain facilities to fulfil our international obligations — two sets of GATT quotas, ACP quotas and so on. To be quite candid, a very messy system. We are replacing that with a system which is more efficient and more appropriate from a Community point of view. I am convinced that this system does contain the assurances to Community producers for which the questioner is asking, inasmuch as the levy system provided for in this new system is much more flexible than any other levy systems we have. It permits levies to be adjusted to market prices with much greater speed and in much greater depth than is normally the case. In other words, we are calculating the levy not on the basis of a fixed guidance price for a year but with regard to our own market prices fluctuating week by week throughout the year and the fluctuating world market prices. We are furthermore providing for the possibility, if the market situation calls for it, that more than the total amount of the levy can be imposed upon imports of beef from third countries: up to 114 % of the total levy, which is a fairly heavy measure to be applied. Having said this, I want to indicate that whilst it is true that the prices are still below the guide price, they are continuing to increase. Stocks are, on the whole, either stabilizing or going slightly down. The situation on the meat market for the time being is therefore in no way alarming and that rather strengthens my feeling that this was the right time and the right set of circumstances to get away from a system which, quite frankly, in our international relations was becoming very onerous on the Community. You must remember that the ban on imports of meat hit some of our best customers, countries who have a very great trade deficit with the Community.

Mr Yeats. — How does the Commissioner reconcile the answer he has just given with the fact that on the one hand the expected shortfall in beef production this year is only some 75 000 tons, and that almost 6 times this amount was last week in intervention or private storage? Surely, therefore, the only result of this new step will be to increase still further the beef mountain in storage in the Community, and still further depress prices?

Mr Gundelach. — I think we are at cross purposes as far as figures are concerned. It is true that both the public and private stocks which the EAGGF has supported were increasing in 1976 owing to the weather conditions. But that increase levelled off in the course of the autumn, and the recent figures clearly indicate a downward trend in the stocks, just as they indicate an upward trend in the prices throughout the Community. The trend is more marked in some areas than in others but it is clear throughout the Community. Therefore I cannot accept that the immediate circumstances in the meat market are bad; on the contrary, they are pretty good. Secondly, as I indicated, the machinery which is being put into force is not the old machinery which existed

before the beef ban; the new procedures are extremely cautious, and I do not feel that the Community producers are running any risk. Whether it will be too tough a regime as far as the importers are concerned remains to be seen.

Mr Scott-Hopkins. — Is the Commissioner aware that this proposal will be widely welcomed in the United Kingdom? Certainly at the moment I can confirm that beef prices are going up and stocks are not increasing at all. I particularly welcome the new arrangements which he has put forward for controlling the levies on imported beef from third countries. This is essential to the United Kingdom, and I am delighted that this is happening.

Mr Gundelach. — I can confirm what I stated before, namely that with certain variations, beef prices are strengthening throughout the Community, and, secondly, stocks are showing a downward tendency.

President. — Question No 11, by Mr Molloy, reads:

Subject: Increase in aircraft noise

What plans does the Commission have for coordinating research and legislation in the Community in order to deal with the environmental menace posed by the increase in aircraft noise?

Mr Natali, Vice-President of the Commission. — (1) A limitation of the disturbance caused by aircraft noise may be obtained through the adoption of legislative measures applicable to aircraft, airports and the habitat. Measures of fundamental and applied research are, however, also required.

As regards the limitation of noise emissions from subsonic aircraft, the Commission submitted to the Council on 26 April 1976 a proposal for a directive on which the European Parliament delivered a favourable opinion on 12 July 1976. In this connection I also wish to stress that the Commission has accepted a proposal for an amendment tabled by the rapporteur, Mr Muller, modifying his initial proposal on 3 November 1976. So much for the level of noise emitted by aircraft.

As regards measures to reduce noise in the vicinity of airports, the Commission distinguishes between two sectors: airports intended mainly for recreational purposes and reserved for touring aircraft, and airports used primarily by transport and business planes. On the first category, the Commission is at present working on a proposal for a directive designed to limit movements during the hours of rest and to encourage the use of aircraft which comply with more stringent noise criteria. As to the second category, the Commission is working on proposals in accordance with the provisions of the second environmental programme, on the basis of which the Commission will be stipulating noise criteria. This action should be dealt with in a wider context, as recommended in the action programme for the construction sector approved by the Commission on 28 January 1975.

Natali

Finally, as regard research, the Commission proposed to the Council in late October 1975 in its action programme for the aircraft industry the adoption of a joint research programme which is currently being considered with the Member States and the industry to determine the research areas and implementing procedures which will enable the Council to adopt a joint research programme based on the available resources.

Mr Molloy. — I am grateful indeed for the comprehensive and somewhat encouraging replies — certainly encouraging in parts — that the Commissioner has given. May I very briefly mention three documents which have already passed through this House, namely Working Document No 59/76 of 2 May 1976. This dealt with some achievements and outstanding needs for a directive on limitation of noise emission from subsonic aircraft. This was then followed on 5 July, as the Commissioner has mentioned, by Document No 199/76 drawn up by the Committee on the Environment. The resolution in that report noted the increase in air traffic having led to a steady degradation of the environment, placing an intolerable burden on people living near airports. Now I live near an airport, Mr President, and my constituency is near an airport. And of course there are very many other airports in this Community.

Concluding my supplementary question, may I draw the attention of the Commissioner to the interesting book entitled *The Law and Practice relating to Pollution Control in Member States* and published by Graham and Trotman at the request of the Commission of the European Communities? I acknowledge that the Commission is trying to do something about this problem, but the fact is, Mr President, that aircraft noise is now a health hazard which disrupts the lives of many people, is a growing environmental menace, adversely affecting and seriously disturbing the lives of many people both day and night. It really now is time that the many words that we have written and spoken are translated into deeds to reduce this abominable nuisance, which is on an increase and disturbing, as I have said, the lives of so many people in this Community.

Mr Natali. — (I) I agree with all the observations made by Mr Molloy. The Commission firmly intends to deal with this problem. Mr Molloy began by saying that my reply was encouraging, and I hope, too, that Parliament will give us its encouragement so that we can pursue our work.

Mr Krall. — (D) In its studies of noise development and noise reduction at the power units of aircraft, is the Commission prepared also to consider the possibility of noise reduction by adopting landing approach procedures different from those used hitherto, and will it arrange for appropriate studies in

this area in conjunction with the Community airports and airline companies? Changes in the approach procedures would certainly not have a heavy incidence on costs.

Mr Natali. — (I) The speaker's suggestion is extremely interesting and we shall take his indications into account in the research sector.

President. — Since our time has elapsed, I declare the first part of *Question-time* closed.

Ladies and gentlemen, we have never made such slow progress as today: we have taken an hour and a half to deal with eleven questions! Instead of asking questions, speakers read from notes. Although we have some five minutes to deal with each question, some speakers — and the Commission is included in this reproach — take five minutes to read their text!

The second part of *Question-time* will take place tomorrow morning, beginning with questions put to the Council. When these have been dealt with, we shall continue with the questions put to the Commission. I appeal once more to everyone to cooperate in improving the conduct of *Question-time*.

I call Mr Scott-Hopkins on a point of order.

Mr Scott-Hopkins. — Mr President, may I draw your attention to the difficulties which occurred this afternoon in the press gallery? There were many representatives from the newspapers who were unable to get into the press gallery this afternoon during Mr Jenkins' speech. I did ask for this matter to be dealt with and I think some problems were dealt with, but nevertheless, some members of the press were excluded. Other people, like press attachés and so on, took up many of the places. The point I am raising now is that when we have the speech of the President-in-Office of the Council, Mr Crosland, tomorrow morning after *Question Time*, we should make certain that those of the press who want to get into their gallery will be able to do so.

President. — Mr Scott-Hopkins, I thank you for this piece of information: I was unaware that members of the press had been refused access to the galleries. Our services will look into the matter and ensure that they shall have access tomorrow. I offer my apologies and regrets to the Commission: it was certainly not our intention to restrict the numbers of those admitted in this way.

I call Mr Molloy.

Mr Molloy. — Mr President, there is another side to this coin and another side to this argument. While it is quite likely that it may have been difficult for members of the press to get into their appropriate gallery, I don't think it was right, or indeed proper that they then should have invaded the places which were put aside for the ordinary public. I believe that

Molloy

was equally wrong. At one stage this afternoon, the majority of people present in the Chamber apart from Members of this Parliament, were press and media men crowded around this very hall, crowded in their gallery up there, pushing into the public gallery, both on my left and behind me. It might not have been their fault, and I apportion no blame. The situation was unsatisfactory, and I am now only making my contribution on behalf of the ordinary public who could not gain admission, despite being properly ticketed to gain admittance to this Parliament.

President. — I call Lord Castle.

Lord Castle. — I hope the last contribution will not be taken too much to heart. I agree with my colleague on most things, but on this matter, I am afraid I cannot. The press representatives were treated today in a deplorable manner. We had an historic occasion, one of the few occasions, frankly, which was a reportable occasion, and it was in the interests of all of us who are interested in Europe — and I declare myself identified with Europe — that the maximum publicity should have been given. Well-known names were excluded from seats which they should naturally have occupied on behalf of some of the great newspapers of Europe. Nobody — whatever their antagonism to the journalistic profession — can help but deplore the fact that those people were denied the opportunity of reporting in decency. During the speech of Mr Jenkins himself, there were seats down there in the well of the Chamber utterly unoccupied. I don't know what they're used for. If tomorrow, there is the same difficulty, or threatened difficulty, may I suggest to you, Mr President, that your advisers consider the use of the well of the Chamber for some of the reporters.

President. — Ladies and gentlemen, I take note of your remarks and I think you were right to make them. I have two points to make.

First, this chamber is incapable of accommodating at the same time large numbers of the general public and of representatives of the press. Secondly, since this was the first time that a meeting in Luxembourg had attracted such a large number of visitors, we were caught unawares. But since we should like to see this degree of interest renewed on numerous occasions in the future, we shall have to make the necessary arrangements.

As for tomorrow, we will do what we can to remedy the difficulties that have just been raised.

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8. *Oral question with debate: Community water policy*

President. — The next item is the oral question, with debate, put to the Commission by Mr Lagorce, Mr Carpentier, Mr Guerlin, Mr Evans and Mr F. Hansen on Community water policy (Doc. 330/76):

The exceptional drought which Europe has just experienced has shown up the inadequacy of water reserves and the lack of water-moving equipment in most Community countries.

Is the Commission fully aware of the gravity of this problem and does it not agree that priority measures should be taken to preserve and if possible increase — both as regards quantity and quality — supplies of water, which is irreplaceable as a source of life?

I call Mr Carpentier.

Mr Carpentier. — (*F*) Mr President, ladies and gentlemen, Mr Lagorce wishes to apologize for the fact that pressing commitments called him back to Paris. As one who also signed the question, I shall speak in his place on a problem which seems essential to us for the years to come.

Water resources tend to be taken for granted to such an extent that they are considered unlimited. However, for several years now the alarm has been sounded and the recent exceptional drought showed that a water problem did in fact exist. The drought which prevailed in Europe between the winter of 1975 and the end of last summer spared none of the Community countries. At present the effects of this climatic incident are still being felt quite strongly. Agriculture, and especially the cattle sector, will be affected at least until next spring; this may justify new aid measures. The consumers will see tax increases added to the price increases they have had to face. Finally, the bill for energy imports necessitated by the water shortage will be substantially higher and this will have an adverse effect on employment and the rate of economic growth.

My intention today is not, however, to discuss all the measures taken at Community level and nationally in the principal countries concerned to meet the immediate needs and distribute as evenly as possible over the whole of society the burden of the principal damage caused by these climatic circumstances. I consider in fact that while the gravity of this occurrence has revealed the shortage of water reserves in the Community, it has — and this is perhaps more important — also highlighted the inadequacy of the preventive measures, due to structural deficiencies in the adaptation and use of our water resources, and to the shortage of hydraulic equipment able to make good the water deficit. It is scarcely acceptable that a drop in rainfall, however exceptional, should lead to such serious consequences in highly developed countries. Even if we assume that there is little likelihood of such a drought recurring — which cannot, however, be ruled out — the increase in water consumption is in itself liable to increase this vulnerability.

In agriculture, for example, a substantial increase in the area under irrigation is necessary for crops such as maize in order to protect the producers against climatic irregularities. In 1975, for example, the

Carpentier

drought resulted in a loss of 20 million quintals of maize in France in relation to the previous year, because of the lack of irrigation. Moreover, domestic consumption is rising rapidly with the use of household appliances: family water consumption has tripled since 1920, and is expected to triple again in the next fifteen years. Finally, the needs of industry for water have, of course, risen considerably: 300 litres of water are needed to manufacture one kilo of paper or steel, and nuclear power-stations in particular have to be supplied with water without harming the fauna and shipping activities.

Faced with this rapid increase in demand, the known water resources of our countries fortunately appear potentially sufficient for the foreseeable future. But the poor utilization of water will have to give way to an overall rational plan capable of ensuring a quantitative control of the water used. This presupposes not only the construction of dams or retaining barrages in the hills to stock surplus water in winter but also measures to combat wastage by domestic, agricultural and industrial users who draw off their water indiscriminately from the subsoil strata instead of using surface water.

Qualitative control is also needed: here we come to the problem of drinking water, which requires a systematic recycling policy and consequently the purification of used water. The qualitative aspect of the management of our water resources is in fact inseparable from the quantitative problem and linked also with the question of environmental protection.

Surface waters and rivers are becoming dumping-grounds and are often transformed into sewers, particularly because industry — especially those sectors of industry which cause a high level of pollution, e.g. dairies, cheese factories and paperworks — treats water not only as a raw material but also as a convenient vehicle for its refuse. It is important also to fight against the pollution of subsoil water by infiltration from fertilizers, pesticides, herbicides, oil and oil products. In the Paris basin, for example, traces of nitrate due to infiltration have been found at depths of 100 metres. This pollution of subsoil water reserves is less visible than surface water pollution but more pernicious and disturbing, as it is more difficult to eliminate and its effects are felt over a longer period. In France, for example, 46 % of the water used for human consumption is of underground origin. According to figures we have obtained, the corresponding percentages are 88 % in Italy, 90 % in Luxembourg and 92 % in Western Germany.

Perhaps it is now time to take the necessary Community measures for the protection of subsoil water reserves — before it is too late.

As regards the protection of the environment, which is linked with the protection of water, it must not be forgotten that plants and trees are necessary to accel-

erate the water cycle. The drought is attributable partly to the consequences of uncontrolled deforestation, which has disturbed this cycle. Man must take care to protect the ecological balance, whose importance for his future is enormous.

In France, the group to which I belong has proposed that the problems of drinking-water supplies and water purification should be dealt with at long last as a coherent whole by setting up a national water authority responsible for putting an end to the incoherent administration and shocking disparities between the price and quality of the service from one part of the country to another.

Bearing in mind the very general nature of the problems which the drought has revealed and the solidarity which often exists between the Member States for the exploitation of certain water-basins, it seems that the Community must play a part. A water policy taking account of the disparities which exist between the regions and Member States must be based on Community solidarity. I should therefore like to know whether the Commission is aware of the gravity of these problems and feels the need for urgent measures to improve both qualitatively and quantitatively the exploitation of our water resources. I should like in particular to be informed of the action taken by the Commission on the proposal adopted by the Council of Ministers of Agriculture on 15 September last to study the introduction of a European water-resources plan. It is up to us to make sure that this disastrous climatic situation from which we have suffered heralds the start of progress towards concerted mastery over this element which is essential to the maintenance of life. We are coming to recognize at long last that water is a problem of our civilization.

(Applause)

IN THE CHAIR: MR MARTENS

Vice-president

President. — I call Mr Natali.

Mr Natali, Vice-President of the Commission. — *(I)* Mr President, I am most grateful to Mr Carpentier for developing his question. He has illustrated with great competence, and also passion, the problems connected with a series of meteorological phenomena which, especially in recent months, have had a serious adverse effect on water supplies in our Community.

Perhaps it is not appropriate to speak only of water supplies but — as Mr Carpentier has stressed — we should refer to the overall problem of water. This fundamental resource has often been the object of competing and conflicting interests. A great effort must certainly be made to pass from supplies for use by the population, the basic purpose for which water

Natali

resources are applied, to their utilization in the economy for irrigation, which is so important in agriculture and in many other sectors.

May I, however, point out to Mr Carpentier that the Commission has already made a study of this problem when it provided for a series of measures contained in the environmental programme approved by the Council on 22 November 1973.

As you know, these problems were subsequently the object of a Council decision taken at its 311th session in Brussels on 7 November 1974. On that occasion the Council, after noting an Italian document and a communication from the Commission, invited the latter to put in hand a study of the demand for water, showing available water resources and — this I believe is particularly important — classifying the territory on the basis of its environmental characteristics to enable the objectives and actions for the future to be defined.

Following these decisions, the Commission undertook a number of studies of the availability of water resources in the Community. These studies showed that in overall terms the Community's resources appear sufficient to cover the foreseeable demand for many years to come; but it was also pointed out — and we have recently had proof of this — that the available resources vary widely from one region to another and from season to season and water-supply problems do occur on a regional level. These studies have certainly also shown — it could not have been otherwise — the close link between the quality and quantity of the available resources.

We in the Commission believe that in the next few years measures will have to be taken in the water-resources management sector. I agree with you, Mr Carpentier, that these measures must be worked out in such a way as to satisfy the requirements of environmental quality and economic development; account must also be taken of the physical interdependence of different environments which cannot be managed independently — which is why the problem of quantity cannot be isolated from that of quality.

In some Member States structures have already been adopted which take account of the homogeneity of the hydrographic basins and ensure the optimal management of fresh water from both the quantitative and qualitative angles. Mr President, in its draft environmental programme for the years 1976-77 the Commission has already indicated the actions which must be taken, and the Council approved them at its meeting of 9 December. I wish to recall that these actions will relate to the improvement of available resources, the protection of good-quality resources and improvements in the presentation and comparability of surveys of the available resources and foreseeable demand. The Commission will also organize exchanges of information on the means used at national and regional level for water management, in

particular national or regional plans for the structures of water management, the use of economic means, etc. While this programme is ambitious, we hope it will be comprehensive, because we are convinced that one of our fundamental duties is to safeguard and use in the best possible manner this resource, which is essential to the life and future development of our peoples.

(Applause)

9. Change in the agenda

President. — I call Mr Klepsch on a point of order.

Mr Klepsch. — *(D)* Mr President, on a procedural motion, I wish to propose the postponement of the two reports by Mr Spicer and Mr Cousté until tomorrow. We believe that the commitments of many Members and especially the rapporteurs this evening make it very difficult, in view of the advanced hour, to deal with these important subjects now. My proposal, then, is that the item of the agenda on which we have just begun should be completed and the oral question, without debate, by Mr Corterier taken thereafter; the two other items could then be placed at the end of tomorrow's agenda.

President. — May I remind the House that, whenever a procedural motion is tabled, one speaker may be heard for the motion and another against, after which a vote is taken on the motion.

Does anyone wish to speak in support of Mr Klepsch's proposal?

I call Mr Spicer.

Mr Spicer. — Mr President, I would like very much indeed to speak in favour of the motion proposed by Mr Klepsch.

To be quite frank, Sir, we had hoped — a lot of work has gone into this report of mine — that we should be speaking to a crowded House. On all sides now one sees that this is not going to be the case, for obvious reasons. We did, as you know, give way to this particular oral question with debate in order to accommodate the authors. But certainly I would give my fullest support to the proposal that my report should be postponed until tomorrow.

President. — Is anyone opposed to the proposal? If not, I propose that the two reports be placed at the end of the agenda for tomorrow.

I call Mr Radoux.

Mr Radoux. — *(F)* Mr President, if I have understood it correctly, this debate would then be placed at the end of the afternoon's agenda?

President. — That is what has just been proposed.

I call Mr Cousté.

Mr Cousté. — (*F*) Mr President, on entering this chamber to present the report on relations between the United States and the Community, I have just learned that there is some question of postponing the report until tomorrow. But tomorrow I have to be in Lyon where the municipal elections are presenting a number of problems. Mr President, if this report cannot be examined today, a fact which I should regret, I am perfectly agreeable to its being considered at another part-session.

If I cannot speak now, I therefore ask for the report to be postponed until our next part-session. That solution would also present certain advantages. It would enable the Assembly to deliberate under good conditions, since the new American administration will be taking office on 20 January. Our debate would, perhaps, then be taking place at a more opportune time.

President. — I call Mr Klepsch.

Mr Klepsch. — (*D*) May I change my motion to the effect that only Mr Spicer's report should be postponed until tomorrow and Mr Cousté's report debated now?

President. — I call Mr Radoux.

Mr Radoux. — (*F*) Mr President, I agree, especially as I consider that Mr Cousté's report would be an excellent introduction to a second report on the United States, which could be considered in two or three months' time.

I should therefore prefer this debate to take place this evening.

President. — It is accordingly proposed that only Mr Spicer's report be postponed until tomorrow afternoon and placed as the last item on the agenda.

Are there any objections?

That is agreed.

*10. Oral question with debate:
Community water policy (contd)*

President. — We now resume the debate on the Community's water policy.

I call Mr Noè to speak on behalf of the Christian-Democratic Group.

Mr Noè. — (*I*) Mr President, members of the Commission, ladies and gentlemen, while expressing the Christian-Democratic Group's support for the main points made by Mr Carpentier in his speech on the question put by Mr Lagorce and others, I should like to remind you of the views put forward by the Committee on the Environment, Public Health and Consumer Protection over the last few years. First and

foremost, we must not lose sight of the fact that there are three requirements to be met, even if some say that there are only two. There is a quantitative requirement, which was highlighted in dramatic fashion last summer; there is a qualitative requirement, which was mentioned earlier, and finally, there is a further problem we must not forget and that is the problem of oversupply and flooding. We should not allow ourselves to be distracted by a number of topical problems such as last year's drought and completely overlook other potentially dramatic occurrences such as oversupply and flooding.

Although it does not concern the entire Community, this problem is common to several countries, including mine. To give you some idea of the scope of the problem, I would point out that in the south of France rainfall is often a good ten times higher than, for instance, in Luxembourg. The fact is that, ever since records were first kept, Luxembourg has never had more than 60 mm of rain in 24 hours, while in France and Italy there may be as much as 600 — ten times the Luxembourg figure — with occasionally dramatic effect. This third problem of oversupply, which is also a general problem of soil protection, must also be borne in mind, for otherwise our work will be incomplete.

Mr Carpentier said some things I agree with. But I cannot go along with his remark that we should always be in a position to cope with shortages, no matter how acute. I am sorry to tell him that this is simply not possible. Normal requirements can only be met from available water supplies plus what is held in reservoirs. With a given reservoir capacity we can cope with shortages for a certain time; but if they exceed certain limits, both in terms of time and quantity, we shall be powerless to cope. We must therefore put it out of our heads that we shall succeed in coping with every case of shortage, just as we shall never be able to cope with every case of oversupply.

This does not mean that the proposals so clearly put forward by Mr Carpentier should not be followed up, for we must do everything that lies in our power. However — and I refer back to what was said by Commissioner Natali, who pointed to a number of Commission resolutions and studies, some of which are now in the implementation phase and others have already been approved by this House — there is a missing factor in the equation. It is a factor which has been taken into account in Mr Carpentier's country in the 1964 Law but is still completely overlooked in mine. It is that none of the proposals to which I referred can be implemented unless a further notion is added, which is that the three requirements I spoke of a moment ago must be taken together and that the only geographical unit within which solutions must be found is the catchment basin.

Noè

Commissioner Natali spoke of national plans and regional plans. To my mind, however, the regions as administrative and political units have nothing at all to do with these problems. The places where the events I briefly mentioned earlier occur are the catchment basins, which are physical entities. Either we copy France, which has very sensibly set up the so-called 'Agences des Bassins' and seek answers in this context to the three requirements I spoke of, or we shall be wasting our time. I would ask Commissioner Natali, who now takes up his duties, to see to it that the habit of seeking solutions to water problems by taking the catchment basin as a starting-point is introduced in all the member countries. Two years ago, Mr President, a meeting was held in Strasbourg at which I had the honour, with other colleagues, to represent this House and at which those principles found unanimous approval.

There are other points I might mention. The Community's water plan, to which Mr Natali referred, has become more necessary than ever following last year's dramatic drought. I know that the town of Stuttgart is already supplied from the Lake Constance and that there are other projects to pipe the waters of the Austrian Alps direct to the Rhineland. This shows how critical the situation is and illustrates the need for projects which some might consider excessively bold. Following the shortage of water, including drinking water, in England, it was suggested, for example, that water be brought from Norway or straight from Greenland.

We shall therefore be grateful to Commissioner Natali if, apart from all those sectoral provisions, he succeeds in creating a territorial framework within which these problems are debated and answers found.

(Applause)

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

Mr Bouquerel. — *(F)* Mr President, allow me to say how sorry I am that this question of the Community's water policy comes at such a late hour, but better late than never. I would point out that the French Minister of Agriculture proposed a water plan a long time ago and that the Group of European Progressive Democrats made a similar recommendation during the budget debate in this House. Our Group even went further by tabling on 16 July 1976 a motion for a resolution, with urgent debate, on the measures needed to alleviate the damage caused by the drought.

At its sitting on 18 June 1976, the European Parliament did not agree to the urgent procedure, but referred the motion to the Committee on Agriculture and finally approved it at last July's part-session.

In the resolution we called on the Commission to give special consideration under the policy on farm

structures and the regional policy to measures designed to promote a rational water policy with the object of alleviating possible future damage caused by drastic weather conditions. What we wish to know today is whether the determination exists to introduce a genuine water plan under a satisfactory Community directive. As we pointed out only recently to the Commissioner responsible for agriculture, the submission of a water plan would be a feather in the Commission's cap. Water is a precious commodity and wastage should be prohibited. The protection and rational management of water supplies should therefore be one of our basic concerns. Although we may feel that, overall, supplies are sufficient to cover requirements, the real problems are encountered at regional level. For this reason, the Community's water plan should set out to coordinate supplies in relation to the needs of the regions and to all sectors of the economy.

We hope that the Regional Development Fund will be able to take effective action in this field. But as it is still inadequately endowed, the gap should be filled by the EAGGF, Guidance Section, under which we have been told that priority consideration would be given to water-supply plans at regional level and that these stood a good chance of approval next year. Even so, the Commission will still have to accept the principle of breaking down these plans into so-called special projects and to obtain the use of part of the 'Mansholt' reserve for this purpose. These funds should be used to regulate the flow of certain waterways, for irrigation, water supply and distribution, drainage etc. We should not go for large-scale projects, which are often difficult to implement. A series of small projects, involving fewer technical difficulties, often prove to be more productive.

It is in this way that we shall help to make modern agriculture less vulnerable to the scourges of drought and flooding.

In this connection, we would also urge the Commission to do more in the field of prevention, particularly through satellites, so that in future we can anticipate the dangers caused by freak weather conditions.

(Applause)

President. — I call Mrs Squarcialupi to speak on behalf of the Communist and Allies Group.

Mrs Squarcialupi. — *(I)* Mr President, ladies and gentlemen, I should have thought that as the fourth, fifth or sixth speaker on the subject of water, I would have nothing original left to say. But I believe that on the topic of water there is so much to be said that even the tenth speaker could say something slightly different and add to what the previous speakers have said.

Squarcialupi

I listened to the Commission's reply; I knew that water was most abundant in the south of Europe, and also in the south of Italy, but that rainfall there was more irregular, thus calling for heavier investment, especially for irrigation purposes. Community policy should seek first and foremost to assess available water supplies in Europe. Surface and rain water are easily assessed. Underground water is more difficult to survey, as it is essential to draw up charts showing every source and water-bearing stratum and, as I understand is being done in France and Great Britain, to collect the data supplied by those who, for various reasons, dig or drill in the earth's crust.

It is also essential that the Community should make forecasts of the number of consumers — agricultural, industrial and normal consumers — ten or twenty and even one hundred years hence.

The question arises at this point whether research and project implementation, extremely costly in monetary terms, will be worth the effort. The answer is that one season of drought is enough to recover the outlay and that a flood like those that struck Florence and Venice ten years ago is enough to make it clear that it is always profitable, also in terms of human lives, to tame the forces of nature. But I believe that a water policy should go hand in hand with a cultural policy. This is the second time today that I have used this term, and I would add that consumer education would be even better than a policy. Adam Smith, the father of European political economy, said that water was not an economically marketable commodity and was therefore *res nullius* and not *res omnium*. This conception is part of the explanation for pollution, the drying up of supplies and the indiscriminate use of water as if it were an inexhaustible commodity.

In Italy, three hundred thousand million cubic metres of water fall in rain every year, and only forty thousand million cubic metres are recovered; the remaining 260 thousand million ending up in the sea. The problem of droughts and water shortages is, of course, related in many ways to that of pollution, but I shall make no more than marginal reference at this stage to the fact that droughts and water shortages magnify the problems of pollution. I know that last summer, for instance, one effect of the drought in Great Britain was to raise to a harmful level the rate of absorption in the water of chemical substances from fertilizers.

I shall conclude by urging the new Commission to tackle the water problem in all its aspects and to spare us the press headlines — such as we read last summer — of crops destroyed for lack of water or of people swept away in landslides caused by rain, all of which have a common origin: the water problem.

(Applause)

President. — I call Mr Natali.

Mr Natali, Vice-President of the Commission. — (I) Mr President, the hour is late and I simply wish to confirm that what has been said is encouraging in a way for what must be the Commission's future task in this sector.

Every speaker has stressed the basic importance of introducing a water policy. I am glad to note that those of them who come from a country with a wine problem are not insensitive to the problem of water. I should therefore like to give them information rather than a reply.

I would say to Mr Noè that I agree entirely with the idea of the catchment basin; he knows, however, that if the Commission's departments are also considering this idea, there are other structural problems in individual Member States which make it difficult to write the concept into legislation despite its acceptance from the scientific and economic points of view.

To Mr Bouquerel and Mrs Squarcialupi I would say that the proposals and points they made will be included in the programme to be applied in the environmental sector and will form part of an initiative to be taken shortly by the Commission. We feel that this initiative should cover the problem of drawing up water plans, and we shall bear in mind the need to provide for individual projects which can be financed by the EAGGF and the Regional Fund.

To Mrs Squarcialupi I would particularly like to say that in the programme now under consideration, which is in fact in an advanced stage of preparation — and, I should like to hope, in an advanced stage of approval as far as the Commission and the Council are concerned — we are also giving thought to what she called cultural policy, since the document includes a whole chapter on measures related to consumer requirements, not only from the point of view of physical utilization but also on the basis that water is not a *res nullius* but a *res omnium*.

President. — The debate is closed.

11. *Economic and trade relations between the EEC and the United States*

President. — The next item is the report (Doc. 468/76) by Mr Cousté, on behalf of the Committee on External Economic Relations, on

the present state of economic and trade relations between the Community and the United States.

I call Mr Cousté.

Mr Cousté, rapporteur. — (F) In a previous debate, Mr President, the Commissioner responsible for external relations, then Sir Christopher Soames, the impact and high standard of whose work deserves special mention, told us that relations between the Community and the United States had improved. I

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hope that they will continue to improve. Relations between the Community and the USA, Mr President, must always remain relations between peoples with compatible interests and pursuing a higher objective, that of securing peace between countries guided by the ideals of democracy, liberty and respect for human rights.

Our debate thus opens at a crucial time with the appointment of a new Commission in Europe and the election in the United States of a new president, who, from the outset, pointed to a certain number of changes which, I hope, will benefit both partners. Mr Jimmy Carter wrote and I quote :

Europe will be better able to fulfil its role in US-European-Japanese cooperation in the degree that it can speak with one voice and act with one will. The United States has sometimes seemed to encourage European unification with words while preferring to deal with national governments in practice. I believe that we should deal with Brussels on economic issues to the extent that the Europeans themselves make Brussels the focus of their decisions.

We are therefore gratified that one of the new president's first decisions has been to send his vice-president, Mr Walter Mondale, to Europe. I hope that this decision, which we ought to welcome, will set our relations on a favourable course. I also hope that when he visits the European Heads of State or Government, Mr Mondale will not forget Mr Carter's remarks and that he will go where Europe is trying to speak with one voice, in other words to the Council of Ministers and the Commission.

This is why, Mr President, in the last part of my report, despite the desirability of not giving way to pessimism, I was unable to refrain from pointing out that the measures recently taken by the United States had caused very keen concern in our Community. Invoking the 1974 Trade Act, American businessmen and trade unions had complained of the adverse effect of imports from the Community on US industry, although no mention was made, and I stress the point, of illegal practices. These Community exports to the United States were worth a considerable sum, roughly \$ 4 500 million, and included motor vehicles, laminated steels, special steels and footwear, not to mention brandy.

It is feared in Europe that the Trade Act will be invoked to refuse imports from abroad, not only from the Community but also from Japan. Be that as it may, I should like to make an immediate distinction, and this is a point covered in an amendment to paragraph 4 of the resolution, between the initiatives taken by American trade unions or businessmen and the decisions of the US government. I must say publicly

that the US government has shown a certain reserve towards the demands contained in those complaints and we can certainly be satisfied with a number of measures which have been taken, especially since we must remind this House that from a structural point of view the situation as regards trade relations nevertheless gives cause for concern.

What is the United States' external trade position? In 1975, it was running a surplus of \$ 10 000 million with the rest of the world, including more than \$ 6 000 million with the Community. The only countries with which the United States show a deficit are Canada, for \$ 400 million, and Japan, for almost \$ 2 000 million. Looking more closely at trade with the United States, we see that the Community has been running a deficit with the United States since 1953, when it stood at \$ 787 million. Since then it has grown steadily, rising from 1 400 million u.a. in 1971 to almost 2 000 million u.a. in 1973, over 4 000 million u.a. in 1974 and almost 7 000 million u.a. in 1975, and everything points to the same sort of figure for 1976.

I would add, for this belongs in the debate which we shall have to hold on the subject — Mr Radoux broached the matter a moment ago and I am grateful to him — that in the case of agricultural products except cotton, US exports to the Community are worth \$ 4 500 million whereas Community exports to the United States do not even reach the thousand million mark, giving a deficit of almost 4 000 million.

We are therefore in a worrying situation, and I believe that while the measures and decisions so far taken by the United States have been judicious, a certain number of dangers remain. And it is because our debate will be heard and understood in the United States that I take the liberty of recalling them. A danger will remain as far as laminated steels are concerned pending a court decision on the appeal made by the US Steel Corporation. The negative decision on motor-vehicles was taken subject to certain conditions which Community exporters must fulfill. As regards special steels, the adverse effects of the American quota have still to make themselves felt. Finally, the Senate Finance Committee has invited the International Trade Commission to reopen the enquiry on footwear imports, and I have just been informed that footwear imports are to be made subject to a precise quota of 265 million pairs, including 90 million for Formosa and only 68 million for the Community.

This is a really major problem, and since President Carter is to take a decision within sixty days I would urge the Commission and the American authorities to reflect on the futility of a shoe war.

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I would add that we also see hope in the fact that regular contacts take place between the Commission and the US Government and that there are regular meetings at parliamentary level. As I say in my report, I feel that those half-yearly meetings between the US Congress and the European Parliament delegations, which have helped to create better understanding, should be contained. I would add that there have even been specific suggestions, to which we shall subsequently return, by Congressman Gibbons and our colleague Mr Lange on the rules to be followed in the international economic activities of business undertakings and governments. I know that this proposal, which is embodied in a resolution, adopts a position based on legal restraint and, I would say, even hopes for a legally binding international agreement. I am not sure that such binding arrangements and restraint would be a good thing between the United States and the Community — I see that my colleagues approve — and I am convinced that we are faced with a most awkward problem, which I feel would be better dealt with and settled in the OECD manner through the guidelines issued for multinational companies and adopted in June by 23 countries in the OECD.

Such, Mr President, is the gist of my forty-page report. We still hope that the Americans will settle the problem of their relations with the Community in an amicable manner and, above all, that in the domestic measures they take to reflate their economy they will settle the problems with which we are faced by expanding trade and not by restricting trade relations. That is always a bad thing, for war, whether over turkeys, brandy, chicken or soya beans, remains war even if it is simply trade war: it always claims victims, and most important of all, it leaves a legacy of fear. International trade must develop, and develop in a climate of confidence, stability and reformed monetary order.

(Applause)

President. — I call Mr Radoux to speak on behalf of the Socialist Group.

Mr Radoux. — *(F)* Mr President, I am happy to remind the House that the Committee on External Economic Relations approved Mr Cousté's excellent report on relations between the United States and Europe by twenty votes with only one abstention.

This is an excellent working document, as I said a moment ago, and I feel that the opening of a new period in relations between the US Congress and Government and the inception of the new Commission of the European Communities which we witnessed this afternoon form a most happy coincidence. This gives us further reason to believe that we shall do everything on our side to ensure that relations between the United States and Europe remain excellent and that we can accept in just as excellent a spirit

the restrictive measures on imports that are sometimes taken by both sides and that, on the European side, we can do something to improve the balance of trade which has been consistently tilted in the United States' favour.

Having said that, Mr President, I would add that what dominates and overshadows any other consideration when it comes to economic and trade relations between the United States and Europe is that each is the other's main partner. This prompts the reflection that we should both pay constant attention to our relations and regard them as a priority factor in all extra-Community trade. And I feel that, given the new situation in the United States, we might perhaps in two or three months' time put down either an oral or a written question on those matters for discussion in this House.

Finally, I would draw Parliament's attention to paragraph 17 of the Resolution contained in Mr Cousté's report, which, as I mentioned a moment ago, was approved by a heavy majority. Paragraph 17 was drafted at the request of the Socialist Group but was unanimously approved by all of the groups in the Committee on External Relations. In this paragraph the European Parliament

- (a) hopes that the political links between the United States and the Community as such will be consolidated in the years to come;
- (b) expects the new Administration to make every effort to remove existing obstacles to trade, and also to oppose protectionist trends in the interests both of bilateral relations and of the fruitful expansion of world trade;
- (c) considers it necessary to work towards a balanced development of trade.

I would conclude by stressing, Mr President, that the Community as such, by giving its Member States the means to pursue policy on a grand scale, has, like the United States, world-wide responsibilities. It will be able to discharge these all the more successfully if it places itself on an equal footing with the United States. Such a policy will favour our relations with the industrialized countries, but it is also desirable in order to afford our Community the greatest opportunities for expanding its policy towards the developing countries.

(Applause)

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

Mr Martinelli. — *(I)* The debate on Mr Cousté's report comes more than a year after the committee's initiative in submitting to Parliament a report on the state of trade relations between the Community and the United States.

The hazards of bureaucracy have deferred its discussion until now, but I must agree that the report is

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highly topical and has the advantage of being clear and of dealing in depth with the main aspects of the relations in question.

At the present time, much hope has been placed in new initiatives, in a new spirit which is said to guide the United States in its relations with the rest of the world and especially with the Community, which, as has already been pointed out, is its main partner. Without wishing to detract from those hopes in any way, I must say that the facts and experience show that negotiations with the United States in trade matters have always been difficult. In 1975, the United States emerged from the most serious economic situation it had known during the post-war period. Since then the US economy has been on the mend, even if the recovery phase now in progress has faltered now and then. This phase has nevertheless left a few marks on the US economic picture which cannot simply be wiped away by pointing to the development of the United States' trade balance. As Mr Cousté pointed out a moment ago, the US trade between 1974 and 1975 moved from a deficit of roughly \$ 2 300 million into a surplus of \$ 11 000 million. And if we take a closer look, this is due to a rise in US exports of 9 % — Mr Cousté, I am plundering your report — and also to a reduction of 4 % in US imports. The increase in exports was entirely accounted for by industrial products. This situation apparently makes it impossible to explain why, at a time like this, there should be a resurgence of protectionism in the United States which affects the Community and other countries so closely.

The development of trade between the Community and the United States was outlined a moment ago by Mr Cousté; but I would say that the emergence of protectionism in the United States, apparently inexplicable in the light of the favourable development of its trade balance, has its justification — we must always try to understand the other side's view — in two features of the American economy. The average level of employment in the United States in 1975 was 84 800 000, which means that there were one million fewer in employment than the average for the previous year, pushing up the unemployment rate very briefly to over 8 %, as against the previous record of 6.8 % in 1958; hence the under-use of productive capacity, which is running at roughly 72 % in the manufacturing sector, while the figure for other sectors is lower. It is scarcely worth pointing out here that the same conditions apply in certain Community countries, and if they were sufficient to warrant the raising of import barriers, the same claims should be made on their behalf: we know, however, that the problems of unemployment cannot be solved through protectionism and self-sufficiency but through improved organization of the factors of production.

This unbroken and finely woven mesh of difficulties and situations, which have no legal but do have a

moral justification, make it difficult for the Commission to act. The Commission has successfully conducted and completed difficult negotiations, as in the case of French brandy, referred to by Mr Cousté, in which it succeeded in having the measure against French exports withdrawn, leaving the way open, however, to the introduction of a restrictive measure in another sector. It is therefore in this continuous bargaining process, both on a bilateral basis and in GATT, that we can carry out Mr Cousté's suggestion to avoid war and always to seek reasons for peace.

I would say that the measures taken in the cases mentioned by Mr Cousté were obviously intended to prevent imports into the United States, since no other reason can be found. They covered motor-vehicles, laminated steel, footwear, tinned hams, which very much concerned Danish exporters, some varieties of cheese and special steels. I shall take one of these, the case of motor-vehicles, which may be regarded as a typical example of a manner of proceeding which certainly does not deserve to be commended — I did not dare describe it as improper. In 1974, the United States imported \$ 2 500 million worth of motor-vehicles from the Community, including \$ 1 900 million \$ 7 500 from the Federal Republic of Germany alone. Total US vehicle imports in that year were worth \$ 7 500 million. And then, in 1975, a large US trade union called on the American administration to investigate alleged dumping practices in connection with these imports. But in the meantime, US car imports in 1975 were down by 2 %, which may not be much but is still worth \$ 150 million (imports continued to decline in 1976). It then came to light that a substantial number of the cars imported into the United States came from the foreign subsidiaries of the three largest US manufacturers, who sell small or medium-sized cars on the US market in response to market needs. There was therefore no dumping motive behind those imports.

I would add that American exports in 1975 rose by more than 9 % and were worth upwards of \$ 10 000 million. All this would suggest that the US administration had satisfied itself that there were no grounds for the procedure and that dumping had not occurred. But what did the American administration do? It simply suspended the investigation into the allegations of dumping, but introduced a price-control system which is to run for two years. To put it clearly, it is holding the inquiry in reserve as an instrument to be used again if necessary.

It is difficult not to see in all this a protectionist purpose, which can also be discerned in some of the Tokyo Round negotiations, which began very late for the reasons with which we are all familiar, and where, in my opinion, the Community is putting up a sound — and, I would add, courageous — performance.

It is therefore difficult not to see in this manner of proceeding the manifestation of a permanent and

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harsh reality — let us hope that the honeymoon with the new American administration will produce the expected happy results — a reality that is sustained in the 'American selling-price', in the 'Buy American Act', in the 'Jones Act', in which it is difficult indeed to discern rules of legitimate protection as compared with the principles of free trade. The decision to allow the Domestic International Sales Corporation to defer the payment of 50 % of the taxes on export profits is, purely and simply, an economic protectionist measure which is no more than a concealed form of aid to exports.

I shall wind up by saying, also on behalf of the Christian Democratic Group, that I fully agree with the Cousté report and the motion for a resolution it contains. I hope that in the official half-yearly meetings between Commission representatives and members of the US Government and also at the half-yearly meetings between European Parliament and US Congress representatives, it will be possible to overcome those tough 'protectionist barriers, which, despite all promises, are still with us, thus bringing about a tangible improvement in economic and trade relations between the United States and the Community.

(Applause)

President. — I call Mr Scott-Hopkins to speak on behalf of the European Conservative Group.

Mr Scott-Hopkins. — Mr President, first of all I think it is my duty to congratulate our rapporteur on the speech he has made, the way he made it and the points he made on it. I would have thought that the House would be able to agree entirely with what he has said. I have certain reservations on the actual report. In the motion for a resolution I think there are certain matters, which I will come to in a moment, which could have done with inclusion in it.

There is no doubt in general that the relationship between the United States and Europe is on a peaceful and developing level — I hope, fruitfully. When we were over there with Mr Cousté and the delegation from this House, there was no doubt that the talks that we had and the debates we held were on a very amiable level — and achieved a great deal of agreement between us — certainly on multinationals, the rights of man and so on.

But that leaves — and these are the two quick points that I am going to make — an area which is definitely difficult from the Community's point of view. It was mentioned by Mr Cousté and other honourable Members.

May I first of all take up the point of the agricultural trade imbalance? I tried to mention it during Question time this afternoon, but the Commissioner decided quite rightly to put me off and to answer in detail this evening. I don't blame him, I would have done the same thing if I had been in his shoes.

But let's get down to what exactly has happened. The situation, as he knows fully well, is absolutely parlous. I am really quoting from an answer to Mr Carpentier, which was given by the Commission in December of last year, to a question asked in October. The situation, as I think the House will know, is that imports exceeded exports in 1972 by \$ 1 900 million, in 1975 by \$ 4 400 million. I understand from sources which may be inaccurate, but I think are fairly correct, that in 1976 — that is the year that has just gone by — the best estimate possible is that excess of imports over exports has gone up to just over 5 000 million dollars. That is a situation, which is quite intolerable, Mr President. Quite obviously, the Commission is going to have to do something about it.

I am now talking only about the agricultural sector. The basic large import into the Community, as is well known, is in vegetable oil — the soya bean. What I have never understood is, that after all the difficulties we went through in 1974 when the United States arbitrarily cut off the export of soya beans to the Community and caused a great deal of difficulty for our agricultural producers, we have come back, in 1975-1976, with a rising crescendo of imports of this particular product into the Community.

And yet, there are other sources; and I hope that the Commissioner would bear this in mind. We cannot afford to go on importing from the United States the quantities of vegetable oils that we do, unless they are going to liberalize their own import policy to a very great extent. And we can get round that one quite easily, because there are other sources of supply. I was out in 1974 in South-East Asia. They are longing to grow and export to us exactly the same product as the United States does, soya beans; and there are other sources. The point is that this is an imbalance that can be corrected, and I sincerely hope that the Commission will take this point on board.

Feed grain is the second biggest import into the Community. I cannot really believe that we should have increased our imports from \$ 487 million to \$ 1 700 million in 1975 and up in 1976 to just under \$ 2 000 million. It doesn't make any sense at all. Honourable Members can see the figures I am quoting in the written answer to the question, but let me just give one last example: the exports to this Community in 1970 were \$ 2 069 591 000. In 1975 — that is five years later — they had gone up to \$ 5 570 609 000. That is a balance in favour of the USA of 4 407 million dollars. It is quite obvious that there has got to be liberalization, perhaps in the multinational trade negotiations in Tokyo, as far as the United States are concerned. When I was over there with Mr Cousté and others, there was no doubt that the United States negotiators were tough gentlemen... They know exactly what they want, and they are prepared to fight as hard as they can, and

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they use the muscle of the United States economy, the strength of the dollar, to bear down harshly if they think there is any weakness in their trading partners. And this they do, and there is no nonsense about it; they get on with it and they do the best deal they can, using all the muscle they've got. One cannot really blame them for trying. But I am quite sure that our new Commissioner, Mr Haferkamp, will be just as tough when he is negotiating with them, because this is what is needed in this particular situation. And I say again we simply cannot tolerate this situation.

Now, the last point I want to make concerns the industrial situation. We are in difficulties here and this is where I would mildly criticize Mr Cousté's report for not including these particular issues. The United States are extremely anxious about whether we are going to pressurize the Japanese to restrict their exports of steel to this Community, because they feel there are going to be more exports of steel into the United States, which will damage their market. But if this is so, they are obviously going to take reciprocal action against us. I do not know what negotiations are going on with the United States or at the tripartite level but I sincerely hope there will be some. There is the whole problem of the EEC/Japan/US trade situation and the need for a common approach by the United States and the Community towards Japan on this particular issue and indeed the whole general ambit of trade in this respect. It is very important.

Another question is that of subsidies. The report does not bring out the strong and mounting US pressure at the moment for a code. This should be a voluntary code. I am glad to see that we have support on this particular issue as suggested by OECD. But nevertheless, I think it is necessary — and the United States are going to try to take advantage of the fact that various forms of aid are used in industry in the Community at the moment. I am referring to the regional incentives and so on. If this is going to be done, then quite obviously we must bring out some alternative and we must ask the United States to give a *quid pro quo* and it is possible that a concession could be given which would produce tangible benefits in the industrial field.

We are in an entirely new ball-game in the United States now. We do not know what President-Elect Carter is going to do, exactly what his approach to trade and industry is going to be, but there is no reason why Mr Haferkamp, should not pressurize very strongly for an amendment to the United States Trade Act which will require proof of injury before countervailing duties are imposed. Because this is the dreadful thing. We have heard various stories from our Italian colleagues about the export of shoes and cars and so on to the United States. But the Americans had to produce convincing proof of injury before they could apply a countervailing duty, as indeed we do in the Community and we do in my country, then indeed this would make matters that much easier.

And that would be a major concession on the part of the United States. And I sincerely hope that Mr Haferkamp, when he is negotiating in the United States, will insist on this particular concession being granted by the United States. Because quite frankly, the situation is bad in agriculture — very bad. They are being restrictive about our exports to them: whisky from the United Kingdom, cheese exports from France. They are being difficult. They are putting up obstacles as far as trade in industrial goods is concerned. All these matters can be dealt with. After all we are as big, in trade terms, as the United States. We are not quite as cohesive as they are, but we have the same muscle and it is up to our Commissioner, Mr Haferkamp, for the first time to start really using it when we are dealing with the United States, either on a bilateral level or in the multinational trade negotiations which will take place in Japan in the near future. And I hope he will do this, because there is a great deal which he can do with the strength of the Community behind him to get a better deal for our exporters to the United States. And it is very necessary that he should.

(Applause)

President. — I call Mr Spinelli to speak on behalf of the Communist and Allies Group.

Mr Spinelli. — *(I)* Mr President, Mr Cousté's report and motion for a resolution come at a highly important time from the political point of view. In the United States, a new administration is about to take over and has, on more than one occasion, made known its desire to adopt a different attitude towards Europe. On the other hand, we have the new Commission which has taken over responsibility for Community affairs and — as we heard from Mr Jenkins earlier in the day — has undertaken to give fresh impetus to the construction of Europe and hence to its international relations. We are therefore speaking today to both the new American administration and the new Commission, which lends our debate a certain political weight.

It would perhaps have been a good thing if the resolution were broader in scope and did not confine itself to trade relations, for let us say quite frankly that trade relations are part of a much larger whole embracing political and military relations, monetary and financial relations, the North-South issue, the world energy problems, each of which has a direct bearing on trade relations. If the balance of trade with the United States shows certain features, it is not simply because there is a certain American and a certain European trade policy, but because there is a certain dollar policy and a certain policy on military costs and so on. Overall relations with the last American administration, under the guidance and impetus of a powerful Secretary of State, certainly cannot be aptly described as fairly satisfactory, which is what is said in the motion for a resolution by the Committee on External Economic Relations.

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The protectionist trends which we saw emerge during the years of the Nixon and Ford administrations undoubtedly have their origin in the crisis and the subsequent pressures from the sectors that felt themselves most threatened, but this protectionist trend was able to flourish as it did because trade policy was part of the general policy of the United States, whose aim was — to put it clearly — to exercise a deliberate and strict hegemony which, according to Kissinger, ought to have been directed first and foremost towards the United States' allies. This is a topic which this House should perhaps discuss some day in all its aspects. I mentioned it only because I hope that the new American administration and the new Commission fully realize that it is the overall relationship that needs improving and that on this the improvement of trade relations largely depends.

But let us return to the resolution and the subject of trade relations. The Cousté report and resolution very rightly stress the dangers of protectionist pressures in the United States and the difficulties which the American administration has had in trying to resist them. It has not always succeeded. The resolution hopes that the Tokyo Round will be speeded up and invites the new administration to offer stronger resistance to protectionist moves. The fact is that we in Europe are all quite concerned about the quotas for special steels, the sudden measures with regard to soya beans, the threats that still hang over car and shoe exports, the measures taken with brandy, the various protective regulations still in force and the risks facing European investments in America. All this is indicative not just of a hard bargaining position but of too great a readiness to give way to specific pressures from American industry without caring too much for the damage caused to one's partners. With such procedures, it will not be possible in the long term — and this must be said clearly — to prevent the general decline of international trade. However, we would do well to insist that we expect the new American Administration to adopt a different attitude, showing greater awareness that it is in American, European and world interests to keep to established market rules and not to change them in this way under any pressure whatsoever.

I should like to add, however, that Mr Cousté's report and resolution too readily gloss over the Community's and Europe's responsibilities in the limited field of trade relations. The report says what is expected of the United States but nothing of what should be expected from the Community and its institutions. These responsibilities have mainly to do with the problem — also put clearly by Mr Cousté and other speakers — of a more balanced development in trade. The Cousté report claims that the disequilibrium is mainly due to the lack of balance in the agricultural sector. In other words, what we have here is a scarcely veiled

invitation to the Community to maintain, if not to consolidate, European agricultural protectionism, especially with regard to cereals and vegetables used as animal feed. I do not believe, however, that the Community can accept this prospect. Although it is right and proper that the Community should assure itself of a minimum autonomy in the production of cereals and animal feedingstuffs, this should not go beyond what is a reasonable margin of security. The agricultural price policy that has been pursued so far is an ill-designed policy which cannot be defended, even at a pinch, as a policy designed to reduce the trade imbalance with the United States. We hope that the Commission and Commissioner Gundelach in particular — who has already referred to this problem in his speeches — will set about reviewing the agricultural policy, taking account first and foremost of the consumers and hence the need for basic prices, even if it means importing more grain from the large producer countries like the United States and Canada.

The real and serious imbalance in trade between the United States and the European Community lies elsewhere, and this is not mentioned in the resolution. It is common knowledge that the mainstays of US foreign trade are, first, its mass-produced agricultural products and, secondly, the products of advanced technology in the aeronautical, electronic, data-processing and nuclear sectors. The United States owes its capacity to export agricultural products primarily to the richness of its lands and mineral wealth and secondarily to its scientific, technical and managerial capacities. We cannot really compete with the lands of the Mississippi valley. We can only offer the lands of what the Chanson de Roland calls 'la douce France', the lands of the Po valley and the Dutch polders, which is very little indeed compared with the immense valley of the Mississippi. And it is said that it is in this area that we should compete in order to redress the balance of payments!

What we have instead is know-how, organizational ability and sufficient financial capacity to redress the balance in the area of advanced technology. Our failure to do so is due solely to our absurd inability to pursue a satisfactory European research policy in those areas and a satisfactory European market policy. Every Member State with an aircraft industry or data-processing industry has so far steadfastly refused a European policy until what little it had in the way of advanced industry, so stoutly prevented from becoming a Community industry, either has been sold or is about to be sold to the American industrial giants or reduced to one of their appendices. The time has come to redress this balance, and it cannot be claimed that this is the duty of the Carter Administration and the Americans, nor of the state in general and American private enterprise. It is the duty of the Community.

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It is the Commission's duty to propose and the Council's — for as long as the Community retains its present structures — to decide in a Community manner what should be done in this field, looking beyond the end of the national noses of each individual country. We are sorry that the resolution says nothing of those Community responsibilities in the trade imbalance between the United States and Europe. We shall vote for it, because we do not wish to weaken the polite but pressing invitation addressed to the new American Administration, but we are confident that no one will forget the Community's responsibilities for the proper development of trade relations with the United States or the need I spoke of earlier to insert trade policy in an overall conception of relations between the Community and the United States, in which it is for us to take up again the task of building a supra-national Europe and for the United States to show understanding for and acceptance of this process of unification, abandoning the haughty hegemonic attitude which has marked Dr Kissinger's foreign policy during these last eight years.

(Applause)

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

Mr Bouquerel. — *(F)* Mr President, I should first like to congratulate Mr Cousté on his excellent report and to say that my group will vote for the resolution and the amendments proposed by the rapporteur. I should also like to point out that this is not a new and comprehensive 'own-initiative' report but that, coming after the periodic meeting between the European Parliament and Congress, it takes stock of trade relations between the EEC and the United States, both on a strictly bilateral level and in the vaster context of the multilateral negotiations in GATT. It is a statement of fact and has the advantage of striking a happy medium between a dramatic and a passive approach.

There is, of course, no lack of problems either in GATT or in EEC-US relations and, far from fading into the background, the difficulties have been thrown into sharp relief. The Trade Act remains the cause and source of all our ills. Looking at the recent protectionist measures against certain European products taken by the American authorities, we might be inclined to take a pessimistic attitude. The full weaponry of the Trade Act has been brought into play: countervailing charges to offset the effects of export subsidies; anti-dumping taxes to make up for alleged dumping practices, in the automobile sector for example; protectionist measures against the disorders in national production of footwear and special steels, which were mentioned earlier; restrictive measures against unfair practices within the meaning of Article 301. The recent squabbling over turkeys and brandy, coming up on top of the disputes which are

still pending, leads some of us to conclude that the climate is far from settled. Administrations may change, but the problems remain.

But there is no point in sighing and wallowing in pessimism; what is called for at this juncture is a wait-and-see attitude. All activity has been seriously curbed by the presidential elections. We are forced by circumstances to wait and see, which does not mean that we shall remain passive. The US authorities are sufficiently aware of the Community's position to know what steps they have to take. There are two factors which should give the United States food for thought and encourage the hope that a few changes will be made.

The first is that the GATT Committee has condemned the DISC tax arrangements, which in fact constitute an export subsidy.

The second is to be found in the behaviour of the US Government itself. By refusing the demands made by interest groups on a certain number of major products — cars, laminated steels, shoes — they have appreciably reduced the risks of import restrictions. One effect of their stand should be to discourage any further such initiatives and to prevent the Trade Act from being diverted from its primary purpose, which is to facilitate negotiations in GATT in order to promote world trade.

While there are scarcely any grounds for over-optimism at this stage, there is no need for deep pessimism. This is not the time for lamentation. On the contrary, we must maintain a watchful but expectant attitude towards the new Administration which will take over in a few days' time and leave it to show its mettle. It would be useful to take stock of the situation before the next two months are up and then perhaps to take firm action.

(Applause)

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission. — *(D)* Mr President, ladies and gentlemen, much more could doubtless be said about the special significance of relations between the European Community and the United States, not only to both partners but also for the positive development of the world economy and its implications for all of us in the social and political fields. A great deal could also be said about our joint responsibility for steering clear of the dangers of protectionism, of which we have heard so much this evening. Following on from Mr Cousté's introductory remarks, a great deal could also be said about the higher objectives we share — namely, democracy, freedom and human rights. In view of the late hour I shall not speak of these things, but I am convinced that we shall have many opportunities to go into them further.

Haferkamp

I should like to congratulate the rapporteur and the Committee responsible on the work they have done and the report before us. As every previous speaker has pointed out, it provides an outstanding account of relations between the United States and the European Community. It is, above all, a document of considerable political significance, since relations between the United States and Europe are one of the focal points of the Community's external relations.

As I take up my new duties, I am especially glad of this opportunity to say a few words on the subject. The Commission widely supports the contents of the motion for a resolution. It follows very closely the same basic political line that Sir Christopher Soames, speaking on behalf of the Commission, took in this House a few months ago — as was also pointed out by Mr Cousté in his oral presentation. I therefore feel that at this point I should say a word of appreciation for what my predecessor in office accomplished. It is precisely in the field of which we are speaking that his achievements deserve a special tribute.

Relations between the United States and Europe have been beset at times with issues and problems. If they have remained intact and have been carried further and deeper, much of the credit goes to Sir Christopher, and I should like to pay here the debt of gratitude we all owe him.

I have just spoken of the issues and problems that have come between the United States and the Community in the past. They are still with us. The report and tonight's debate have made it clear that on a few points of principle and on many points of detail, this remains the case. We may be quite sure that such issues and problems will also arise in future. There is nothing surprising about this, it is quite natural. The main thing is that these problems should be settled in an amicable spirit of cooperation. This implies that difficulties must be clearly and frankly explained; it also implies an honest and decided attempt by both sides to remove those difficulties. It has been already said in this debate that we now have a special opportunity to make this attempt with expectations of success.

Our conviction on this point is strengthened, we feel, by what President-elect Carter declared in the October issue of *European Community*, from which I quote with the President's authorization:

The United States-European relation is at the heart of US foreign policy. In economic policy, their co-operation with each other and with Japan is necessary both to their prosperity and to the progress of developing countries; growing European unity can help to fulfil this promise. In defence, the ties between Europe and the United States are essential to the maintenance of peace. In recent years, these essential truths have been overlooked. In the future, they should be remembered.

Mr President, ladies and gentlemen, Parliament's resolution and tonight's debate are in keeping with this

spirit and will assume considerable significance in the process by which US-European relations will be further consolidated and deepened.

I shall wind up with an announcement. Mr Cousté spoke of the impending visit to Europe by the Vice-President of the United States, Mr Mondale. I may say here that Vice-President Mondale will also be visiting the Community institutions in Brussels during his trip to Europe.

(Applause)

President. — I call Mr Cousté.

Mr Cousté, rapporteur. — *(F)* I should like to say very briefly, Mr President, that as the Commissioner responsible for the Community's external economic relations most clearly realized, this report is no more than a statement of fact. To Mr Spinelli I would say that in the Committee on External Economic Relations we did in fact contemplate submitting a wider-ranging report in conjunction with the Political Affairs Committee. I would add that the suggestion had already been made in other circumstances by more than one group in this House and that there was a case for making a comparative study of the structures of American and European agriculture. I am sure that this is a highly interesting suggestion and, especially after what Mr Jenkins said today, that it would strengthen our belief in the value of the ends and means of our common agricultural policy.

Finally, I would say to Mr Scott-Hopkins that his criticisms relating to the industrial aspect of relations are not entirely founded in my opinion, for we dealt essentially with the overall problems of trade. In other speeches, I have always taken the view that the industrial game in the Western world — and the whole House heard me — was a game between, Japan, the United States and the Community. It is a highly complicated game in which — and this is too often forgotten — the developing countries are playing an increasingly important part. It should not be forgotten that their objectives are not only economic but also social and human, and in this respect the policy of the Lomé Convention must be continued. Having made those few remarks, I am now at the disposal of the House for the discussion of the resolution.

President. — Does anyone else wish to speak?

We shall now consider the motion for a resolution.

I put the preamble and paragraphs 1 to 3 to the vote.

The preamble and paragraphs 1 to 3 are adopted.

On paragraph 4, I have Amendment No 1, tabled by Mr Cousté:

This paragraph to read as follows:

'4. Points out that these initiatives based on the various provisions of the new 1974 Trade Act involve Community exports of substantial value, amounting in 1976 to as much as 4 500 million dollars;'

President

I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

I put paragraphs 5 to 18 to the vote.

Paragraphs 5 to 18 are adopted.

I put the amended motion for a resolution as a whole to the vote.

The resolution is adopted¹

12. *Coffee imports from Brazil*

President. — The next item is the oral question, without debate, by Mr Corterier to the Commission on application of the preferences agreement with Brazil to the import of powdered coffee into the Community (Doc. 500/76).

Since Mr Corterier is not present, I would ask the Commission to answer this question in writing.²

¹ OJ C 30 of 7. 2. 1977

² See Annex.

13. *Agenda for the next sitting*

President. — The next sitting will be held tomorrow, Wednesday, 12 January 1977, at 10 a.m. and 3 p.m., with the following agenda :

- Question-time ;
- Lagorce and Memmel reports on the Rules of Procedure (vote) ;
- Council statement on the work programme for the first half of 1977 (with debate) ;
- Motion for a resolution by Mr Fellermaier and others on the JET site ;
- Oral question, with debate, to the Conference of Foreign Ministers on Southern Africa ;
- Lange report on multinationals ;
- Oral question with debate to the Commission on Mr Adams and Hoffman-La Roche ;
- Spicer report on the Community's competence in the field of external economic relations.

The sitting is closed.

(The sitting was closed at 8.40 p.m.)

ANNEX

Question by Mr Cortesiel to the Commission :

Subject : Application of the preferences agreement with Brazil to the import of powdered coffee into the Community

Powdered coffee, under heading number 21.02, is subject to a conventional rate of duty of 18 %, but when imported from Brazil enjoys preferential treatment whereby the rate of duty is halved, on condition that it is accompanied by a 'Certificate of origin Form A', certified by the authorities in the country of origin and attached to the other shipping documents.

The major problem here is the issuing of provisional certificates of origin referring to one part of the products in question. Under Article 23 of Regulation (EEC) No 3214/75 of 3 December 1975¹, these can be issued only at the Customs Office in the Community where the products are located.

The subsequent sale of part of the total consignment of the 'goods in transit' is hampered by this regulation. Because of the lengthy shipping time between Brazil and Europe, the importers involved suffer considerable losses. The rule laid down in Article 23 does not take account of the commercial realities. It adversely affects certain fringe areas of the Community and leads to a dislocation of trade.

I should therefore like to ask the Commission :

1. Is it true that a proposed amendment to Article 23, which would overcome these difficulties, was submitted to the Commission as long ago as December 1975? Why has it not been adopted?
2. If no such proposed amendment exists, is the Commission prepared to take the earliest possible opportunity to put an end to this state of affairs, which is leading to a distortion of competition by amending Article 23?

Answer

1. The Commission has received no requests for a modification of Article 23 of Regulation (EEC) No 3214/75 of 3 December 1975². Moreover, the Commission has neither observed nor received any information to the effect that the provisions of Article 23 are inadequate.
2. In the Commission's view, the difficulties described by the Honourable Member may be resolved by applying Article 24 of the above-mentioned regulation of the Commission.

This article permits the retrospective issue of a certificate of origin Form A by the country enjoying the tariff preferences in those cases where a certificate could not be issued at the time of exportation as a result of, *inter alia*, special circumstances.

In this particular case, therefore, a number of certificates of origin could be issued as soon as the sale of the Community consignment on board ship had taken place and the destination of the products was consequently known.

If the procedure indicated under point 2 should prove inappropriate as a solution to the problem described, the Commission would, of course, be prepared to consider other measures which might be necessary to make possible the issue of certificates of origin.

¹ OJ L 323, 15 December 1975, p. 7

² Regulation on the definition of the concept of originating products for purposes of the application of tariff preferences granted by the European Economic Community in respect of certain products from developing countries

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IN THE CHAIR : MR SPÉNALE

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. *Statement by the President*

President. — I have received the following letter from Mr Vladimir Bukovsky :

On July 9th the European Parliament unanimously adopted a resolution appealing to the Soviet government to cease their ill-treatment of political prisoners and particularly of myself. It also drew attention to those parts of the Helsinki Final Act which guarantee respect for human rights and fundamental freedoms.

I am sure that appeals on my behalf such as yours contributed greatly to the Soviet government's decision to release me in the middle of December, 1976. Since my arrival in the West I have expressed my gratitude collectively to all those organizations and individuals who worked for my release and who kept my case before the western public. I wish therefore now to express my gratitude to the European Parliament for the support it gave me in July.

Experience shows us that resolutions such as yours of July 9th do have an effect on the Soviet government. I therefore express the hope that members of your Parliament will continue to study the problem of non-violent political prisoners not only in the Soviet Union, the country I know best, but also in other countries where fundamental freedoms are suppressed. The United Nations Declaration of Human Rights and the Helsinki Final Act give you the full right to speak out wherever you see violations of individual liberty.

(Applause)

3. *Question Time*

President. — The next item is the continuation of Question Time (Doc. 509/76). First of all, however, I should like on behalf of Parliament to extend a very warm welcome to the new President-in-Office of the Council, Mr Anthony Crosland.

During the last six months we have had a very active and cooperative Netherlands Presidency. We are sure, Mr Crosland, that the United Kingdom Presidency is inspired by the same positive attitudes, and I can assure you that our Parliament is very keen to cooperate effectively with the Council. We therefore hope

to see you often in this House and to work with you for the advancement of our Community. Good luck in your endeavours!

(Applause)

We shall begin today with the questions addressed to the Council. The President-in-Office is requested to answer these and any supplementary questions.

Since Mr Hamilton has not yet arrived, I call Question No 19 by Mr Ligios :

When does the Council intend to take a decision on the proposals submitted to it some time ago by the Commission on forestry measures (reafforestation) and measures in the sector of the processing and marketing of agricultural products?

Mr Crosland, President-in-Office of the Council. — Mr President, thank you for your kind and warm words of welcome.

At its meeting on 20 and 21 December 1976 the Council agreed in principle to the proposal for a regulation on common measures to improve the conditions governing the processing and marketing of agricultural products. I hope it will be possible for this regulation to be formally adopted by the Council in January 1977.

The proposal relating to forestry measures is currently being studied by the appropriate Council bodies and some progress has been made towards agreements. However, inasmuch as this proposal forms part of a more wide-ranging series of socio-structural measures currently before the Council, it is probable that a decision on it will be taken in the context of the more general debate which the Council intends to hold on these measures.

Mr Ligios. — *(I)* I thank the President-in-Office of the Council for his answer to the second part of my question.

As for the first part, i.e. the decision on the proposals on forestry measures, may I ask the Council whether, given the trend in demand for wood and wood pulp in the Community, the shortage of which is continually increasing and is in some countries as much as 60-70 %, and given the growing unwillingness of the countries which export these raw materials to export wood and their preference for exporting wood pulp and finished products, and finally in view of the necessity to protect the environment, which has been confirmed many times at Community level, an effort cannot be made to tackle and solve this problem of reafforestation with the maximum urgency.

Mr Crosland. — Mr President, the point that has just been raised is certainly one of the elements that have been, and will continue to be, in the mind of the Council. There are a number of differences still

Crosland

between Member States on the question of afforestation, but I shall certainly promise my colleague that the point he has raised will be very much in our minds.

President. — I note that Mr Hamilton, author of Question No 18, is now present.

Does Mr Dykes wish to speak?

Mr Dykes. — Mr President, I do apologise for interrupting the proceedings at Question Time on this point, but is it in order, when a Member is discourteous enough to arrive late when a new President of the Council of Ministers is here for the first time, for you to go back to that question just for the convenience of the honourable Member concerned? It is certainly not for the convenience of this House.

(Cries of 'Hear, hear' from the European Conservative Group)

President. — I wanted to open the sitting punctually, Mr Dykes, so as not to incur the disapproval of someone whom you know well, while at the same time beginning with the questions by Members present in the House, since I knew that the political groups were still meeting. I do not think that, by safeguarding the rights of the authors of questions, I have committed any serious error.

I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — I understand from your ruling therefore, Mr President, that it doesn't matter whether one turns up in time or not; one's question can still be put whenever one takes the decision to appear in the Chamber. Is that your ruling? If so, you are setting a precedent which it is quite intolerable for this House to follow. Either one is going to be here for Question Time and in time for one's own question, or one is not. We don't want to hold up Question Time any more now, but I really do think you should reconsider your decision. Let us get on with Mr Hamilton's question now, and after Question Time you could perhaps give a firm ruling on this point.

(Cries of 'Hear, hear!' from the European Conservative Group)

President. — I call Mr Dykes.

Mr Dykes. — Further to that previous point, with which I entirely agree, are you going to give me a promise, Mr President, that if I am half an hour late at the next Question Time — because I have a meeting during the next plenary session in the morning — I can ask my question if I put one down at any stage? Is this going to be a precedent? Will you reconsider, and will you now proceed to the next question on the order paper, and not No 18?

President. — Mr Dykes, I would point out to you first of all that we were not half an hour late. But,

since you seem to think that the President has acted wrongly, while I have no intention of doing so, I consult Parliament as to whether or not it agrees to consider Question No 18 by Mr Hamilton now.

The vote is negative.

I call Mr Hamilton on a point of order.

Mr Hamilton. — I wish to protest at the remarks made by Mr Dykes and treat them with the contempt that they deserve. He knows very well that we were at a Socialist Group meeting where the Foreign Secretary was present. He was here, and a lot of your members are not here. I regret very much this attempt to suppress free speech in this chamber...

(Protests)

... and we will see what the reaction of my group is when they have completed their meeting upstairs.

(Cries of 'Too late now') (Mixed reactions)

President. — Question No 18 by Mr Hamilton will receive a written answer¹.

I call Question No 20 by Mr Pisoni:

When the Council intend to take a decision on the proposals submitted to it sometime ago by the Commission on aid to young farmers, which set out a development programme and measures to encourage the formation of producers' associations?

Mr Crosland, President-in-Office of the Council. — The proposal for a directive on a special aid measure for young farmers who have been farming for less than five years and implementing a development plan, and the amended proposal for a regulation concerning producer groups and associations thereof, are still being examined by the Council, which has discussed them on several occasions without so far being able to reach agreement. Taken together with a certain number of other socio-structural proposals they form a set of measures of whose importance for the future development of agricultural policy generally the Council is well aware. Consequently, the Council intends in due course to have a broad exchange of views on structural policy in general which would cover experience to date on the objectives towards which this policy should in future be directed, and on the resources, particularly financial resources, which should be made available for the attainment of those objectives.

Mr Pisoni. — (1) I would point out to the President-in-Office that we have been waiting some time now for these directives — particularly the one concerning young farmers, which had already been taken out of the directive on hill farming. In some regions there are so few young people engaged in agriculture that there are real fears for the very future of farming itself.

¹ See Annex.

Pisoni

However, without a modicum of encouragement to take up this activity, the numbers will remain this low for ever. At the moment, with such widespread unemployment in all sectors, agriculture in a country like mine, for instance, could still absorb a certain number of young people, and we can therefore only press for this directive to be issued, for the Council to reach agreement and, above all, for adequate funds to be made available to encourage young people to choose this sector.

As for the other directive on producers' associations, we would point out that this is an urgent matter. If we want agriculture to succeed in being present — through its operators — on the market, satisfying the three criteria of quality, availability and price, we shall have to improve the situation of the producers. However, we are still waiting for these decisions, because without them the national legislation too will be held up, causing a serious delay for the entire agricultural sector.

Mr Crosland. — I shall do my best during my term of office to understand the problems of young farmers. It is a slightly new problem to me, I have to admit. There is agreement, of course, with what the honourable Member says, namely that there are special problems facing young farmers in certain Member States. But the fact is that there is as yet no agreement between the Member States that there should be a common compulsory measure of the sort that was mentioned in the original question. But I shall certainly bear in mind all that has just been said.

President. — I call Question No 21 by Mr Fletcher :

Does the President-in-Office share the anxiety at the lack of openness of the Council's legislative deliberations, as expressed by this House over the past months?

Mr Crosland, President-in-Office of the Council. — The Council can only confirm the replies it has already had occasion to give to several questions concerning its discussions taking place in public. First, pursuant to the provisions governing its proceedings, meetings of the Council are not public. Secondly, the Council does not make any distinction between legislative and non-legislative meetings.

Mr Fletcher. — Does the President-in-Office agree that if these Question Times are taken seriously by the Council of Ministers, its President should be fully aware of the many suggestions that have been made by Members, on all sides of this House, in their attempts to remove the secrecy and suspicion that surround legislative meetings of the Council of Ministers? Can the President therefore tell the House how many times last year the Council discussed this Parliament's repeated request for more open government by the Council of Ministers, and what steps he proposes

to take in response to our desire to follow Western practices in open government, rather than those of the other side of the iron curtain?

Mr Crosland. — From what I have seen of the Council, Mr President, it doesn't exactly resemble what I understand to be the procedures which are followed on the other side of the iron curtain. It is a very talkative, rather garrulous body. But, of course, this question has been considered; I am very well aware of the strong feeling on this matter. I believe this question has been raised five times before at least, and I read with great attention the various answers and exchanges that have taken place after the question has been asked. There are, I think, very genuine difficulties. Not a large part of the Council's time is in fact spent on strictly legislative matters. The majority of its time is spent on other negotiating matters, or policy discussions, or whatever it may be. I will certainly look at this matter again, but I am rather wary of what happens at the United Nations, where everything takes place in public in theory, but of course the real decisions are taking place *dans les coulloirs*, not in the Council chamber itself. But I would certainly like to consider all that has been said in the past on this subject.

Sir Geoffrey de Freitas. — Does the President-in-Office realize that when ministers exercise legislative functions in private, they become the only body in the whole democratic world in which ministers legislate behind closed doors?

Mr Crosland. — I think the difficulty, Mr President, is that the Council certainly performs some functions — I shall refer to this later in a speech that I hope to make to the Parliament — which are akin to those of a legislature, but by far the greater part of its business is spent in discussing matters which are much more appropriate to the role of the cabinet than they are to the role of a parliament, or the role of a legislature. That I think is the fundamental difficulty, but I am conscious of the strong feelings that are held on this matter, and if there is any way in which we can achieve a more open communication between the Council and the Parliament, of course we should all of us seek ways in which we might do so.

Mr Osborn. — I would like to draw the attention of the new President-in-Office of the Council to the fact there was a cancellation of a meeting of Ministers concerned with research before Christmas. I hope he will have had brought to his notice the future of the JET programme. Would he see that adequate publicity is given to who should attend the various committees of the Council and on what occasions, bearing in mind that, where energy and the multiannual research programme clash, there could be certain cancellations of meetings without his or the Member Governments — and particularly this Parliament — knowing the full reasons why?

Mr Crosland. — That does raise rather different and wider problems. I will certainly bear in mind what the honourable gentleman says. I understand there is likely to be a debate on JET in the course of the day.

Mr Dykes. — Can I also thank the President for undertaking to consider the points that have been made about trying to make more public the sessions of the Council of Ministers? Would he, in that undertaking, give a specific promise to look at what might be called a first-stage compromise to try and open up this whole matter — namely that, for example, on draft directives and regulations, the final consideration by the Council of Ministers of a particular document could be held in public, in a way similar to the stage when legislation has left Cabinet in the conventional sense and is ready for a final reading in any parliament?

Mr Crosland. — I will of course consider any suggestion, but I cannot this morning give any commitment on the subject because, as I say, I do see very considerable difficulties if the Council were to operate in a completely public manner. My main feeling is that, if that were to happen, in fact the decisions would not take place in the Council at all. The consequence of that would be that the decisions were taking place elsewhere, and probably in a manner a good deal more secret than if they were taken in the Council.

President. — I call Question No 22 by Mr Dykes

Will the Council now abandon their practice of seeking agreement by intergovernmental negotiation and return to the practice of majority voting in cases where the Treaties provide for it and as agreed upon by the Heads of Government at their Paris Conference in December 1974?

Mr Crosland, *President-in-Office of the Council* — The Council, which is an institution of the Community, acts as such when it takes decisions on the proposals of the Commission. As the honourable Member correctly points out, the Treaties do provide that Council decisions be taken on certain measures by majority vote, and a number of decisions have been taken in this way. The Council, however, makes every endeavour to bring together the views of its members before reaching its decision.

Mr Dykes. — Can I thank the President-in-Office for that highly predictable answer and suggest that, at least in the foreseeable future, a proper record could be furnished to this Parliament giving an explanation of the majority and the minority views on any major matters of substance?

Mr Crosland. — I am glad naturally that my answer was predictable. This is as things should be. I cannot give the commitment for which the honourable gentleman asks. We do seek of course, whenever we can, to accept the views of the majority on the

Council. There are some fields in which it would be very difficult to do so. I am not sure whether the honourable gentleman would press on my country the desirability of settling the common fisheries policy, for example, by a majority vote. This might raise some difficulty even with his party. But nevertheless we seek to achieve majority decisions whenever we possibly can, but I could not give a blanket commitment of the kind which I have been asked to give.

Mrs Dunwoody. — Would the President-in-Office strongly resist any such pressures, because it is tremendously important, particularly if we are to have the accession of even more new Member States, that even the slowest members should be given the chance to agree to the major policy decisions that are taken in the Council? Any attempt to push continuous majority votes would only be to the disadvantage of the Community as a whole.

Mr Crosland. — I agree with the honourable lady. I think that we are some way off a general habit of majority voting. As I say, we seek to accept the views of the majority wherever we can, but any attempt to impose majority voting on the Council as a universal procedure would, I think, be impossible at this time.

Mr Patijn. — (NL) Can the President of the Council tell us whether he, as a Member of the Council of the European Communities, has ever witnessed majority voting at all?

Mr Crosland. — Yes, certainly I have witnessed a great number of occasions where one or two Member States which were in a minority on a discussion have said that, while they were in the minority, they wished to forward Council business and were therefore, in those circumstances, willing to withdraw their objections to some proposal and accept the views of the majority. Yes, I have certainly witnessed this.

President. — I call Question No 23 by Mr Spicer:

In view of the fact that the Council, 4 years after enlargement, still uses Rules of Procedure dating from before 1965 and which remain provisional, will the President-in-Office give Parliament an assurance that within the next six months definitive rules will be drafted and that, before adopting them, the Council will discuss them with Parliament under the conciliation procedure?

Mr Crosland, *President-in-Office of the Council* — As the honourable Member will be well aware, the President-in-Office does not have the authority to bind the Council. Nevertheless, as President-in-Office I have taken careful note of the question posed by the honourable Member and I will give further time to examining the possibility of taking appropriate initiatives with regard to the provisional Rules of Procedure currently used by the Council. I will not fail to keep the Parliament informed of any such initiatives we may take.

Mr Spicer. — May I just say that every Member of this House would consider it a step forward, even though a small step, if those Rules of Procedure could be published during this presidency?

Mr Crosland. — In such a short space of time as six months I do not know, but, as I have said, we will certainly look at the matter, without however seeking to place any excessive importance on it. It is an interesting fact, for example, that the United Nations Security Council still operates on its very longstanding provisional Rules of Procedure which, in fact, have never been either revised or finalized.

(Cries and loud laughter)

President. — I call Question No 24 by Lord Bethell:

Will the Council set themselves the rule, which already exists in some Member States, whereby a letter from a Member of Parliament is acknowledged within one week of receipt and answer in detail wherever possible within one month of receipt?

Mr Crosland, President-in-Office of the Council. — The President of the Council is of course prepared to reply as quickly as possible to letters which may be addressed to him by Members of the European Parliament and which fall within the competence of the Council.

Lord Bethell. — Is the President-in-Office aware that that is a very vague and unsatisfactory reply? 'As quickly as possible' can mean one day, or one month, or one year. Is he also aware that I addressed a letter to his predecessor, Mr van der Stoep on 28 November, and that I have not even had an acknowledgment to that letter, in spite of three telexes which I have sent to the President's office? Can the President-in-Office undertake to tighten up this procedure and, if possible, to introduce some rules such as the one suggested by my question? Otherwise there will not be proper communication between the Council and this Parliament.

(Applause from the European Conservative Group)

Mr Crosland. — I thought my answer was rather explicit and lucid and to the point, to tell the truth. I understand that the letter to which the honourable gentleman refers, which was before my time, had nothing to do with the Council as such. It was entirely a matter concerning political cooperation and a reply will be sent to it as soon as possible. I repeat the assurance I have given that we shall do the best we can to improve the speed with which these matters are dealt with, but experience in all our own countries suggests that a rigid time-limit is not always possible. Nevertheless, if there has been any undue slowness in the past, we shall certainly try and correct that in the next six months.

President. — I call Question No 25 by Mrs Dunwoody:

When does the Council intend to discuss the implementation of the project for the Channel Tunnel?

Mr Crosland, President-in-Office of the Council. — With regard to the implementation of the Channel Tunnel project, I can only confirm what was said by my predecessors, Mr Brinkhorst and Mr Thorn. As President of the Council, I am not in a position to comment on this issue, since, as the honourable member will no doubt be aware, the Commission has never submitted to the Council a proposal concerning the Channel Tunnel project.

Mrs Dunwoody. — Will the President-in-Office not seek at some point during his term of office to introduce this subject as one of considerable urgency, because a considerable financial contribution from the EEC towards the building of this tunnel would give a very positive sign, particularly to the transport interests, that there is some real wish to join Britain to the Common Market as a whole?

Mr Crosland. — Well, I am well aware of the interest of the railwaymen of Crewe in this extremely important topic (*Laughter*) with which, in a different manifestation, as my honourable friend well knows, I have had a great deal to do in my own country. This is not in fact a matter in which the Council could or should take the initiative. Any initiative here would have to come from the Commission. In fact I am very well aware — speaking now as a United Kingdom Minister and not as President of the Council — of the complications of the whole issue of the Channel Tunnel. The major difficulty, as my honourable friend will know only too well, is that the more economical the tunnel is, the less it helps the railway system as opposed to the road system. This has always been the basic problem concerning the Channel Tunnel.

Mr Osborn. — The concept of a Channel tunnel is part of the concept of transport policy in the Community, and our colleague, Mr Nyborg, has already presented a report in this Parliament on provisional transport infrastructure grants. I hope that when the President of the Council looks at this when it is received, which I expect will be this year, the whole concept of transport policy and a Channel tunnel will be looked at positively and not negatively.

Mr Crosland. — I can certainly say that I will look at it, of course, and read it with the greatest interest. It is a topic which I have always found to be one of great importance and great interest. And perhaps I ought to say, just to emphasize the fact, that of course the Council does invariably read the valuable reports which have been presented by this Parliament.

Mr Mitchell. — Mr President, in their previous jobs both the President of the Council of Ministers and the President of the Commission played a part in burying

Mitchell

the Channel Tunnel project. Will they now get together and make sure that it remains buried, at least for the next six months?

Mr Crosland. — Without paying any attention to the fact that Southampton depends largely on cross-Channel shipping. . .

(Laughter)

. . . my old friend and colleague, the President of the Commission, and I, will of course bear any appropriate sentiments in mind.

(Laughter)

Mr Berkhouwer. — *(NL)* I am glad that the British are once again showing great interest in this project, which — as you know — I have always advocated. Since the President-in-Office considers that the initiatives must come from the Commission, I should like to ask him whether the Council cannot contemplate asking the Commission to develop initiatives. If we bear in mind that Europe managed to finance a bridge over the Bosphorus, thereby linking Europe to Asia, it is strange that the island of Britain is still isolated.

Would it not have a tremendous psychological effect on all the people of Europe if we could see to it, through Community financing in which all citizens could participate through the purchase of small public shares, that our British friends, whenever the Channel is shrouded in mist, no longer have say 'the Continent is isolated'?

(Laughter)

Mr Crosland. — Mr President, I hope I did not give the impression, which would be a false one, that as far as the British Government was concerned — and I am speaking now as a British Minister and not as the President-in-Office — there was a renewed interest in the Channel Tunnel, in the sense that some new decision was pending. That is not the case and I remark again, not as President-in-Office in particular, that, while my friend speaks of the isolation of Britain from the Continent, since this matter was last discussed seriously some two years ago, there has of course been an enormous investment in forms of cross-Channel transport other than a possible tunnel. There has been a huge investment in ferry services in particular, and now the amount of traffic crossing the Channel is on a positively massive scale. Nevertheless, the Commission is present and has also heard what the honourable gentleman has said. It would not normally be the practice for the Council to take an initiative in a matter of this sort. The Council would normally expect an initiative to come from the Commission. The President of the Commission and I have both heard what was said and will naturally pay due attention.

Mr Noè. — *(I)* Can the President-in-Office of the Council say whether we can count on an equally

favourable attitude when we come to examine the proposals which I hope will be forthcoming from the Commission for another important project intended to provide better links between certain countries of the Community: I am referring to a low-level tunnel under the Alps, which is strategically just as important as the tunnel under the Channel?

Mr Crosland. — We shall naturally review with sympathy and interest any proposal for any tunnel anywhere that is put to us by the Commission.

(Loud laughter)

Mr Giraud. — *(F)* In view of the emergence on the cross-Channel route of numerous means of transport, whether hovercraft, aircraft or others, does the President of the Council not consider the Channel Tunnel as the technological equivalent of the Loch Ness Monster?

Mr Crosland. — That seems to be going a little too far. The Council has not considered this matter at all, and I therefore cannot commit it. Any suggestions that are made will be treated in a spirit of interest and will be studied with care.

President. — I call Question No 26 by Mr Shaw:

What agreement was made on the VAT treatment of small firms at the fiscal Council meeting on 16 December 1976?

Mr Crosland, President-in-Office of the Council. — The agreement reached at the Council meeting on 16 December last on this point, and on 35 or so other outstanding points, are now being reduced to writing in the form of a draft text of a Sixth Directive on VAT. This text will be considered in the framework of the Council very shortly. As soon as possible thereafter, the text which represents the common position of the Council will be communicated to the European Parliament. I hope that in the meantime honourable Members will not press me to enter into specific details.

Mr Shaw. — Whilst I welcome the progress that seems to have at last been made on the Sixth Directive, I must say that I am naturally disappointed at the lack of definite information in the Rt. Hon. Gentleman's reply. Could the President-in-Office of the Council nonetheless give an assurance to us here in the House that the vital interests of small businesses have been fully taken into account in the solutions that have now been arrived at?

Mr Crosland. — Yes, Sir, I can give that assurance with complete and absolute conviction.

Mr Patijn. — *(NL)* Is the agreement reached on 16 December final, so that there are no more outstanding

Patijn

points to be dealt with in a subsequent Council meeting and any further Council deliberations will only be a formality? Or are the debates on this point soon to be reopened?

Mr Crosland. — No, Sir, I certainly hope that the debate is not going to be completely reopened in January. There is now an agreement in principle on the matter, which was reached in December. It is now a matter of reducing this agreement in principle to a written text. But I would certainly hope there will be no reopening of the debate that has already occurred.

Mr Notenboom. — (NL) With a view to the very necessary financing of the European budget from own resources, I would ask the President of the Council whether he can tell us on which date the directive will become law.

Mr Crosland. — I can't give an absolute guarantee on this subject, but the intention is that we should implement the Sixth Directive on 1 January 1978.

Mr Yeats. — While I accept that the President-in-Office of the Council cannot be reasonably expected to supply minute details of this agreement in principle, can he nonetheless tell us — this is a somewhat fundamental point — whether it will now no longer be permissible to introduce any further zero rating?

Mr Crosland. — I would very much prefer — if Parliament will forgive me — not to go into any details on this now. There will shortly be a full text forwarded to this Parliament, and it will be the subject of debate and discussion here.

President. — We take note of this statement.

We have thus dealt with all the questions addressed to the Council. We now turn to those addressed to the Commission which could not be dealt with yesterday.

I call Question No 12 by Mr Osborn:

Does the Commission believe that the present market structure for air traffic is compatible with the philosophy of free competition of the EEC Treaty?

Mr Vouel, Member of the Commission. — (F) The present market structure for regular air traffic throughout the world and in Europe is based on very many bilateral agreements between states, by which the latter decide to introduce air services between each other and grant to certain companies specified by them exclusive traffic rights. This system is a consequence of the Chicago Convention and of the transit agreement ratified by most of the Member States which operate civil air transport.

This situation is not in itself incompatible with the EEC Treaty, which leaves it open to the Member States to grant special or exclusive rights to certain undertakings, but the particular situations which result from it should be examined in the light of the regula-

tion governing the implementation of competition rules for air transport which is currently being drawn up by the Commission.

Mr Osborn. — I would like to thank the Commissioner for that answer, although it is partly unsatisfactory because airfare policy is a matter of concern for the people of Europe. It certainly is a matter of concern for the Member Governments. Does he not agree that the Community — if not the Council of Europe — has a direct interest in this, and would he look at this again? Secondly, to what extent do agreements accord — and he has touched on this already — with the principles of free competition, because this is a field of Community policy? Thirdly, will the proposals he has in mind be before this Parliament by this summer?

Mr Vouel. — (F) Mr President, in order to reply more specifically to Mr Osborn's questions, I should like to give some additional information. Under Article 90 (1) of the Treaty, the Member States may set up public undertakings or grant to certain undertakings special or exclusive rights even to the extent of a monopoly.

On this point I also refer to judgment 155-73 of the Court of Justice. The Member States may also, under Article 90 (2), entrust certain undertakings with the operation of services of general economic interest and thereby assign particular tasks to them. All these criteria are generally fulfilled by air transport undertakings. However, these undertakings remain subject to the rules on competition contained in the Treaty. If it has reason to believe that air transport undertakings have infringed these rules, the Commission should first of all examine, as is its duty under Article 90, whether the particular tasks assigned to them exempt them from the legal provisions of Articles 85 and 86. Consequently the Commission is not free in this field: its hands are tied, at least partly, by the Treaty.

President. — Since its author is absent, Question No 13 by Mr Creed will receive a written answer¹.

I call Question No 14 by Mrs Dunwoody:

Which trade associations, trade unions and independent bodies in the cinema industry does the Commission consult in relation to the cinema in the European Community?

Mr Davignon, Member of the Commission. — (F) In fact there exists between cinema industries at Community level a contact group which has its headquarters in Paris and with which the Commission is constantly in touch; it is this Commission's policy to maintain these contacts and to examine with them the problems which may arise and may have to be

¹ See Annex.

Davignon

discussed in the context of the whole range of industrial problems which we shall have to solve in the coming years.

Mrs Dunwoody. — Is the Commissioner aware that that is really not a sufficiently good answer? To begin with, the contacts that the Commission has are with only one section of the cinema industry, with the producers — not with the exhibitors, not with the distributors. The trade unions in the industry are not adequately represented. Is he aware that this is an industry which is partly an art form and which will not repay any intervention at Community level, either in the aids which are given for national films, or in the way in which the cinema industry is organized? May I point out to him that this is an industry which is suffering very greatly from unemployment at the present time, and if the Commission are only going to deal with the very narrow section of its representatives, frankly they are not going to produce the sort of effects that they are seeking, or that will be in the general interests of the people in the Community?

Mr Davignon. — (F) I referred to the situation as it has existed until now; there have been contacts with a particular group. I pointed out that with regard to the future we would have to study this sector and determine how and with whom we could most effectively reply to the questions which would be put to us. The Commission thus expects them to be put to us in as specific a form as possible in order to allow the existing contacts to be expanded. I thank the honourable Member for the information which she has supplied on this subject and which we shall take into account.

President. — I call Question No 15 by Mr Pisoni:

To what extent is the delay in concluding the second Financial Protocol, which the EEC is negotiating with Greece within the framework of the Association, likely to prevent Greece from benefiting from credits with interest rebates, grants and loans on special terms included in the Financial Protocol?

Mr Haferkamp, Vice-President of the Commission. — (D) The reasons for the delay in concluding the Protocol are, as you are aware, of an exclusively procedural nature. The delay does not mean that there will be any disadvantages involved in the provision of credits, grants and loans.

Mr Pisoni. — (I) Until this Financial Protocol is ratified, it will not be possible for Greece to submit projects for aid and thus to modernize its structures. I would remind the Commissioner that the Financial Protocol provides for aid only to those countries linked to the Community by association agreements. This means that if Greece were to become a fully-fledged member of the Community before it is rati-

fied, it would no longer be in a position to submit projects and obtain financial aid for those structures which, had they been in the course of implementation at the moment of accession, would have enabled it to obtain more satisfactory terms of accession. And this would be valuable not only for Greece, but for the Community as well, which would not be forced to make exceptions and would achieve a better balance.

This is why we feel that the delay in ratification will cause real and serious damage. I should like to put a final question to the Commissioner: Could he not consider the possibility of financing the projects provided they are submitted before accession?

Mr Haferkamp. — (D) The honourable Member's statement contains a number of items which I must deal with individually. I request Parliament's indulgence.

Firstly, the procedural reasons are, as you are aware, the constraints of parliamentary ratifications. That is largely in the hands of the national parliaments. I think we agree that everything should be done and will be done to ensure that these ratifications are expedited in accordance with the relevant procedures laid down in the national constitutions and rules. The sooner this is done, the sooner the question raised will no longer be necessary.

Secondly, it is obvious that, according to the rules and procedures provided for at Community level, we must wait for ratifications to be made, in cases where ratifications by the national parliaments are necessary, before we can take the necessary action.

Thirdly, nothing prevents us — and I would be in favour of it — from preparing in advance projects which may be eligible if and when the Protocol comes into force, so that we can start work and take action immediately.

Fourthly, should Greece become a member of the Community during the period covered by the Financial Protocol, it would of course from then on be fully entitled to the facilities which such membership entails.

Mr Dalyell. — Mr Pisoni may rebuke the Commission for delay. Are the Commission nonetheless aware that there are some of us who are in no mood to blame the Commission for any kind of delay in the Greek negotiations? Are they aware that some of us who attended on behalf of this Parliament the meeting in Berlin of the EEC-Greece Committee have come to realize that there are many issues of principle and indeed of economic detail that have been taken far too lightly, and that what we are looking for is a careful consideration of the negotiations rather than opportunities to make accusations of delay? Do the Commission realize that there are two views in this Parliament on this whole issue?

Mr Haferkamp. — (D) No one is pleased about this delay. I think that everyone would be happy if in the case of Greece the facilities which are under discussion here and are to be laid down in the Financial Protocol could be implemented as quickly as possible. Furthermore the Commission — and I refer here to yesterday's statement by the President of the Commission — is underlining the importance which it wishes to attach to the question of negotiations with Greece and any other countries by setting up a special area of responsibility within the Commission for the conduct of these negotiations, as was done some years ago for the negotiations with the United Kingdom and others.

President. — I call Question No 16 by Mr Scott-Hopkins :

What steps is the Commission taking to enquire into the buying and selling of child labour in Southern Italy?

Mr Vredeling, Vice-President of the Commission. — (NL) I should like to begin by noting with satisfaction that Mr Scott-Hopkins, whom I remember very well from Parliament's Committee on Agriculture, also concerns himself with social questions, which gives me the opportunity once again to cross swords with him if need be. In answer to his question I would remind him that as long ago as 1967 the Commission addressed a recommendation to the Member States on the protection of young employed persons. This lays down that the age at which a young person may take up paid employment is 15 years. I am not quite clear on what facts the honourable Member is basing his question, but if there is indeed a serious problem in Italy involving the employment of young people below the age of 15, I shall not hesitate to contact the Italian authorities in order to find out more about the matter. I should like to point out at the same time that a recommendation from the Commission to the Member States thus exists, but that it is therefore the task of the Member States concerned, in this case of course the Italian Parliament, to settle, on the basis of this recommendation, any difficulties which may arise.

Mr Scott-Hopkins. — Is the Commissioner aware that the information I have is that there is a labour market apparently in a small town just outside Bari? The particular information that I have concerns a boy who shot himself at the age of 14, having been sold 18 months before. And this is a quite common occurrence. I have the newspaper information here and I would be willing to pass it on to the right honourable gentleman, the Commissioner. What I am asking, Mr President, is whether he will institute an enquiry to see how widespread this practice is in Southern Italy of selling child labour in a market square for money and produce.

Mr Vredeling. — (NL) Mr President, if what the honourable Member has just said is indeed correct, if I am informed that such a practice actually exists —

which I do not know — something will be done about it by the Commission. But first I must find out about it, and I accept the honourable Member's offer to pass on the relevant information to me.

Mr Squarcialupi. — (I) Could this investigation — which appears to have been suggested very tentatively — indeed be carried out, and as soon as possible? The facts to which Mr Scott-Hopkins referred are unfortunately true, and it would thus be useful if the investigation could be extended to cover accidents to minors at work.

May I put a final question to the Commission: Does it not think that this serious matter of child labour is one consequence of the imbalance in the development of the Community regional policy?

Mr Vredeling. — (NL) The Commission will certainly give attention to the consequences of child labour and the correlation between that and industrial accidents. In cases of abuse we will not hesitate to notify the Member States.

Mrs Dunwoody. — Is the Commission aware that the facts are quite clear and the cases horrifyingly evident, and that we are not asking him to continue to take notice but to take urgent action and to support those members of the Italian Parliament who are seeking to do something about this immediately? This is one of a number of quite terrifying cases that have come to light in the Mezzogiorno. It is a continuing practice and it needs to be stopped immediately, and we are asking him to put tremendous pressure on the Italian Government.

Mr Vredeling. — (NL) Mr President, if such abuses really do exist — and I also have some personal knowledge of the Mezzogiorno — I shall definitely do what the honourable Member asks.

Mr Pisoni. — (I) These facts are unfortunately true, but it is also true that the Italian Government is currently committed to eliminating them with all the means at its disposal.

As regards the investigation which the Commission is intending to make, would it not therefore be appropriate to contact the Italian authorities, which have the same interest and the same task in eliminating these unfortunate facts. If I may put Mr Squarcialupi's question another way, does not the Commission intend, in certain cases, to propose *ad hoc* aid for the regions in which this truly disgraceful state of affairs exists.

Mr Vredeling. — (NL) I should like to point out that the Italian Members of this Parliament who have spoken on this point are also members of their national Parliament. I should like to remind them that, as I see it, this fact also offers them certain possibilities. On the other hand I have repeatedly said that if it is established that abuses actually exist in a sector

Vredeling

for which my Directorate-General has responsibility, I shall not hesitate to take action.

Mr Masullo. — (I) May I point out to the Commission representative who has been so kind as to give replies on this subject that Mr Squarcialupi's question contained a precise definition of the problem, not just from the purely legal point of view — i.e. the regarding or disregarding of the laws on child labour in certain parts of Southern Italy. This is in fact only one side of the problem which, basically, concerns the respect which each State must enforce for its own laws.

The specific aim of Mr Squarcialupi's question was to find out what the Commission intended to do to promote, in terms of real development, the regional policy so as to reach a solution to problems of this type, which are not simply problems of enforcement or legislation, but primarily of economic and social development.

Mr Vredeling. — (NL) Since it seems to me that this question is outside the scope of Mr Scott-Hopkins' question, I should like to ask the honourable Member to address his question in due course directly to the Commissioner responsible for regional policy.

President. — I call Question No 17 by Mrs Ewing :

What proposals will the Commission make, in particular in connection with their study of the effect on individual rights of the development of data processing, for the establishment of the Community Ombudsman, to whom can be referred cases of alleged maladministration by the Commission of the execution of the Treaties and of Community secondary legislation ?

Mr Jenkins, President of the Commission. — The Commission is fully aware of the importance of dealing sympathetically and effectively with any complaint which touches its actions as they concern individual citizens of the Member States. It therefore attaches higher priority to the manner in which it investigates complaints put to it by individual citizens or by Members of the Parliament. The way in which they have been dealt with in the past has, I believe, been generally satisfactory, but the Commission retains an open mind about possible measures in the future. In such future consideration, the idea of an ombudsman is one which may certainly be taken into account.

Mrs Ewing. — I should have preferred a straight answer as to whether our new head of Commission really agrees with the idea and will do something about it. Would not direct elections be an appropriate time to make sure we have this 'ombuds-person', because the larger and more complex a set of institutions becomes, the more important it is that there should be a personalized right of appeal? The idea of an ombudsman is a comforting idea to citizens who, perhaps, feel the whole set of institutions a bit

complex to understand. I would really urge that we go forward to have one by the time of direct elections.

Mr Jenkins. — The author of the question should not press for a firm answer at this stage, or she might tempt me to give the firmly negative answer which was given when the question was last asked a few years ago. What I am prepared to do, with my colleagues, is to consider this matter seriously, without commitment, but reasonably sympathetically, to see whether in the context of our proceedings it is or is not reasonable.

Mr Hughes. — Would the President of the Commission bear in mind that there is a difficulty where there is an overlap between the functions of a national government acting as agent for the Commission, and the Commission's own servants acting as such? When the Commission consider the possibility of the creation of a Community ombudsman, would they look into this particular problem of the overlapping jurisdictions?

Secondly, until such time as that is done, can the President assure this House that he is the proper channel through whom redress of grievances of this sort can be obtained by Members of this House and of the public?

Mr Jenkins. — I am grateful for having this pointed out. We will certainly take it into account in our consideration of these matters.

So far as the second question is concerned, I will of course consider any points which are put to me directly. But until we have settled down a little in the allocation of portfolios, I would not like to give an overall undertaking that matters should always be dealt with through me rather than through, say, the Commissioner with special responsibilities for relations with Parliament, or the Commissioner with responsibilities for personnel.

Sir Derek Walker-Smith. — Since it is now about three years since this suggestion was first put forward by the European Conservative Group, would the President of the Commission accelerate action in regard to the investigation of its possibilities, and will he in particular maintain close liaison with this Parliament and its Legal Affairs Committee in his thinking on this matter?

Mr Jenkins. — Yes, indeed. It is some time since the suggestion was put forward. I thought it then did, as a matter of fact, come in a question from an independent peer, Lord O'Hagan. That is the previous record which I have. The matter was then not put under consideration, but was turned down by the Commission, as I understand it. It may, in the view of the right honourable gentlemen, have been a matter of a wrong decision, but it has not just been a question of dilatoriness. However, we will hope to consider this, as other matters of great importance, with all the

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expedition that we can. In the meantime we will be glad of the advice of the Parliament's Legal Affairs Committee.

President. — Question Time is closed.

I thank the representatives of the Council and of the Commission for their statements.

4. *Change in Agenda*

President. — I call Mr Osborn on a point of order.

Mr Osborn. — Mr President, I request that item 369, the report on social provisions relating to goods transport by inland waterway (Doc. 484/76), be postponed for one month. There are three reasons for this. Firstly I am anxious as rapporteur to avoid the mistakes of the road transport social legislation; secondly, the appropriate committee of the ECOSOC is looking at this today and has a plenary in January; and, thirdly, I value their opinion and hope for closer collaboration on matters such as this between inland waterway vessel owners and users, trade unionists and this Parliament. I welcome the fact today that the chairman of ECOSOC is here, and I hope this will lead to closer collaboration on issues of this type.

President. — Are there any objections to the postponement proposed by Mr Osborn?

That is agreed.

5. *Amendments to Rule 48 of the Rules of Procedure — setting up of subcommittees (vote)*

President. — The next item is the continuation of the vote on the motion for a resolution contained in the report (Doc. 409/76) drawn up by Mr Memmel, on behalf of the Committee on the Rules of Procedure and Petitions, on the amendment of Rule 48 of Rules of Procedure (Petitions), which had been adjourned at the sitting of 16 December 1976, and the vote on the motion for a resolution contained in the report (Doc. 561/76) drawn up by Mr Lagorce, on behalf of the Committee on the Rules of Procedure and Petitions, on problems raised by the setting up of subcommittees (Rule 39 (2)).

Since the majority required for these votes cannot be attained, I propose that these votes be postponed to the next part-session.

Are there any objections?

That is agreed.

6. *Statement by the Council on the programme of work for the first half of 1977*

President. — The next item is a statement by the President-in-Office of the Council on the Council's programme of work for the first half of 1977.

I call Mr Crosland.

(*Applause*)

Mr Crosland, President-in-Office of the Council. — Mr President, I thank you once again for the words of welcome which you addressed to me earlier this morning. It is a great pleasure for me to address the Parliament on the occasion of the first United Kingdom presidency, although I say this in a purely personal capacity, since the Council has not yet met under my chairmanship.

The last Council of Ministers was presided over by my predecessor and fellow-socialist, Max van der Stoel. He, of course, is an ex-member of this Parliament, and that experience, evidently, both reflected and reinforced his deep European convictions. But, as President of the Council, he added to his talents as a parliamentarian his calm dedication to this new and difficult task, which I can only seek to emulate.

At the same time as Mr Van der Stoel relinquishes the presidency of the Council, Mr Ortoli relinquishes the onerous task of President of the Commission, which he has borne for the last four years. He had that rare talent which transforms intellectual brilliance into concrete achievement: the successful maintenance of the cohesion of the Community over the last four difficult years is a tribute to his skill and ability, and I am delighted that his abilities remain at the service of the Commission.

I also welcome to his new post a compatriot, an ex-colleague, and most of all, an old friend, in Roy Jenkins. He brings to his new position an unrivalled political experience, a long and deep commitment to the cause of a united Europe, and, I may add, all that embellished with a deep knowledge of European culture. Nobody, I think, could come to his job with a more apt and a more suitable set of qualifications, and I greatly look forward, over the next six months at least, to working with him, and working towards the goals which he set in his speech of yesterday.

I start, Mr President, with a word about the British relationship with Europe. Looking back over a long span of history, we see that there have been two main strands with our relations with the outside world. At times we have been deeply involved on the European continent — after all, it was 270 years ago that the great ancestor of Sir Winston Churchill marched an army south, passing not very far from where we are seated now. Then, more recently, owing largely to the preoccupations of Empire, we pursued what has been described, as the 'blue-water' school of diplomacy. But one strand has never been completely exclusive of the other. It is now natural that with the change in the relationship with our former imperial territories, there should be a change in our relationship with our neighbours in Europe. What we have learnt from our 'blue-water' school will, of course, continue to influence us and colour our contribution to Europe. But it is with Europe that, by will of people and government, we are now inextricably involved.

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It is therefore both as a Briton and a European that I draw pride from my country's Presidency of the European Community, and that I have the honour of addressing you today. I shall break with some past precedents by not examining in detail our agenda for the next six months. Rather I want to consider in a longer perspective where the Community stands today and in what directions we wish to see it progressing.

When my friend and colleague, Mr Van der Stoel, addressed you six months ago, he struck a sombre note. The Community, he said, had reached 'an advanced state of erosion'. Today again there are dire warnings that the Community may not survive, and there is certainly a widespread mood of disillusionment and disenchantment. Now while I do not for a moment deny a certain loss of direction and a faltering sense of purpose — and I shall discuss later the reasons for this — I yet take a more robust and hopeful view than the pessimists when I consider the Community's achievements.

The most striking achievement, and one of historic proportions, we tend today to take for granted. I refer to the reconciliation of old European rivalries which have, time and again, caused our peoples so much suffering and devastation. By stimulating a peaceful and enlightened dialogue and so the habit of cooperation between Member States, the Community has helped to bring about a qualitative and permanent change in Western European relationships. The contrast with pre-war Europe is dramatic and illustrates the *political* reality of the European *Economic* Community.

Now, many would contend that, merely by helping to heal old European wounds, the Community has justified its existence. But this is not the Community's sole achievement, still less one that it has conjured out of thin air. Its contribution to European reconciliation has been firmly based on the development of common policies and common institutions, of which the European Parliament is an outstanding example. It is this which has invested the Community with a unique political personality, and it must now build on this foundation and maintain the momentum of its achievements.

I have no doubt that it can so build; for we more and more see — and this is also a major historic change — this political personality reflecting itself in the Community's relations with the outside world. The Community, as one of the world's great centres of economic strength, can exert enormous influence in the world, provided it acts as one, and this it is increasingly doing. This is true notably of Community action but also of political cooperation between Member States.

In the former field, the Common Commercial Policy is now nearing completion. The Community is negotiating, or has negotiated, commercial and economic agreements with its close neighbours as well as with countries further afield. Certainly nobody who has recently visited Greece or Portugal or Spain or Turkey or Yugoslavia can doubt the attractive power which the Community wields. Its influence is equally seen in the CIEC, as it will be later this year in the multilateral trade negotiations at Geneva. It is felt even by the Soviet Union and the Comecon countries, particularly today, I hope, in their Ministries of Fisheries. And this economic power, notably in the case of the Mediterranean countries, can serve a vital political purpose.

In the field of foreign policy, there is growing cooperation between the Nine. At the meetings of Foreign Ministers on political cooperation, I have been impressed by the ability of Member States to reach an agreed view. As an illustration, I note that at the 31st session of the United Nations General Assembly the Nine have voted together on 82 % of all resolutions, and the country holding the Presidency has spoken on behalf of all the Nine on no fewer than 50 occasions. There is no doubt room for further improvement in developing the Community's collective voice at New York. But what a contrast to the petit-bourgeoise nationalism, as it has been called, which wrecked the League of Nations in the twenties and the thirties!

The Community's growing influence in the world constitutes, as I have said, a historic change and for me it validates the reasons why first I welcomed the formation of the Community and then desired Britain to join it. But of course I recognize that the current disillusionment relates not to the *external*, but to the *internal*, affairs of the Community, and above all to the failure over the last three years to move perceptibly nearer to European Union, however defined.

True, we have a Customs Union which has greatly expanded intra-Community trade; a Common Agricultural Policy which, though controversial, is integral to the concept of the Community; and a Social Fund, a Regional Fund and a European Investment Bank. Technical barriers to trade are being chipped away, slowly but effectively. Freedom of movement is becoming more of a reality as professional qualifications begin to command general acceptance throughout the Community. In a wide range of activities, under the Treaties and to some extent outside them — in social legislation, education and so on — we are steadily expanding the area in which we work together. Above all, the Institutions — like the Court of Justice across the road from here — which were set up eighteen years ago have shown great vitality and capacity to adapt to changing circumstances. Thus the Community has made important, if uneven, progress.

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But none of this satisfies the despondent critics. They see only the single stark fact that nothing fundamental has changed in the last three years. There has been no advance towards economic and monetary union; indeed, there has been a regression, symbolized by independently floating exchange-rates. Even the modest proposals of the Tindemans Report for a gradual move towards European Union failed to receive a practical endorsement at the European Council in The Hague. And important sectoral policies are, to put it crudely, stuck in the mud.

Now the facts are incontrovertible; but the interputation is not. The apocalyptic view of the extreme pessimist suggests a failure by the Community to achieve realistic and attainable goals. This is not, in my view, a fair picture. In the time-frame set for them, and in a period of combined recession and inflation which has shaken the world's economy almost to its foundations, it was manifest that many of these goals could not possibly be within reach. To blame the Community and its members for this does us all a disservice, which we only compound by unwillingness to recognize what the Community has achieved.

True, the achievements, substantial as they may be, are incoherent and disjointed. In part this is because the development of the Community is a long-term historical process, in which progress towards greater unity must in the nature of things be uneven. But, more important, the concentrated battle against recession and unemployment and their attendant social evils — against the worst economic crisis since the 1930s — has in the last three years sapped the energies of Member States: energies which might otherwise have been directed towards solving the Community's internal problems.

So it is, in my view, recession and economic crisis which have left the Community today with so uncertain an idea of where it wants to go. In the past, an impression of almost effortless economic growth in the Community's economy led to an indulgence in excessive expectations which were inevitably disappointed.

But, Mr President, we now run the risk of going to the other extreme and allowing disillusion to strip us of all sense of strategic purpose as we move deeper into the second half of the decade. Our task is therefore to draw together the various threads of the Community's development so far; to recognize realistically its setbacks or excessive ambitions, but also its true achievements and the solid foundations that these have laid; and to establish on this basis a sense of priorities and strategic direction, not simply for the next six months, but for the years ahead. And it is to this that I should now like to turn and discuss what these priorities should be.

I start with an urgent and immediate problem — agreement on sectoral policies. I refer in particular, of course, to agriculture, fisheries and energy; for if we

cannot begin to settle these matters, the Community, while it will no doubt survive, will decline into a state of permanent bickering, wrangling and mutual recrimination.

Now, we can probably all agree on how to describe the present state of play. The Common Agricultural Policy has almost reached an impasse. The review of the Common Fisheries Policy has not even approached the heart of the controversy on the internal regime. And there is no such thing as a Common Energy Policy.

There is naturally much wringing of hands over this situation; and clever critics sneer at the endless hours which Ministers and Commissioners spend in arguing over skimmed milk powder or quotas for cod and mackerel. But of course from time immemorial the land and the fish in the sea have excited the most violent human passions; and oil is perhaps a modern equivalent as a primary source of wealth. Strong national interests are at stake, reflecting the livelihood of thousands of our citizens. I know this only too well, owing as I do my seat in Parliament — and so indirectly my Presidency of the Council — to an English fishing constituency, where fishermen cannot understand why they should be condemned to the dole when British waters contain over half the fishing stocks available for the Community as a whole.

(Applause from certain quarters on the left)

So we shall need patience, understanding and a great deal of Community spirit as we seek to strike the right balance between specific national interests and wider Community interests. And yet the two sets of interests interlock. It is, after all, a shared interest of all Member States that the Community's policies should work well. Equally it is to the Community's advantage that the deep-seated interest of Member States should be recognized and, as far as possible, accommodated. It is in this spirit that we must make progress in these three most crucial areas.

Common Community policies of this kind, vital though they are as components in the Community's development are by definition sectoral. They tell us little about an overall economic strategy for the Community's development.

I therefore now turn, secondly, to the central economic question of internal integration within the Community. There was always in the past, whether in the context of Economic and Monetary Union by 1980, or the more modest proposals in the Tindemans Report, a widespread hope and expectation that economic and financial policy-making would steadily pass from the hands of Member States into those of the Community. And thus would the Community be gradually transformed from a mere Customs Union into a fully integrated Economic Union, complete with its own central bank, a single fixed exchange rate, and a growing harmonization of taxation.

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But this has not occurred; nor are we even moving in that direction. Perhaps it would never have occurred; on that there was always a cleavage of opinion. At any rate the necessary condition was, at a minimum, a growing convergence of standards of living and of inflation, and a pattern of trade which did not produce persistent surpluses or deficits. For measures of integration are readily possible only between economies where living standards and economic performance are broadly similar. Only on such a basis could a common monetary and exchange-rate policy rest. But that basis was drastically undermined by the cataclysmic effects of 1973 and the subsequent years — the oil price rise, followed by an inflation and recession, both unprecedented in the post-war years.

Member States reacted differently to these untoward events. As a result, economic performance grew more, not less, divergent; and the imbalance is the more serious because it is between the four largest and most important economies in the Community. The OECD, in its most recent *Economic Outlook* dated only a month ago, expects the imbalance to persist for some time ahead. Indeed, so alarmed is it by the divergent trends of inflation and the balance of payments, that it actually urges a deliberate *desynchronization* of policies in respect of home demand and economic growth. This will involve even wider disparities in standards of living. The essential basis for economic integration is therefore wholly lacking.

So we face a dual problem of baffling complexity. First, and most important in welfare terms, the level of unemployment in most of our countries is intolerably high; and while it remains so, public opinion at least in the United Kingdom finds it hard to perceive the benefits of Community membership. In addition, our economies, while all performing at an excessive level of unemployment, are diverging in other ways to an extent that in practice rules out major measures of integration. And a cure to the first of these problems is, in my view, a condition of solving the second.

Now what should the Community do in this situation? There is no slick, no simple answer to this question, which no doubt explains why there is so much wailing and gnashing of teeth, yet a marked absence of practical proposals. And indeed this is natural, for decisive action on unemployment and economic recovery must come primarily from nation-states many of which, like the United States and Japan, are outside the Community.

Within the Community it is now clear that detailed measures of harmonization will not of themselves bring economic integration. In the same way, more direct attempts to achieve economic union have foundered because the degree of divergence which they sought to correct was beyond their power to correct. This was conspicuously true of attempts to attain a total or even a limited uniformity of exchange-rate

policy. The Regional and Social Funds, valuable as they are, have not had a significant impact in reducing the disparities in wealth and growth rates between different regions of the Community. And the efforts to achieve better sectoral policies, notably in the case of fisheries, have met a more stubborn resistance because of recession and unemployment. We cannot hope to achieve a better convergence or more integration until all our economies are once again on the path of full employment and healthy growth.

That must be our priority for the next few months. But we must look even further ahead and start to devise new policies that will help us, once we have left recession behind, to counteract the uneven growth in the economies of Member States. We should explore ways in which the Community could help further to promote investment in those countries and regions where economic performance is below average. We should explore, as Finance Ministers are already doing, what contribution the Community can make to greater exchange rate stability. We should examine successor arrangements to the Regional and Social Funds which would permit a far more effective transfer of resources than hitherto from richer to poorer regions. The more the Community can succeed in putting building blocks of this kind into place, the greater the chances of getting its internal economic development on the road again.

(Applause from the European Conservative Group)

I turn, thirdly, from the internal economic to the internal political development of the Community. We all recognize the need for a greater sense of political purpose within the Community. But at the same time we recognize that the debate between federalists and confederalists is now irrelevant and unreal. We do not know what shape the Community will finally take; and to seek to define it now will get us nowhere. This was the insight which illumined the Tindemans Report.

This is not just a matter of putting aside unrealistic goals. It is a question of understanding the Community as it really is. In the first ten years of its life, the Community's history was foreseen and defined by the Treaty of Rome. At that time, it was vital for its initial progress and consolidation that it should have a number of clear and attainable goals at which it could aim. It was relatively easy for the Community to hit its original targets. But it has now entered a new and far more difficult stage of development. It is no longer the tolerably simple and unsophisticated institution of the first decade of its history, acting (in Andrew Shonfield's phrase) 'in a kind of illusion of privacy within the international system'. It is a highly complex mechanism which has acquired a life of its own and numerous external ramifications.

The Community is now a unique political institution combining elements of domestic, as well as external,

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policy and with a built-in dynamism which has no parallel in other international organizations. This is due partly to the way in which the Treaty of Rome was originally framed; and partly to the way in which the Community has subsequently shown itself able to develop its practices and institutions to meet events. The Community is thus the creature partly of a written constitution, a feature which it shares with Latin and Napoleonic Europe as well as with the United States; and partly, and perhaps increasingly, of a developing and almost instinctive constitutional process, not dissimilar in principle from that which has characterized British history. The dynamic motor of these developments is the dialectic between the national interest, as represented by the Member States, and the collective interest, as represented by the Community's institutions, and particularly the Commission. This dialectic is inherent in the Treaty of Rome. But we find it also in the organic development of the Community's institutions, especially in the changing role of the Presidency and the growing vitality of the European Parliament.

Mr President, these developments are perhaps as important a landmark in European history as the emergence of the secular nation state at the end of the Middle Ages. Just as European man at that time could not possibly predict where Renaissance Europe would lead, so we are equally ill-placed to say how the process set in motion by the Treaty of Rome will culminate. While we must know where we are going in the medium and short term and set our priorities accordingly, a simplistic and abstract goal-setting approach for the long-term is even less viable than before. What we *can* do immediately — and in our presidency we shall do our best — is to make the Community work as effectively as possible, thereby demonstrating that it exists politically as well as economically, even if the emergence of a new political structure is for tomorrow and not for today.

In one field, at least, we have an encouraging example of practical political development. We now have the prospect of making the Community a more democratic institution when direct elections to the European Parliament take place. A directly-elected Parliament will be in a better position to strengthen the democratic voice in the Community. It will be better able to fulfil its role in relation to the Commission, and it will, I have no doubt, wish to influence the Council of Ministers. As to the latter point, I am sure that it will be conscious of the need to ensure a proper balance between the three institutions of the Community which propose, control and determine its policies.

Meanwhile, I for my part want to think hard about the role and *modus operandi* of the Council. I am conscious — and this was a point that emerged at Question Time — of the basic complication that this role must be partly legislative, and akin to that of a Parliament, but mainly executive, policy-making and negoti-

ating, and here akin to that of a Cabinet. I doubt, myself, if any change of procedures would make possible a distinction between these various functions. Yet I am worried both by the degree of detail which comes to the Council, and by the sometimes higgledy-piggledy nature of its agenda. However that may be, my crucial aim will be the closest possible cooperation with Parliament and with the Commission in the interests of Community cohesion. In this connection I have asked my ministerial colleague, Mr John Tomlinson, who is here with me this morning, to be present at Parliament during each part-session for as long a time as possible, and to attend particularly important debates.

(Applause)

I turn, fourthly, Mr President, from internal to external action. I expect the Community in the years ahead to wield a growing influence in world affairs. Certainly the world more and more expects to hear the Community's voice in international affairs. Whatever our internal disappointments, the Community's external potential is enormous.

In the field of external trade relations there is already much on our agenda. We shall shortly sign trade agreements with the Mashraq countries and Israel. And with that the global Mediterranean approach, approved as long ago as October 1972, will be virtually completed. Following my predecessor's visit to Belgrade in December our relations with Yugoslavia are assuming a profound political importance. We shall certainly have a vital role to play in the North/South dialogue, as the CIEC has so clearly demonstrated. In the spring, the Joint Ministerial Council of the Lomé Convention takes place in Fiji. I can see good possibilities for developing our relations with other areas of the world, for example Latin America. In relation to Japan, our recent experiences show the value of our speaking with one voice and demonstrating the influence which the Community exercises.

I want here, Mr President, to mention in particular the scope for expanding common Community policies towards the Soviet Union and Eastern Europe. This is already happening naturally in some areas. For example, the Common Fisheries Policy means that the Community as a whole will need to negotiate with the Soviet Union and some of its partners about reciprocal access. The Common commercial policy puts in the hands of the Commission the responsibility for negotiating trade agreements with the Eastern European countries as with other third countries. We should be able to build on the general need in CMEA countries and especially in the Soviet Union for western trade and technology. I hope to see intensified activity in this area, where the Community's collective economic strength and bargaining power are so much greater than those of individual Member States. And speaking politically, a strong and cohesive Community is a major asset on the western side in the

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overall pattern of East-West relations. Indeed the very fact of Soviet coolness towards it testifies to its potential for limiting the spread of Soviet influence in Western Europe.

Turning to political cooperation, there is a possible role for the Community, at the appropriate moment, in Cyprus and in the Middle East; though this must be in close concert with the United States, and underlines the importance of making early contact with the incoming Carter Administration. And an area in which we shall, I hope, see a great deal of hard work is in preparing a common position on the Belgrade Conference to review progress in implementing the Helsinki Final Act of the CSCE. All this surely demonstrates that whatever the hesitations one sometimes feels in Luxembourg or in Brussels, no one in the world outside doubts the collective importance of the Community.

Lastly, enlargement. This, of course, will absorb much of the Community's time and effort in the months and years ahead, and it will decisively condition the Community's development in both its external and internal aspects for the rest of the century. It presents the Community with perhaps its most testing challenge; though that challenge arises precisely because of the growing strength and attractive power to which I have alluded earlier. The countries knocking at our door certainly feel that attractive power, even though we occasionally doubt ourselves.

Now, Mr President, we must not underestimate the problems which enlargement will involve. It will make the economic divergence between the countries of the Community still greater. The gap in *per capita* GNP between Germany and the United Kingdom is almost trivial compared with that between Germany and Portugal, and the effort required to bridge that gap will be correspondingly greater. The demands on Community funds will be substantial, with obvious implications for the Regional and Social Funds in particular.

Enlargement will also make it harder to improve the overall operation of the Common Agricultural Policy. We shall need somehow to reconcile the demands of French and Italian farmers with the demands of farmers in Greece, in the future perhaps Portugal and Spain, without heaping an unacceptable burden on Community taxpayers and consumers. Even Roy Jenkins' powers of conciliation are going to be stretched to the full by this job of circle-squaring. And there is of course the deep concern that the Community might become looser rather than tighter as a result of enlargement.

Why then enlarge? Because, quite simply, the political benefits of enlargement outweigh all the practical difficulties. I do not refer only to the accretion of power which the new members will bring to Europe's

common pool. Far more important is the new strength which enlargement will give to European democracy. By sustaining the fledgling democracies at the most crucial stage in their evolution, we shall protect them against their enemies within and without. In one part of the world at least, totalitarianism, whether of the left or of the right, will have suffered decisive setback. Enlargement is an investment in the democratic future of Europe; and in the long run the benefits will far outweigh the costs.

That, then, Mr President, is how I see the tasks ahead of us, not just for the next six months, but for the medium term: to improve our sectoral policies; to define and forward convergence in more meaningful terms; to work out the proper role for a directly-elected Parliament; to expand yet further the Community's influence in the world; and to encourage enlargement without doing damage to Community ideals. There is plenty of work here for all of us.

Yet I feel most strongly the need also to listen with sensitive sympathy to our public opinion. And to our public the priority does not lie amongst the objectives which I have just defined; it is to eliminate the evil of unemployment and the painful consequences of inadequate growth.

(Applause)

And what our public wants is also in the interests of the Community. For economic weakness at home lessens the effectiveness of the Community in international affairs. Insufficient growth makes the problems of economic imbalance well-nigh insoluble. In conditions of near-recession, enlargement could prove a source of division rather than the basis of a wider unity. Unemployment and low incomes make the Community's sectoral policies a bone of contention instead of a force for promoting the common good — which is what the Community's founding fathers intended them to be. Generally, our economic problems have threatened to undermine the Community's first and foremost achievement: that of providing a coherent political and economic framework for harnessing the energies, interests and aspirations of Member States to the benefit of all our peoples. Without this framework, our other achievement in the Community would count for little.

Now we in the United Kingdom, as my British colleagues will know, are playing our part. We have introduced painful measures to cut public expenditure and improve our balance of payments. But we cannot succeed — nor can any of us in an interdependent world — unless other economies grow and import more. Much of this will depend on countries outside the Community, particularly the United States and Japan. But we look also to an expansion of demand in the stronger economies of the European Community. I quote again from the OECD's latest *Economic Outlook*:

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Without appropriate growth in the stronger countries — the United States, Japan, Germany and some smaller Members — it may be difficult to keep stringent stabilization policies in place in the weaker countries for a sufficient time to allow the divergences to be reduced.

And this, rather than the many ingenious monetary schemes currently being propounded by academics without practical experience, is the only practical route to convergence, and thus to any hope of a more real economic union.

The need to pull out of recession and so restore the cohesion of the Community will be Britain's immediate concern during our Presidency. Besides this, we shall press for progress along those other routes which I have described today. To assist me in this task I want to bring a new approach to some aspects of the Community's business. In particular, I want to try and introduce a proper sense of priorities so that the Council focuses its attention on the really important issues. My impression after nine months of attending Council meetings is that we have not yet achieved an adequate selectivity at the political level.

In tackling the tasks which we have identified as our priorities, we should not forget those that we shall have to face in the longer term. I do not mean that we should set ourselves new goals for the development of the Community. I do mean that we need a measure of forward planning, so that we can identify the problems of the future and set ourselves on the path to their solution now. This is a reason warmly to welcome the report on forward planning commissioned three years ago under the name of 'Europe Plus Thirty'. The report is now finished and before the Commission. I look forward — we all look forward — to hearing the Commission's comments in the near future.

Mr President, on 25 March we celebrate the 20th anniversary of the signature of the Treaty of Rome. That document, the founding charter of our Community, was an imaginative and far-sighted response by the pioneers of post-war Europe to the political and economic needs of the day. The Community's growth over the past 20 years is ample proof that their act of statesmanship was well conceived. But the best testimony we can offer them is not a static monument, but a continuing readiness to show that we, too, have a sense of the moment, as well as a sense of history; and that we need no spur to respond to the different, though equally challenging, world of the final quarter of the twentieth century. If we do this, Mr President, we shall indeed be furthering the aim of that 'ever closer union amongst the peoples of Europe' which the Treaty sets as a goal before ...

(Loud applause)

President. — I call Mr Fellermaier to speak on behalf of the Socialist Group.

Mr Fellermaier. — *(D)* Mr President, ladies and gentlemen, this was a realistic speech on the part of

the new President of the Council in that above all he took a pragmatic approach and expressed intentions which suggest that the Council may indeed become more efficient. Your remarks about the Council towards the end of your speech give us grounds for optimism in three respects. Firstly, there is reason to hope that the European Council will not increasingly become simply a vehicle for passing on to the heads of state and government matters on which the Council proper is unable to reach a decision, only for them to be sent back in many cases to the Council of Ministers of Foreign Affairs for finalization.

Mr President of the Council, a question which must be asked is whether the system of many councils working in parallel is really efficient? If, for example, the Council of Ministers of Agriculture cannot reach agreement, the Council of Ministers of Foreign Affairs deals with the question. Then there is the Council of Ministers of Transport of which one could well ask what it has achieved, if anything. A recent addition is the Council of Ministers of Education. There are a host of Councils dealing with a vast number of details. I feel that the crucial question of the relationship between Council and Commission should be raised, i.e. are not far too many Councils getting so bogged down in details that they are virtually trying to take the place of the European Commission? I would imagine that a well-organized Commission actually producing something tangible in terms of policy would be very glad of a partner, i.e. a strong Council of Ministers of Foreign Affairs, which is in fact *the* Council according to the Treaties of Rome.

I should like to add on behalf of my group how glad we are to hear this from the Foreign Secretary of the United Kingdom, since I am convinced that, not only as the President of the Council but also as the Foreign Secretary of the United Kingdom, he will do whatever he can to ensure that the ratification procedure proceeds swiftly and smoothly, both in the countries of the Community and in his own country so that it will indeed be possible to hold direct elections to the European Parliament in 1978, thereby making the Community more democratic. On the subject of political cooperation, however, you hid behind statistics, Mr President of the Council. You said that it was a good sign that the Nine voted together on 82 % of the resolutions at the United Nations General Assembly, leaving a mere 18 % of cases where it was not possible to speak within a single voice on external policy. I would have liked to have heard something about this 18 %, and I invite you to say something about this in your answer, since it is not the quantity that matters but the quality, and one may well ask whether the aim of a Council of Ministers is only to reach decisions on paper or whether they are supposed to be put into practice. I can illustrate this remark, Mr President of the Council, by an extremely topical example. The European Council of Ministers passed a resolution on the common struggle against

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terrorism in Europe and the world. One of the Ministers of Foreign Affairs appeared before the forum of the United Nations on behalf of the Council of Ministers and demanded an international convention outlawing terrorism. We welcomed this. We admired the courage with which the Ministers of Foreign Affairs of the European Community appeared before the United Nations, and we must therefore feel all the more ashamed that we cannot even apply this convention within the borders of the European Community in such a way that we could justifiably appear before the United Nations again tomorrow and in the future. What has happened in France in the last few hours makes a mockery of the resolution of the Council of the European Communities.

(Applause from various quarters)

This is not a question of the European Parliament interfering in the internal affairs of a country. What I am saying is that this resolution for the combatting of terrorism must be tried and tested in this Parliament, and I am asking the President of the Council to say to what extent he finds this resolution on terrorism realistic in the light of current events. I should like to make two comments on external relations. I believe we are entering a new phase in our relations with the Eastern bloc. However, we are aware of the differences in the structure of CMEA and the European Community from the point of view of international law. I should like to say, therefore, that what we need is a policy with a sense of proportion, i.e. one which takes account of the differences in political and economic development in the various CMEA countries, and endeavours to prevent the foreign trade policies of any individual country from being restricted to too great a degree by general agreements between CMEA and the European Community.

As regards the follow up to the CSCE in Belgrade, this will be another touchstone which will show whether the Community is capable of speaking with a *single* voice and making a crucial issue the centre point of the talks, as it did in Helsinki. I am referring to the fact that in recent weeks human rights have been increasingly, indeed systematically, violated in certain countries of Eastern Europe, all of which are surely under an obligation to observe the spirit and the content of the CSCE Conference in Helsinki, if we are right in assuming that the countries of both Western and Eastern Europe intend to use the Helsinki agreements as a basis for an on-going process of development.

I should like to say on behalf of my Group that the events in, for example, Czechoslovakia during the last few days are shattering and I might add for the benefit of those who talk about Euro-communism and who are in a position to put in a word for it in today's debate that we are anxious to know whether they can join in our appeal to the countries of the Eastern bloc

not to continue violating the spirit and content of the Helsinki agreements.

(Applause)

As regards the enlargement of the Community, we wholeheartedly agree that we should give Greece, Portugal and Spain every assistance on the road towards accession, despite all the economic difficulties this may entail, since the Europe of the future will have to prove its worth as a single entity, and it would be unthinkable in the context of the Mediterranean policy for Spain and Portugal not to accede to the Community. In general, we find the initial steps towards the establishment of democracy in Spain grounds for optimism, and we hope the Spanish people will indeed succeed in making the breakthrough to freedom and democracy. I am fully aware of the fact that this will lead to several economic problems — ultimately connected with the agricultural policy. But this is all the more reason why we must have the necessary courage to demand that the Council of Ministers finally adopt the Commission's proposals for the elimination of agricultural surpluses since, in the knowledge that with new candidates for membership we will be producing even more agricultural surpluses, we cannot, with the limited budgetary means at the disposal of the Community and the Member States, continue to indulge in the economic luxury of throwing thousands of millions of marks, lire, pounds sterling or whatever, down the drain each year in order to get rid of surpluses, only to produce more surpluses the same day. Of course farmers' incomes must be guaranteed, but at the end of last year the Commission presented the Council of Ministers with a number of courageous proposals which were given a first-class funeral — and I should like to urge the new President of the Commission not to be too soft in his first encounter with the Council of Ministers of the European Communities, so that the Commission proposals aimed at eliminating the surpluses may finally be put into practice.

Mr President, in view of the time, and since six groups wish to speak, I will leave it at that. We will discuss the new Commission's programme in greater depth at the debate in February, and I hope and trust that you will be able to take part on that occasion.

Let me leave it at that. The Socialist Group wishes you perseverance, good luck and the power to convince your colleagues in the Council of Ministers, so that the Council may again become what it should be — a genuine political decision-making body ensuring the internal development of the Community and representing the Community to the rest of the world.

Perhaps if we could get rid of some of the clutter on the Council's agenda it might become possible for us in Parliament, Mr President of the Council, to compliment you on getting something done in the Council that the people want to see. You yourself said that the

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Council — and I repeat what I said yesterday —, Parliament and the Commission will be judged less on their fine words than on whether they at least restore some modest degree of equilibrium to the economic situation in the Community with a view to reestablishing full employment so that there will no longer be millions of people uncertain of their future. If you manage to get something done in this field, Mr President of the Council, we Socialists will be glad to hand you a bouquet at the end of your period of office.

(Applause)

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

Mr Blumenfeld. — (D) Mr President, may I in turn thank the President of the Council on behalf of the Christian-Democratic Group for his account of the priorities as he sees them, an account which was both fundamentally realistic and — even though one could not fail to recognize the British approach, which is not meant as a criticism — pragmatic. Mr Fellermaier said at the end of his speech that he was already prepared to offer you a bouquet. We are a little more cautious. If we have a bouquet to give you at the end of your period of office, Mr President of the Council it will be because we have been critical partners in an extremely challenging relationship, and our verdict will not be expressed in the form of flowers, but in a professional, political assessment by fellow-politicians of your work as President of the Council.

Having said this I should just like, in view of the shortage of time, to take up one or two points from your speech. Firstly, you said at the beginning that, unlike your colleague and our old friend Mr Van der Stoel, you were looking forward more hopefully to your six months as President of the Council. You also explained why to a certain extent. At the same time, however, you listed the enormous problems before us with regard to both internal economy and in our external relations. I wonder, Mr President of the Council, if, in the light of all these difficulties, one can really say that the Community is now in a stronger position to solve the problems facing it.

My friends and I were struck by the fact that you not only referred repeatedly to the Tindemans Report and described it as a realistic basis for the future work of all three institutions, but — and I must admit that this is the first time I have heard this so explicitly from the lips of a President-in-Office of the Council — you also analysed the situation in the Community in what you described as a necessary medium-term perspective. Since we had no medium-term perspective for Europe we cannot begin to solve the acute problems facing the Community here and now. You yourself quoted examples in the agricultural policy, unemployment and many other areas. You tried to make this clear. We go along with you here and will

give you our support. In the brief space of six months, Mr President of the Council, you and we in Parliament will not be able to transform the world. We will however be able to join the Commission, following Roy Jenkins' fine speech yesterday, in working with a strong sense of commitment to the aims of Europe, including the political aims which we in Parliament repeatedly stress. We will stand by you even if at the present stage all we can do is try to get the train onto the rails, so that one day we may achieve the solution which you have identified and which we support.

Mr President of the Council, you said that as one of the greatest centres of economic power, the influence of the Community in the world could be enormous if it spoke with a single voice.

As rapporteur for political cooperation of the Political Affairs Committee of this Parliament and an enthusiastic participant in the discussions, both in the plenary sessions and in the Committee, I must admit that Mr Fellermaier is right to ask you about the 18 %, i.e. those aspects of important external and overall policy on which the Member States of the Community were unable to adopt a common position. You mentioned the 82 % of cases in which the Member States *did* adopt such a position. I can tell you from my detailed knowledge of the votes in the United Nations that by and large these 82 % of issues were the least important. I admit we were pleased in the odd case that we could act jointly. However, up to now a common position on the part of the Council or in European political cooperation has been the exception rather than the rule. I am mentioning this, Mr President of the Council, because I would not like you to get a wrong impression.

This Parliament and the Christian-Democratic Group will continue — and I hope the other groups will do likewise — to remind you of the extent to which joint political cooperation vis-à-vis third countries, both in questions of common trade policy and other economic questions, lacks cohesion and force. There is, in my view, a pressing need for you to use your extensive political experience as Foreign Secretary of the United Kingdom to provide a dynamism and sense of leadership which will really bring about some improvement in this matter. In this connection, I was disturbed by the fact that in your speech you said nothing about cooperation against terrorism in the section dealing with the future activities of the Council, even though this is referred to in the printed version which I received at the beginning of your speech. I therefore agree with what Mr Fellermaier said on behalf of the Socialist Group with regard to the release by France of one of the most evil terrorists from the Middle East. Mr President of the Council, we agree with this view and I hope we will be able to express this formally in a Parliamentary resolution during this part-session. We must realize that this

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kind of behaviour on the part of the French legal authorities or whoever was responsible has made it possible for terrorists to practise their criminal business even more intensively now and in the future. If, despite the solemn declarations made by our governments on the treatment of terrorists, we give in at the very moment we have captured one of their leaders, who is going to take any notice of any political declarations we make? We deeply deplore this behaviour on the part of the French authorities.

(Applause from various quarters)

Mr President of the Council, may I make a comment on the priority you mentioned in connection with the common agricultural policy. You said that the common agricultural policy — one of the cornerstones of our whole economic Community — is, as usual in an impasse.

I should like to say that we are currently face to face with major problems, one of which you mentioned, i.e. our fisheries policy. In our view, the Community should, before the end of the month, clearly define an internal fisheries policy to deal with the problem of exclusive zones and it must pursue an external policy guaranteeing access to traditional fishing grounds outside Community waters for fishermen of the European Community. We expect the negotiations with the third countries to be brought soon — as I stress, soon — to a successful conclusion.

In addition, the Council of Ministers has for months been fiddling around with a decision regarding certain aspects of one sector of agriculture, namely the milk market and the monetary compensatory amounts, both of which are of great importance for Community policy in view of their budgetary implications. The common milk policy, Mr President of the Council, costs 2 000 million u.a. per year and, as they stand at present, we must think in terms of 1 500 million u.a. for monetary compensatory amounts for 1977 unless the system is adjusted. The European Parliament has spoken about the milk market policy on several occasions in the last few months, and it intends to deliver an opinion on the monetary compensatory amounts in amounts. However, the Council must reach a decision on this matter in the near future and we would like to warn against considering these two issues in conjunction with the fixing of agricultural prices for the 1977-78 financial year. A linking of this kind involves the risk of agreement being reached on the lowest common denominator, which would make it impossible to find a fundamental and lasting solution to the problems.

Mr President of the Council, I should just like to say a word on the internal situation in the Community. My Group and I myself would also welcome an opportunity to discuss this in greater detail and depth next month, or at the latest in March. You mentioned the problems: we agree with you in some respects and in

others our attitude will be one of frank criticism. Above all, however — and I can say this even at this stage — we will be grateful if you will agree always to send a representative in our debates, if you are not able to attend yourself, so that we can immediately have a definite, constructive answer from the Council, since, Mr President of the Council, this Parliament has repeatedly — and quite rightly — complained in recent years that we have put questions and taken initiatives but that the Council has only given us answers which might just as well have been sent through the post. What we want is a direct dialogue with you since this is the only form of communication worthy of a parliamentary debate.

A few words on the enlargement of the Community. Mr President of the Council, fine words have been spoken, but do we realize that we also need to explain to the countries wishing to accede, i.e. Greece and, at a later date, Portugal and Spain, the precise nature of the European Community they will be joining? This has never really been said before. You yourself asked this question at the beginning of your speech. What is the Community at present, what will it be in the future? You have raised these problems. However, I should like to warn against timing the negotiations on accession in such a way that a candidate would be joining a club without knowing whether the rules of membership might soon be changed or whether it will continue to exist at all in the future.

Mr President, the Christian-Democratic Group wishes the President of the Council luck in his difficult task. We will follow his activities critically, but nevertheless with support.

(Applause)

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

Mr Berkhouwer. — Mr President, as I am sure everybody knows, the Dutch have always been the staunchest supporters of British entry into the Community. It therefore gives me great pleasure, as a Dutch Liberal, to welcome the new British Presidents to this Parliament.

Mr President, I hope you will nevertheless permit me to start by marking a rather naughty remark. The new President of the Council has already earned a certain reputation — perhaps notoriety would be a more accurate word in Europe, because he is reputed, according to legend to have said that the European Community was a non-event. I am therefore very glad that today he has described British accession to the Community as a great historical event. The fact that, for the first time in its history, the United Kingdom used a referendum to confirm a parliamentary decision proves that Mr Crosland's words today reflect reality, rather than the dismissive phrase attributed to him.

Berkhouwer

One of his major tasks I believe, Mr President, could be to make the British people more aware of this reality. The new President told us today: 'Public opinion at least in the United Kingdom finds it hard to perceive the benefits of Community membership'. Frankly why does the British Government not make a serious effort to explain that the British people are now among the main beneficiaries of Community policies in three important respects? They benefit from the growing Regional and Social Fund; they benefit from the subsidies for food imports; above all at the moment, they are gaining hugely from the support for the green pound, which costs the Community £ 1 1/2 million a day — or, to illustrate the point, about £ 60 000 while Mr Crosland was speaking.

Mr President, a distinguished French politician recently said that with a British President of the Commission and a British President of the Council of Ministers for the first six months of 1977: *L'Europe va devenir britannique*. Mr President, I do not share this view. I am glad that yesterday Mr Jenkins said he would be a European, not a British, President. I am glad also that today in Mr Crosland's speech there was a less insular and more positive tone than we hear in too many speeches by some British politicians, who seem to ignore the fact that the British people themselves have settled the question of their membership of the Community once and for all.

Mr Crosland is of course right to say that many Community policies are stuck in the mud, but this is because some Member Governments are reluctant to harness the potential public enthusiasm for European projects. We Liberals do not want *une Europe des patries*, nor a Europe of bureaucrats, but a Europe of citizens. Mr Crosland criticized harmonization, but there are many ways in which harmonization can be fruitful if it appeals to the imagination of the citizens and is of obvious benefit. Why can't we have European passports, European stamps, harmonization of Community time? Such things would bring the reality of the Community home to the citizens, who cannot be expected to understand the jargon about MCAs or the snake in the tunnel; this talk, in its perplexity and obscurity is a kind of Brussels Chinese.

(Laughter)

And talking of tunnels, when will the British Government begin again the work of constructing the Channel Tunnel? There is a great need to launch a venture in which European citizens could participate by buying small public shares in a project to build a physical link between Great Britain and the continent.

I now come briefly to a few specific points mentioned by Mr Crosland. First the impact the Community is having on Soviet policies in Eastern Europe. Cannot we take advantage of our growing commercial power to insist on a proper observation of human rights in Communist countries? This week there are more

distressing reports of persecution in the Soviet Union and Czechoslovakia, as Mr Fellermaier pointed out. Mr Crosland rightly underlined the success of cooperation with, and in, the United Nations. He did not mention the successful cooperation of the Nine at the Helsinki Conference, which must be repeated at Belgrade this summer if the Soviet abuses of the Helsinki Agreement are to be rectified.

And, is it not long overdue for the Council of Ministers to insist that the Russians officially recognize our Community? Our Member States have diplomatic relations with Communist Governments, imposed and maintained by the Red Army and the KGB. Yet, our governments do not insist on the Soviet Union recognizing the Community to which nine free peoples have pledged themselves.

Mr Crosland congratulated modern Europe, and I do so with him, on escaping from the *petit bourgeois* nationalism of the '30s. But, in their attitude to the energy crisis, the Member States gave — and still give — proof of how much of that shortsighted nationalism remains. Yesterday's news from Paris about the release of a notorious terrorist proves that there is still no adequate cooperation in dealing with terrorism — terrorism which is opposed to all the values on which the Community is based.

I was glad to hear Mr Crosland emphasize the importance of the first European Election ever to be held — the first international election, one might even say. He will know that my Liberal Group and all who have the interests of democracy at heart will want an electoral system which truly reflects the wishes of the people. Even narrow party interests could and should lead Mr Crosland to the same conclusion. The British system of what I must call misrepresentation could well lead to the British Labour Party having less seats than the Scottish Nationalists in the first directly elected European Parliament. The remedy for such absurdities and injustices is in the hands of the British Government. We shall continue to bring it to their attention and to that of the British people. It is vital that the mainstream of European political life should be adequately and proportionally represented, and the President knows very well that the first three among them are the Social Democrats, the Christian Democrats and the Liberals.

Finally, Mr President, I welcome the President's recognition that to enlarge the Community is much less dangerous, although certainly difficult, than to close its doors. We have rightly made democracy the test for membership. Now that Greece, Portugal and, increasingly, Spain are following the democratic path, it is a political necessity to assure them of their right to membership. The fact that Mr Crosland recognizes this again proves the wisdom of the Founding Fathers of our Community when they insisted that we were in politics and not in business.

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

Mr Lenihan. — Mr President, I wish, on behalf of my group to welcome the President-in-Office of the Council, Mr Crosland, here and to say that, in my view, we have had a very pragmatic presentation from him of the immediate tasks ahead during his period of presidency.

On the political side, the two important matters will be the development of negotiations with the two countries who have applied for membership, and Spain, whom we must, as a matter of political decision and attitude, agree in principle to have with us in this great European experiment. There are problems and difficulties; these will have to be teased out and negotiated with them in advance. As Mr Blumenfeld said, they will know the whole score in regard to the responsibilities to be undertaken in the Community before accession.

The other important political matter which will be processed during, Mr Crosland's presidency is, of course, the preparation for direct elections, and here this Parliament and the other Institutions of the Community, unity, as well as our national governments and national political parties, have a tremendous job to do in motivating our people to a commitment to vote when the elections take place. This will be very important because the elected Parliament will not have the moral legitimacy of the peoples of Europe behind it unless there is a substantial vote, a majority vote, of the electorate for the various candidates going forward in our Member countries.

However, these two political matters which will occupy the President during his period of office will, in my view, take second place to the fundamental problem of economic growth and the linked problems of inflation and unemployment. We are not going to get our people really interested in our Community until we get back on the road towards full employment. At every part-session over the past three years we have gone into these problems, and I am not going to go into detail here, but basically everything else that we do in the way of political development or enlargement of our Community will inevitably fail unless the basic task of ensuring economic growth and full employment can be achieved in the fairly near future. And now, indeed problems here arise in regard to the disorientation of currencies and exchange-rates, different rates of development within our Community, wide disparities in rates of inflation within our Community, wide disparities in regard to unemployment.

Basically, of course, the unemployment problem and the whole problem of economic growth will rest on the strong economies of the world. We have one of these very strong economies here within our Community in the Federal Republic of Germany, but,

certainly to begin the strong economies of the world and the strong economies of Europe must get moving again in the way of development. That is the first task. There is very little the Community can do in this area. It is a matter in the main for the major economies of the world, to re-stimulate economic activity.

But where Europe can take positive action is in the whole area of structural unemployment. This is an area with which certain funds of the Community are closely associated, and I would like to see the funds that are associated with problems of structural unemployment brought together — and this was referred to yesterday by the President of the Commission — into one overall coordinated plan where we can see the Common Agricultural Policy, the Social Fund, the Regional Fund and the European Investment Bank playing a coordinated role in dealing with the basic problem of structural unemployment. Mind you, structural unemployment will remain as a virus in the European system even if the major economies reflate and get moving again. Even if the world and the Community as a whole pull out of the present recession and reduce the unemployment figures, the Community will still have this basic area of structural unemployment that will require a positive, massively increased, planned and coordinated transfer of resources, through the inter-related agencies I have mentioned, which should be coordinated with this objective in mind. This is also linked with the whole system of education and training, and again coming back to the President-in-Office's point the problem of motivating our people to take an interest in the Community again depends on this question of unemployment, both structural and actual. We see the nature of the problem as it relates to education and training in particular highlighted by one statistic, which I will just give. At the moment, in the Community, 35 % of the 5 ¼ million unemployed in the Community are under 25 years of age. That indicated the trend towards younger people becoming unemployed, in many cases, because of an educational system which is not geared to the social requirements of the society in which they live, because a lack of training for employment in the society of in which they live. A large area here in regard to the integration of education and vocational training needs to be tackled at Community level as well as at national level, to get over this massive problem of the great percentage of our young people who are now unemployed and who are not going to be very interested in voting in direct elections if that level of unemployment continues.

I would like to say in conclusion that there was one matter to which the President-in-Office referred and on which I agree wholeheartedly with him — indeed, I have, with some other colleagues from his country and various parties, tried to act in this matter on the Political Affairs Committee of this Parliament — and

Lenihan

that is to approach the problems of Europe on a pragmatic and practical basis — not to go for a blue-pint at at some time ahead, but instead decide now what can be done immediately and in the medium term. This was the thinking behind the Tindemans report, which was a very practical report, not one aspect of which has been implemented yet. I feel that 'summitry' has failed: what is required is to improve the basic decision-making process of the Institutions of the Community, and this decision-making aspect lies in the six months ahead with you, Mr President-in-Office. I feel that if one could convert the Council of Ministers into a decision-making body concerned with policy-making and negotiating aspects, and removed as far as possible from legislative and other matters of detail, this would be a practical step toward giving the type of lead that the peoples of Europe require. Because, at the moment, it is in the area of decision-making that the Community is falling down: the partnership between the Commission and the Parliament is progressing well; what is lacking is decision-making at the executive level, and that, at the present time, lies with the Council of Ministers. The inability to make decisions and to act as an executive is doing a disservice to the Community as a whole, and the people of Europe see this endless lack of decision-making at Council meetings. This, of course, brings the Institutions of the Community into disrepute with thinking people, for basically what people want of their leader, both nationally and at Community level, is the capacity to take decisions and to provide leadership. So I welcome the pragmatic approach taken by the President-in-Office and his view that the Council should be less concerned with detail and more concerned with executive decisions and policy-making. This pragmatic approach will, I believe, enable him to leave his stamp on his period in office as President.

(Applause)

President. — I call Sir Peter Kirk to speak on behalf of the European Conservative Group.

Sir Peter Kirk. — Mr President, as the first British Member to speak in this debate, it is entirely appropriate. I think, for me to start with a word of greeting and indeed congratulation to the President-in-Office, both on acceding to this office and on the speech that he has delivered to us this morning. A certain amount has been written in the European press over the last few days, particularly in the press of your own country, Mr President, about the British colonization of the Community that is apparently taking place. I think that this is misdirected. It is not Britain that is taking over the Community but a far more formidable and dangerous conspiracy. The University of Oxford, Sir, is represented now in the Presidency both of the Council and of the Commission and, indeed, in the humble position of the chairmanship of one of the

smaller groups; everybody knows that you can stand out against Britain for as long as you like, but an Oxford man will always come out on top.

(Laughter and applause)

It is, Sir, unfortunate that the President of the Commission — I am sorry to see he isn't here at the moment — went to one of the less reputable colleges in that university, but the President of the Council and I first met in the best of them all, and I was glad to see this morning that his early training at Trinity has served him very well throughout his career. We look forward to six months of a good Oxford approach to European affairs, by which time we should have cleaned up most of the problems that are outstanding at the moment.

Seriously, I was glad that the President took the challenging but broadly optimistic line that he did this morning. One of the things that worried me about the equivalent speech that Max van der Stoel gave us six months ago was the tone of almost black despair in which he addressed the Parliament. I think we do tend to an element of self-flagellation within this Community which is excessive. It was right, therefore, that the President should have reminded us this morning that although, God knows, we have our failures, we have our triumphs as well, and that if we did not have our triumphs and our successes, the Community would not command the sort of respect and the sort of attraction that it does outside. It is, indeed, one of the paradoxes of our present situation that the external world thinks much more highly of us than we do. Usually in our national societies it tends to be the reverse — certainly, I think, in Britain and, I suspect, in one or two other countries within the Community as well.

I think there is another paradox, too, which was implicit if not explicit in the President's speech. He devoted, understandably, quite a large part of it to the sheer mechanisms of the Community. He pointed out that we were experimenting in totally unknown territory, that we could not see where this particular experiment was going to end up, a view, which has been frequently expressed in this House by members of my group — quite rightly, I think. But the interesting thing to me about the mechanics of the Community is that the problem is an almost every case internal to the institution itself. The relations between the three institutions in fact are remarkably good. We may, and frequently do, attack the Council for their failure to act; we may occasionally attack the Commission for the way in which they behave; we even attack ourselves from time to time, which is no bad thing.

But in fact since the development of the conciliation procedure, since the development even of Question-time, although it although it still has some way to go, the interrelationship between the three political organs of the Community has been good. It is internally to the institutions themselves that the problems arise, both here in this Parliament, in the Commission

Kirk

and above all, I think it was right that the President should have devoted a lot of this time this morning to the problems of making the Council work effectively. Although I have been out of the Chamber, for which I apologize — I had other things to do — I have listened to every speech which has been made in this debate, thanks to the technical wonders of this building. Mr Fellermaier reminded us in his speech that we don't in fact deal with a Council: we deal with about twelve different councils, and this is a point that I have heard the German Chancellor make on more than one occasion. A point that I have made myself on more than one occasion, and will make again, is that we have had the additional complication now of the imposition on top of all these councils of a thing called the European Council, which only meets three times a year and which appears to hold up decision-making in all the other councils that we have to deal with.

(Applause)

Now this is not a matter that we can sort out in this Parliament, but I think it is our duty as the Parliament of the Community never to stop reminding ourselves and the other institutions of the internal failings of those institutions where they affect the running of the Community as a whole. And I nevertheless believe, though six months is a very short time — and I have now come to the conclusion that the term of office of the Presidency should be extended to at least twelve months if anything is going to be achieved in a coherent fashion — that if the President can do anything about that he will have rendered the greatest service he can render to the Community, even if he achieves nothing else at all in his six month period of office.

He reminded us too, of course, that there is another institutional change to which we can look forward in the near future, and that is the direct elections to this Parliament. I don't wish to stray out of order in any way. It could be said that the remarks that I am now going to make are remarks more appropriately addressed to the British Foreign Secretary than to the President of the Council. Nevertheless, because the Act of 20 September 1976 laid down — I think rightly — that the failure of one country to be ready for elections at the appropriate date implicated the failure of all, and the elections could not be held, it is a matter of importance to every Member of this Parliament to know whether the President-in-Office of the Council believes that the British Government will be able to secure the necessary legislation to ensure that those elections take place at the right time. This is a matter of general interest, not just for British Members but for every Member of this House, and I hope therefore that he may be able to reassure us on this point — a point on which I fear we need a certain amount of reassurance at the moment.

Sir, I have referred before to the paradoxical fact that the Community carries much more weight outside itself than inside itself. And therefore it was not

surprising and, indeed, it was very encouraging, that the President should devote so much of his speech to the external strength of the Community, both institutionally, in bodies like the United Nations or the Helsinki Conference, and in particular problems. He referred to two particular problems and I want to refer to one of them again, if I may. That is the problem of Cyprus. The Community has a particular responsibility that comes because Cyprus was for many years a British colony: not only is Cyprus an associate member of this Community, although most people seem to forget that fact, so are the other two countries involved in the Cyprus dispute. And I think it was quite right that the President said that at some appropriate time the Community, in collaboration with the United States, should take some kind of initiative. The only phrase that worried me was 'at the appropriate moment', which appeared to suggest a delay. I believe that the situation in the Eastern Mediterranean is now so dangerous as a result of the Cyprus problem — and because of the Greek application for membership, the Community is going to be involved even more closely with the Cyprus problem — that the appropriate moment is now, or possibly next week after the inauguration of the new American president. Obviously we can do nothing while the American State remains in its regular four-yearly limbo, but once the Carter Administration has taken over, would it not be possible and I put this question to him not as a political point but because I believe it is urgent that something should now be done — for the Community and the United States to envisage some kind of conciliation procedure between the parties involved in the Cyprus dispute, not an arbitration or a mediation, but just somebody with the joint backing of the United States and the Community who is prepared to devote the amount of time that, for instance, the new United States Secretary of State devoted in 1967 to this problem, somebody on a straight steady shuttle between the three centres of power to see whether there isn't a way in which we can move towards a solution of this problem? I believe the Community's responsibility here is enormous. The United States' responsibility is quite clear. Obviously, as the President said, we must act together, but I think we have got to act soon, otherwise the situation will continue to drift, and drifting situations tend eventually to get almost insoluble.

Sir, I don't want to exceed my time, but I want just a word on the internal policies to which the President referred. I would only perhaps have one possible quarrel with him. He quite rightly pointed out the importance of a solution to sectoral problems and he listed three — agriculture, fisheries and energy. I could list some more which I think are in need of solution I do not think the Regional Policy is satisfactory: I think it may well be that the Commission's initiative, as Mr Lenihan has pointed out, in trying to combine regional, agricultural and social policy, at any rate in so far as funding is concerned, is also of major importance, but I accept that the three most immediate

Kirk

ones and the ones which we ought to be turning our attention to at the moment. But Sir, I cannot for the life of me see — and I have said this before — how we can move towards a solution of these problems in isolation from the major problem facing the Community, the major structural problem, which is not unemployment — which is an effect rather than a cause — but the divergence of the economies and the monetary policies of the nine countries. Everything comes back to that. You cannot solve the problems of the Common Agricultural Policy as long as there is the type of monetary disparity that we have within the Community. You cannot expect the richer members of the Community to contribute to regional, social and agricultural funds as long as the economic and monetary policies force a type of subvention between the rich and the poor countries within the Community.

And so, though I absolutely agree with him that these are policies that need urgent consideration, this still cannot alter the fact that whereas the men who laid down a target for Economic and Monetary Union four years ago may have been wildly idealistic, nevertheless they had the right idea that this is at the basis of all the problems with which we are faced. And so it is that, I think, more than anything else, to which the Council, the Commission, and we here in what little we can do, have got to bend all our attention. Recently during the Dutch presidency, the Dutch Minister of Finance put forward certain proposals which I understand were considered carefully both at the European Council and at the Council of Ministers. Can the President tell us anything about progress in that field today, because these seem to be the most hopeful of the various proposals that have been made for a solution to this problem?

Mr President, I conclude, as I began, by welcoming the President here on behalf of the Conservative Group, by looking forward to the stimulating contributions that we shall undoubtedly get from him when he is able to come to our sessions, by congratulating him on his decision to have a political minister here — Mr Tomlinson, who is an old friend of many Members of this House, will know that he is very welcome — and by looking forward to what I hope will be an exciting six-months' period.

(Applause)

IN THE CHAIR : MR SCOTT-HOPKINS

Vice-President

President. — I call Mr Sandri to speak on behalf of the Communist and Allies Group.

Mr Sandri. — *(I)* Mr President, Mr Crosland's wide-ranging speech has confirmed what he had to say last November when he outlined what British policy

would be during the six months of the United Kingdom Presidency. He told us then that it would be wrong to expect any firework display of initiatives and stressed that the Community's advance towards common policies was a long-term process which excluded major breakthroughs in the short space of six months.

We are convinced that this is the right approach, especially as the European Economic Community is currently stagnating, beset as it is by centrifugal and retrograde tendencies. It is pointless to split into opposing camps of optimism and pessimism; we need only look at the outcome of the last European Council meeting which was so strongly criticized, for a variety of reasons, by this Parliament. While, therefore, it is right to keep the general vision of the construction of Europe clearly in mind, the next six months will witness challenges which the European Economic Community cannot refuse; they will be marked by events which Mr Crosland mentioned in his speech and which I should like to emphasize again here, especially with regard to the Community's external policies.

Firstly, let us consider the work which is about to start again following the disappointing conclusion to the fourth UNCTAD conference in Nairobi, and secondly, the probable resumption of talks on international economic cooperation, the North-South dialogue. In both cases the European Economic Community has been divided and unsure of itself, and unable to play its proper part in negotiations. This House expressed strong criticism of this not so long ago.

We therefore feel, as far as our policy towards the Third World is concerned, that the coming weeks should be used to develop a political resolve which will enable the European Economic Community to adopt a common attitude with regard to both sets of talks. We know that this will not be easy; indeed, we realize just how difficult it will be. But encouraging precedents are offered by previous achievements of the European Community. Think of what was achieved by the last Commission and by previous Councils of Ministers. They had to face a great deal of criticism and opposition, and yet notable advances were still made in our relations with the Third World. At least we in the Italian Communist Party feel that the Lomé Convention, the agreements with the Magreb and Mashreq countries, and the agreement with Israel constituted notable advances, both for what they contained and for the possibilities they open up.

It is our view that the Community should go to the forthcoming meetings of the North-South dialogue and the next round of UNCTAD talks with the common desire to promote cooperation on a basis of equality between the Third World and the industrialized nations. This common desire was, we feel,

Sandri

reflected in the agreements which I mentioned just now.

Turning to problems relating to the international economic order, I should like to make a suggestion, or rather a request, on behalf of our Group. At past summit meetings of the industrialized nations (Rambouillet, Puerto Rico and so on), this House was only informed of the subject and conclusions of these talks after the event. Mr President, may I ask the President-in-Office of the Council to ensure that before any future summit meeting of the industrialized nations this House is informed of the matters to be discussed so that we may express our own opinion?

Let me now turn to a second problem. I am referring to the enlargement of the Community. This will be another nail in the coffin of fascism and a triumphant blow for democracy on our contingent, as the candidates for membership are Greece, Portugal and Spain. But I want to mention only Spain here, since that country is now in a singular position — all the parties working towards democracy are unanimous in their desire to join the European Community.

In a situation like this, I feel that the Community can play an important role. The Commission and the Council of Ministers can use membership as a stimulus to encourage the democratic parties of Spain in their efforts to achieve democracy. There is no need for interference or pressure. I feel that Chancellors Schmidt's recent visit to Spain shows how, without interfering, we can properly encourage, advise and stimulate the development of democracy in Spain, a process of great importance for the future of our continent.

Finally, Mr President, I should like to mention the preparations for the Belgrade summit which is to review how far the letter and the spirit of the Helsinki Agreement have been observed. The meeting in Belgrade will be extremely important and of unparalleled complexity. At this point I feel I owe a reply to Mr Fellermaier. He is not in the Chamber at the moment but I shall give the reply all the same, so that it may appear in the report of proceedings. Mr Fellermaier asked the 'Eurocommunists' what they thought of the Belgrade Conference and of what is happening in certain eastern European countries. Our reply is straightforward and categorical: both in this House and outside it we have already expressed our clear and unequivocal disagreement, criticism and condemnation of any restrictions of liberty, be it liberty of thought or expression, scientific research, religion, or association, in either East or West.

But the opinion of the Italian Communists in this Parliament will not be enough to dispel controversy. We shall have to go to the right place, in this case the Belgrade Conference, and it is for the reason that we hope the European Community will ask with a single voice how the guiding principles of Helsinki have been realized in both the East and the West.

Let me ask one final question, Mr President, on one specific sector of the economy. Mr Crosland made a precise statement with regard to fish. Well, we too should like to see this problem solved for the benefit of workers in the British fishing industry, and for fishermen everywhere. What I mean is that I should like to see a Community solution. Lastly, Mr President, let me wish Mr Crosland success in his term of office as President-in-Office of the Council. Thank you.

(Applause)

President. — I call Mrs Ewing, non-attached.

Mrs Ewing. — Mr President, could I congratulate the President-in-Office of the Council on his appointment, and hope that he has an enjoyable and interesting experience in the dialogue that is conducted between us. I am also very pleased that Mr Tomlinson is going to be here. I would in particular make a plea that the President-in-Office be here in February on a vital matter that was postponed from the agenda, namely the fishing item that has just been referred to. I hope that Mr Crosland will be able to be present himself, along with Mr Tomlinson, on that occasion.

Many of us have tried to open up the information about the Council deliberations. But we have had no success so far. I would ask the President-in-Office of the Council to have another look at this question. I made the very modest proposal the last time I raised the matter, that MP's of the European Parliament from relevant committees should at least be allowed to attend the Council's deliberations. Even that modest request was given a vague answer. Perhaps the new President-in-Office will reconsider this whole question, because it is, I think, a fairly burning one in the matter of good relations between the Council and the Parliament.

If this Parliament is going to be directly elected and more powerful, it should not be thought, in my view, that such a Parliament will allow a situation to continue where so many important decisions are made totally without its control. There was just a hint, I thought, of condescension in the phrase that one of the tasks of the six months would be to work out a role for the directly elected Parliament. I would have thought that the directly elected Parliament would work out its own role, and would know its own role before it even had to work it out. What I would consider more pressing in the next six months is to take very seriously the fact that at least in my experience — and it is shared by many Members — the man in the street really doesn't know what he is going to be asked to vote for. Now, as far as the United Kingdom is concerned this is partly because the newspapers cannot afford to come here on a regular basis. Even *The Scotsman*, which is quite a distinguished

Ewing

paper, started off, but it can't afford it. BBC Scotland, for example, can't afford it. You have a real problem here, without expecting the *Strathspey and Badenoch Herald* or the *Crew Chronicle* to afford it. The news is not getting through; good news or bad news, it is not getting through ...

(Protests from Mr Dalyell)

... Mr Dalyell disagrees with me; he always does of course, or almost always. I am not in the least disconcerted by his interruption.

We have some correspondents here, but we do not have them often enough, and we do not have them on a regular basis. Even the Press Association head tells me that this is a real problem. We sometimes have, for a glorious moment like yesterday, a blaze of publicity; but on the whole the information, or much of it, does not get through. I suggest that in the next six months it would be a very good thing to direct the attention, of the President-in-Office of the Council to this.

I am one of those who would like to add my voice to welcome the States who aspire to enter this Community. I think it has to be said often, because it has got to be known back in those States that they are welcome. And the parties in those States have got to know that many of us feel that this will help to democratize these States. We know they have problems, but many of the Member States have problems. We have Northern Ireland to worry us, the Germans have migrant workers' problems to worry them. We had the problem yesterday about Southern Italy. We all have Problems. But I wouldn't like to think that, because these Member States have got problems, we would in any sense seek to discourage them from applying for entry.

On the question of the Regional Fund, could I say that I think it would be a good thing if there was far more emphasis on the regional and social aspects of the Community than on the agricultural aspect, which is not in my view one of the success stories, and certainly has been a disaster in Scotland, and is so regarded even now by the Scottish National Farmers' Union.

Lastly, and perhaps not surprisingly, on the question of fishing. I would like to say that there is a distinction between oil and fish, because you can create the oil industry one way or another — it is still in the process of creation. You can decide whether you are going to allow build-ups of communities here or there, whether you are going to seek for job-permanency in one part of Scotland or another where the oil is offshore. But the fishing communities are here already; and that is the problem. There are no alternative jobs. And to suggest cash and compensation for the last hunters in the world, to offer to turn them into office clerks, just is not good enough, because it

is not in keeping with their dignity as human beings, and therefore it is not in keeping with our dignity, if that is the only proposal we can make. The other concrete proposals must await the fishing debate which was postponed, and no doubt I will make them. But I would like to hope that Mr Crosland would attend that next meeting in February.

(Applause)

President. — I call Mr Crosland.

Mr Crosland, President-in-Office of the Council. — Mr President, I shall make no attempt of course to reply to the substantive points that have been made, especially as most of those who have made them have had to leave the Chamber.

I would only like to correct one thing and that is a point made by our Dutch liberal colleague, when he gave the impression that I had in a previous speech described the formation of the Community as a non-event. I would like to correct this impression because I never, of course, used the phrase 'non-event' in connection with the Community. I was discussing merely the very detailed and technical arguments as to whether entry into the Community had or had not improved the state of the British economy alone. And from that point of view I was making the point that the effects of entry on the British economy had been swamped by other vast tidal and global waves.

I would like to say, Mr President, only that I have listened to the debate with very great attention. I have learned a lot from it and I shall study the transcript very carefully indeed and I hope that some of the Council decisions and activities may reflect many of the important points that have been put here this morning.

(Applause)

President. — I am sure I can speak for the entire House in thanking you very much, Sir, for coming here and wishing you once again every success in your six months of duties as President-in-Office.

The proceedings will now be suspended until 3 o'clock this afternoon.

The House will rise.

(The sitting was suspended at 1.20 p.m. and resumed at 3.00 p.m.)

IN THE CHAIR : MR BEHRENDT

Vice-President

President. — The sitting is resumed.

7. Site for JET

President. — The next item is the motion for a resolution (Doc. 510/76 rev.), tabled by Mr Fellermaier on

President

behalf of the Socialist Group, Mr Springorum on behalf of the Christian-Democratic Group, Mr Hougardy on behalf of the Liberal and Democratic Group, Mr Liogier on behalf of the Group of European Progressive Democrats, Mr Normanton on behalf of the European Conservative Group and Mr Veronesi on behalf of the Communist and Allies Group, with request for debate for urgent procedure pursuant to Rule 14 of the Rules of Procedure, on

the need to establish a site for JET as a prerequisite for effective research measures to secure the Community's energy supplies in the long term.

I call Mr Springorum.

Mr Springorum. — (*D*) Mr President, ladies and gentlemen, I almost feel like apologizing for the fact that practically every part-session we come up with a motion for a resolution calling for a decision by the Council on the site for the JET project and a request that they take a decision on the research programme in general.

However, it is not for technical and economic reasons alone that this decision on the siting of this project is of vital importance for the future of Europe. It is above all quite simply a question of whether the European institutions can function at all, and the European Parliament cannot remain silent on this matter. It cannot just sit back and say nothing about this farce — which is gradually turning into a tragedy — over the siting of the JET project.

I should just like to say a few words on the significance of this joint European research project — thermonuclear fusion — which is in fact the most ambitious yet undertaken. Europe was and perhaps is still in the forefront in this field of research, and therefore it is of immense importance for Europe since it represents a possible source of energy using raw materials which Europe would have at its disposal. After all, Europe is going to have enough problems over the next few years obtaining adequate supplies of uranium and oil. Such problems would not exist in the case of thermonuclear fusion. If one stops to think that one gramme of hydrogen, in the form of its isotopes deuterium and tritium, would be enough to produce 100 000 Kw of electricity, this is clearly a solution to a problem whose full impact Europe has perhaps not yet felt. Research into thermonuclear fusion is not just one possibility among others, it is the only chance, the final chance for Europe to become independent in energy supply. At its last part-session the European Parliament requested the Council — which itself had said it would reach a decision by the end of 1976 — to come to a final decision on the matter at the Council meeting planned for 20 December. This Council meeting was in fact cancelled because of obstruction by the French Government, because France was not ready for a decision. France was only prepared to accept Cadarache as a site for the project,

and none of the other three sites proposed, unless agreement could be reached on a site in a third country, i.e. near Geneva in Switzerland. This really takes one's breath away. What sort of a Community is this if one Member State would prefer a research establishment of this kind to be set up in a third country if it fails to get this undoubtedly tasty morsel for itself. To put it another way, what France is saying is, 'Either we get it or a third country; under no circumstances should it be set up in England, Italy or Germany.' I do not know the motives underlying this harsh attitude on the part of France. Perhaps they are trying to turn the whole thing into poker game and raising the stakes as high as possible, perhaps this is a piece of horse trading, or perhaps they are afraid that the industry of the country chosen for the site will gain a certain advantage. I think the Commission should set France's mind at rest on this point. Whatever country is chosen for the site, thermonuclear fusion will always be a joint undertaking and the technological knowledge and advantages gained will be available on the same basis to all the Member States.

The resolution we are submitting to you today contains a request to the Council to act in accordance with its responsibility and in the interest of the nine countries at its meeting of 17 and 18 January. We are appealing to the will of the Council to come to a decision. This decision need not go beyond instructing the Council of Ministers of Research to decide upon a site by qualified majority, as provided for in the Treaty and as decided by the European Council in 1974. No one can claim that the question of the site is of vital concern to any Member State. We in Parliament do not wish to join in the lamentations which the Commission started uttering at the end of last year. Quite simply, we do not think the JET project is on its last legs, because ultimately we believe in the commonsense and intelligence of the Council, although we sometimes have our doubts.

In our resolution we request the Council to discuss the matter with us. We should be grateful if the Council gave Parliament a chance to explain quite clearly how important we regard this joint venture as being from the European point of view. We want to make clear that we can see possible danger for the Community if nothing should come of this project, since the people of Europe would quite simply lose faith in the Community. I hope we will not need to appeal to the Council again before it finally reaches the decision which, in our view, it is obliged to make.

I therefore urge the European Parliament to adopt the motion for a resolution.

(Applause)

President. — I call Mr Flämig to speak on behalf of the Socialist Group.

Mr Flämig. — (D) Mr President, we do not want a new edition of the debate for or against JET. This Parliament has already declared itself in favour of JET. The experts have told us that no one can as yet say whether it will ultimately be possible to control nuclear fusion or to control the energy thus released, but neither is anyone in a position to say that this will not be possible. Therefore, we should make an attempt because in this case — as always — the proof of the pudding is in the eating.

We agree with what Mr Springorum said on behalf of the authors of this motion for a resolution, namely that neither the JET project nor thermonuclear fusion are on their last legs. As has been pointed out here, if the project is successful we will have solved our energy problems for centuries to come. This is a form of energy which, while not cheap, is partially inexhaustible. True, it is not without its environmental problems, but it does not involve nuclear waste or plutonium. The production of energy in this way is not without danger, since there are safety problems with tritium and neutron radiation — to say nothing of the waste heat — but this is undoubtedly a form of energy which is easier to control than the sodium breeder. In a word, all this has been clearly established and still applies.

We are, therefore, not discussing technical questions today, but politics, if I may put it that way. The Council has given a deplorable example of indecision. We cannot help feeling that the spectre of national egotism has slipped in through the cracks in the Council building in Brussels. At first sight, the proposals of one Member State — as Mr Fellermaier has just mentioned — appear to be aimed at hindering rather than promoting agreement. How else can one interpret a proposal that, if necessary, the project should be sited outside the Community as long as it is not sited in England, Germany or Italy. This is the motive, after all.

What do we Socialists want? We politicians do not wish to interfere in the discussion on technical problems or possible solutions. We want a practical decision, which means for us that the project should be sited somewhere where fusion research is already going on. We want a swift decision, since time is short. The experienced research teams are breaking up. Europe was once a leader in this field and it should not let others reap the benefits of our work. We want an economical decision, i.e. if possible a site should be chosen with an existing infrastructure for hardware and not only for software, i.e. where it would be possible to carry out any subsidiary experiments which prove necessary without considerable additional

expenditure or complications, if the need should arise, which it no doubt will.

We want a realistic decision. This is not a national status symbol, but it will cost the country chosen for the site millions over and above the normal EC sums. Therefore what we want is a realistic decision and not a new discussion on the pros and cons of nuclear energy. What we Socialists are doing here today is buttonholing the Council and saying, 'For goodness sake come to a decision on the site and the programme!'

We ourselves cannot determine a site for JET, since we do not have the necessary specialized knowledge. We should have nothing against the Council merely agreeing on a programme and leaving the question of the final site to the Commission as a technical matter, but only — and this is essential — if the Commission's decision is respected by the Council. If the Council does not wish to do this, all well and good, it can decide itself — but immediately, please. The 'immediately' is why we do not go along with the amendment proposed by Mr Noè, since this suggests new studies, and hence the possibility of delays, and this is contrary to the basic purpose of this motion for a resolution.

On the other hand, we have no objections to the two amendments tabled by the Liberal Group, since they make the matter clearer and more complete. The Socialist Group — and I would like to end on this point — fully supports the motion for resolution, since we are in favour of an advanced energy policy, which in our view would help to ensure employment and economic stability, and is thus an essential element of social policy within the European Community.

(Applause)

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

Mr Vandewiele. — (NL) Mr President, first of all I should to thank, on behalf of my Group, not only those who took the step of tabling this motion for a resolution, but also Mr Flämig for the explanation he has just given, as I agree on the whole with his arguments. We too would like to express our disappointment at the fact that no decision has yet been reached on the JET project. In spite of its promise, the Council has not yet managed to reach a decision on the site, and this is all we are discussing today. We are intentionally avoiding technical matters — I agree with what Mr Flämig said on this point — but we should like to stress once and for all that what we want is decisions — on the siting of the JET project to give one example.

We cannot believe that a project on this scale could be doomed to failure merely because of conflicting

Vandewiele

interests of a purely national or political nature. We do not believe this is possible and we cannot accept this. I appeal to Parliament as a whole to make this quite clear today. The lengthy preparatory studies by Euratom and the studies which have been underway in the United States, the Soviet Union and Japan for many years now have shown that this important programme of fusion research has considerable potential.

We must realize that nuclear fusion may be the energy source of the future. Supplies of hydrogen are practically unlimited and nuclear fusion does not pollute the environment. According to some experts, it should be possible to utilize nuclear fusion industrially within 20 or 25 years. One might answer that this is being too optimistic, but we join the eminent experts in the hope that research will progress us so far, and every month of hesitation can only delay matters.

In a recent interview, Professor Bonato Palumbo said that in July 1975 a comparative study revealed that Europe was a year ahead of the United States and the Soviet Union in research into nuclear fusion. That was the situation in 1975. A few weeks ago a study conducted by Princetown University showed that our lead has already become substantially smaller. The number of 53 top physicists working on this project in Europe has already dropped to 42 and, according to Mr Brunner, some have already announced their intention of leaving the research team. In view of the uncertainty on the part of our scientists and particularly in view of the urgent necessity to guarantee energy supplies for the Community in the future, we urge the Council to reach a decision on the site for this project on 18 January.

If a decision cannot be reached on this occasion either because of the need for unanimity, our Group would like to stress that this unanimity procedure is contrary to the spirit of the Treaties. In that case, we would even make so bold as to suggest that the Council refer the question to the Council of Ministers of Research with explicit instructions to take a decision with a qualified majority. We must learn to take majority decisions, and this Parliament should take every opportunity to denounce the veto system. There has been enough wavering. We have the technical discussion to the experts, but as politicians we want clear decisions on policy. I am sure I am speaking not only for my Group but for the vast majority of this Parliament when I explicitly ask the Council to take a final decision on 18 January. The Christian-Democratic Group will give its full support to the motion for a resolution.

(Applause)

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

Mr Hougardy. — *(F)* Mr President, following the very fine speeches made by the previous speakers, I should like to add that the Liberal and Democratic Group joined in this request for an urgent debate because the European Community must show that it can take decisions. I believe that this is essential and must be done as quickly as possible on every occasion.

Secondly, we feel that this House must plan in increasing part in the decision-making process by using the conciliation procedure which has already proved successful. I am thinking here of our past record with regard to the budget.

The previous speakers have, I think, made it clear that we are facing responsibilities which we cannot shirk, and that, as spokesmen for public opinion in the Nine, we are now ready to cooperate openly with the Council.

Unfortunately — if I may speak quite frankly, as an expression of my desire for close cooperation — we have not always felt that Parliament's collaboration was something the Council wanted. A decision on the JET site cannot be put off any longer. We have already heard that we are losing the lead we have over our rivals, especially the United States but also the Soviet Union.

I should like to point out here, ladies and gentlemen, that the common energy policy has already been a failure, as a result of a whole catalogue of events where national interests have prevailed. We must not lose this opportunity, the lead we have in fusion research, simply because of shadowy, behind-the-scenes manoeuvring which only holds up any decision. We have been fobbed off for long enough with the promise from one Council meeting to the next that a decision was about to be taken. I was told this several times when I went so far as to tell the last Council that this shortcoming was shocking in the extreme. I cannot hide the fact that we are still only at the stage of promises, but I sincerely hope that the promise to arrive at a decision the next few days will at last be maintained. However, I still have my doubts and it will take a surprising display of initiative by the Council to prove me wrong.

We are rather concerned — and everyone ought to be concerned — at the risk that this project might fall between two stools, as was the case with the Dragon project. If we look at the case history of Dragon, it is clear that Parliament was just not kept informed, but merely presented with a *fait accompli*. Let me tell you, I am not qualified to plead the case of this of that site, but I was nonetheless astonished to learn during a meeting of the Committee on Energy, Research and Technology that the Council did not even take a proper look at report prepared by independent experts on the best site for the JET project.

Hougardy

What is the of asking for highly complex reports if they are going to be disregarded and pushed to one side, and discussion of the problem finally postponed to a later date? And I should like to know why this report was not considered by the Council.

Another point: we should like to know what the programme is going to be. This is why we have tabled certain amendments, and I wish to thank Mr Flämig of the Socialist Group for supporting these amendments, since I feel that any positive decision on the programme would help dispel the misgivings felt by the scientists. We have already experienced a brain drain of scientists to countries where their research is encouraged. But we can still say that Europe, despite its unfortunate lack of top-grade raw materials, still has scientists in the field of nuclear fusion who have shown that they do not lack ideas and have outstripped the United States or Russia.

Another question concerns the latest cost of this project. I suppose I am right in thinking that throughout the time the Council has been considering this problem, the figures have been constantly up-dated, since another criticism which can be made of the delay over choosing a site is that in the meantime costs have soared, and it will be the Community which has to foot the bill for this procrastination.

Is this going to be the last time, ladies and gentlemen, that we have to plead for progress in a sector which is inevitably linked to the problem of alternative sources of energy? You know as well as I do that we are at the mercy of a crisis which can occur at any time. I do not want to hear anyone arguing that there is still a lot of research to be done.

Ladies and gentlemen, all research into alternative sources of energy will be long and difficult, but while we are still in the lead in this field, it would be criminal to abandon our research.

(Applause)

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

Mr Krieg. — *(F)* Mr President, ladies and gentlemen, the Group of European Progressive Democrats naturally supports Parliament's request to the Council to reach a decision on the site of the JET project. It is quite right that this request should be addressed to the Council, since this House has to discern where responsibility lies. Our responsibility is to propose and to supervise; the present responsibility of the Council is to choose a site. I think that everything has been said during the innumerable meetings which have been devoted to this problem, and that the Council ought now to have all the facts it needs in order to reach a decision.

I agree with what Mr Hougardy said just now. It is totally ridiculous and illogical that information sought

from independent and presumably neutral experts should then be ignored. The least that could be done, I feel, would be to give it some consideration.

As I am a member of the Committee on Energy, Research and Technology, I should like to say to our chairman that France should not be accused, here in this Chamber today, of being the cause of all the difficulties which may exist. There are faults on all sides, Mr President, and I think this ought to be stated.

Following on from what Mr Hougardy said just now, I should like to point out that the problem of the site is far from being the only problem. Mr Hougardy mentioned the problem of costs, and these are clearly of extreme importance. The monetary situation has changed since 1975. It is essential to up-date the proposals and the estimates and to make sure that the JET programme is clearly presented and submitted for discussion and approval in this House.

There are three other problems which I should like to mention and which I hope the Council will discuss when it meets on 17-18 January.

First of all there is the tricky problem of the regulations governing the JET project. What will they be? Will they be those of the country where the JET project is sited? Or some other regulations? For reasons of simplicity and efficiency, the Group of European Progressive Democrats favours the former solution. It is essential that Parliament be kept informed and can discuss the proposals as they arise.

There is also the problem of the organizational set-up of the project, but I am not going to go into that now. Finally — and this is very important, perhaps vital — we have to think about the status of the staff employed on the project.

These are aspects which we ought not to disregard. Choosing a site for JET is all very well, but we must first settle the other questions involved, which will become of vital importance once the site has been chosen. If we do not do this, we shall only have bungled the whole affair and will risk losing our lead in this technological field, a lead which all the speakers have commented on but which, quite frankly, is getting less and less as the months go by and will eventually disappear. That is all I wished to say on behalf of my Group, Mr President.

(Applause)

President. — I call Mr Normanton to speak on behalf of the European Conservative Group.

Mr Normanton. — Mr President, the European Communities, we should never forget, were born in the ashes of war, when men and women were ready to apply and learn from the bitterest of experiences of that bitter conflict. They wanted to create something that they and their children would cherish and enjoy

Normanton

in common, with certainty and with safety for the future. Since that time, the nations of the Community have achieved unbelievable improvements in the field of cultural, social, intellectual and material standards of all kinds. They have increasingly shown, not only their desire to improve the lot of those who live inside the Community, but to shoulder the responsibility for helping those who live outside the Community to do likewise. The wherewithal to provide this aid and investment demands continual wealth creation, as does the need to maintain current and future employment and living standards for the peoples of the European Community.

The life-blood of wealth creation is demonstrably and unquestionably the availability — and certainty of availability — of energy; and we really must ask ourselves whether we have learnt the lessons of each and every crisis which has had the word 'energy' attached to it. Must we really continue, as Europe, to be assailed by repeated checks on our very life-blood for the present, and our only hope of life-blood for the future? With the JET project, the Commission and the European Parliament are proposing an investment effort by scientists, by industry, by engineers, in the field of design and construction of hardware to establish the principle of fusion. Fusion is, we must recognize, but one potential and promising method — but it is a more hopeful one — for the generation of energy in the quantities necessary, and at a cost which is acceptable, to replace conventional energy sources as they are becoming, and will continue to become, exhausted.

Without pretending for one moment that fusion will prove a commercial success, I do believe that the investment in fusion research is essential, if only to demonstrate whether it is capable of producing the energy which is so vital for the future.

Are we really taking fright at the size and nature of this investment — a mere 500 million u.a. spread over 4 years? The answer — and it must come from this House — must be an unequivocal no. We at least are prepared to shoulder our responsibilities of recognizing the importance of ensuring a certain and economic availability of energy for future generations. We really must ask ourselves if those who refuse to give the go-ahead to the JET project are rising and accepting their responsibilities in this particular context.

Can't we really once again remind ourselves of the lessons which previous generations learned at the end of World War II, and can't we apply them now and for the future? This project is, so to speak, the litmus test of the collective wisdom of the Council, the Commission and of this Parliament, by which future

generations will come to judge them. The nations of the Community owe, each to one another, a duty to see in this project a catalyst for the fusion of political and economic effort, and to take into account the subsequent and more substantial work that will be their joint responsibility — the building in the second stage of the JET project, of a small-scale power station. And after that, to organize our industries to build plants on a commercial basis.

But, above all — this is assuming of course that the fusion principle is proven to be workable — I will assure this House, Mr President, and do so, with your permission, by reading a telegram which I have received, that the concern is not only that which is felt throughout the length and breadth of this House, or indeed in Commission or Council. It extends throughout the Community and, more particularly, from those who shoulder responsibility for collective decisions on industry. I refer to UNICE. I quote, with your permission, from their telegram:

European industry is very concerned to note that the Council of Ministers has been unable to reach a decision as regards the site for JET. European industry fears that this could easily lead to abandoning the project. UNICE urgently asks Ministers of the nine Member States to make a rapid decision, taking into account the opinions expressed by the Commission and the Parliament, on the location of what should be an essential contribution to the future of Community research on controlled thermonuclear fusion.

That, Mr President, comes from responsible leaders in the field of industry.

Whichever Member nation is allocated the JET project, let us accept that decision with magnanimity and with resolution — and determination that the project will be brought to full and complete success. Just as with the same hope the Community, nearly 20 years ago, was formed to enshrine that self-same hope for the future.

We have repeatedly heard criticisms in this House of the influence of the United States of America and the Union of Soviet Socialist Republics on world issues and events. But the real criticism, Mr President, should be directed here to the Community, to ourselves, for the lack of faith in ourselves as a Community for the lack of faith in our technologies, for the lack of confidence in our industries and, above all, for the lack of faith in our own political will. I only hope that when the political history of this decade comes eventually to be written, the Community will not be proven to have failed the future generation as yet unborn.

(Applause)

President. — I call Mr Veronesi to speak on behalf of the Communist and Allies Group.

Mr Veronesi. — (I) Mr President, ladies and gentlemen, we too support the motion for a resolution, which we consider entirely appropriate.

The problem of the JET project is symptomatic of the more general difficulties which beset the Community today. The Community is held back by its inability to tackle basic problems and to develop a political approach which both convinces the public and corresponds to Community objectives. The constant postponing of every decision is a prelexing enigma for the citizens of Europe. It is this we have to blame if the Community seems to have masochistic tendencies. The future of our energy supplies — which are the very lifeblood of our Community — is unknown and uncertain, and yet when faced with the need for pressing and wide-ranging decisions and measures the Council cannot make up its mind. This motion for a resolution is yet another attempt to goad the Council into action. Our Group is fully aware of the difficulties inherent in any solution, and the burden of responsibility on those who must decide, and we recognize the conflicting factors which hinder any decision. But we also believe that there are one or two fundamental points on the basis of which a decision can be reached.

There are objective reasons why any delay in taking the action needed with regard to our future energy supplies is senseless. The European Community has immense scientific potential in the particular sector of nuclear fusion. I do not wish to boast but I do believe that, although the Community may not lead the field in this sector, we are certainly not lagging behind. And some projects have already been completed, giving us a solid base on which to build further research immediately. Another point in favour, ladies and gentlemen, is that a site has already been selected on the basis of a number of preset requirements which were considered essential in choosing a site for the project. The site, of course, is Ispra. There has been nothing new at an official level, no proper documentary evidence, to suggest that the Commission's original choice should be altered.

However, I should like to make one or two points here. The choice of Ispra has been questioned on account of alleged unrest among the staff. Nothing has ever been said officially, but this view has gained a certain currency in Parliament. I am not going to deny that certain events did occur at Ispra, but I am also sure that their cause can be easily identified. The unions campaigned against the management's lack of drive, and the recent gains by the workers and research staff are proof that their claims have been recognized by the Community. In addition, it must be emphasized that union demands were based on the need to shake up the research centre, use its facilities to the full and encourage the development of projects for the benefit of all in the Community. If another site is chosen for the JET project — in spite of all the

rational arguments in favour of Ispra — we insist that it is or that it becomes a Community centre, and that all the objective requirements which this implies are satisfied. We do not see that there is anything in the way of this proposal, and I do not think that I can be accused of chauvinism. Indeed, the opposite is true. This is our chance to test the Community spirit of the Council and of the whole Community.

I should like to make a third point, ladies and gentlemen, which is not entirely divorced from the topic under discussion. I am referring here to the multiannual research programme of the Joint Research Centre. I ask you to think about this, and in particular I ask the Council to take time to think about this problem. Exciting scientific projects have been drawn up, the financial plan is ready, and the workers and the research staff of the Centre are on their marks — but we are still waiting for the starting signal, since we are told it depends on the JET project getting under way. The justification for all this is that there are inextricable financial links between the multiannual plan and the JET project. If you ask me, this smacks of sleight hand and bears no relation to the actual state of affairs. We do not underestimate the financial aspects of the problem, but they are quite beside the point here since, in my opinion, we shall have to take another look at our financial plans — and indeed do so relatively often in the future. The Member who spoke before me has already pointed out that with the passing of time inflation is eroding the real value of the financial resources which have been earmarked for the project.

In yesterday's debate on trade between the Community and the United States, Mr Spinelli made a pertinent speech — with which many of you were in agreement — pointing out that the Community's figures were in the red in two particular areas: agricultural products and the technology gap in the realm of advanced technology. It is my view that this calls for a pledge for greater efforts to rescue Europe from this position of inferiority. We may all agree on this, but we still cannot escape the fact that we are maintaining a research centre with a staff of two thousand with nothing to do, but who cost the Community a fortune in salaries every day. Now, do not think that I am blaming anyone in particular, but this is a crazy policy, especially at a time when we ought to be breathing new life and impetus into technological research in order to contain or reduce Europe's enormous deficit *vis-à-vis* the rest of the world. We have a centre which can be a vital and valuable source of energy and research, but we are incapable or unwilling to put it to good use. Heaven only knows why.

Let me offer a final comment. If the Council cannot come up with a decision at its next meeting, I think it would be better if it left the final choice to the Commission. In this way the question could be resolved quickly, and a start could be made on the

Veronesi

work which is vital if we want to keep up with the rest of the world.

President. — I call Mr Ellis.

Mr Ellis. — Mr President, I shall be very brief indeed because I want to do only two things. Firstly, to express my support for the motion for a resolution and for Mr Springorum and the other Members who have spoken in favour of it. And secondly, to express in my speech as much scorn as I can possibly muster, scorn directed partly against the Council of Ministers but more especially against France, because it seems to me that, for some perverse almost Machiavellian, cynical, political reason, France has succeeded in making confusion worse confounded. Now I have no patience with people like Mr Krieg who put all kinds of what appear to me to be specious objections to going ahead with JET — objections about the difficulties of staffing and the cost and the status of JET and so on. These seem to me the arguments of the man who is putting a difficulty in front of every solution. But what I feel in the whole of this very sorry story is that while one can understand, if not condone, the initial confusion, one simply cannot understand this second confusing of the confusion.

The first confusion is between two quite separate and distinct objectives. On the one hand there is the objective of fusion research itself — important, long-term, costly, potentially of great benefit and a field in which Europe at the moment is taking a world lead. That is one quite clear and distinct objective. Secondly, there is the other clearly distinct objective — that of advancing a Community research programme. And it seems to me that the Commission initially were motivated largely by this need for advancing the Community research programme. The two things have become inextricably confused in the Council of Ministers and, as I say, I can understand this although I cannot condone it.

But now that France has come along and has said we can have this project anywhere, provided it does not go to any country in the Community other than France, which in effect is what she said, then all I can say is that this is a most scornful approach from a Member State towards the Community and Community objectives themselves. And I am sure that we, as a Community, and France in particular, will rue the day that she has taken this particular attitude. And therefore I beg the representative of the Council of Ministers here today to go back and convey the feelings of this Community that the President and his colleagues should impress on France that, by means of the clever arithmetical arrangements devised by the Commission to introduce an element of decision-making into the voting procedures, we must finally get a decision at the next meeting. Otherwise I think that the ordinary people of Europe, the citizens of Europe, will be as scornful — or would have been as scornful if they knew the facts of the situation — as I am trying to be in my speech to the House today.

President. — I call Mr Cifarelli.

Mr Cifarelli. — (I) Mr President, ladies and gentlemen, it will be no surprise for the House to hear another Italian voice discussing this problem. For each and everyone of us, however, the problem has to be considered from a Community angle and not merely from a national viewpoint. Although this is a highly topical and important issue, I do not feel that it has been gone into enough. Certain aspects have not, in my opinion, been stressed with enough force.

We are all, Mr President, at the mercy of the mass media which pour out a welter of often contradictory information about nuclear power stations. Sometimes we are told of phenomenal breakthroughs; sometimes we hear alarming tales about the economics of such power stations — are they really cost-effective? — or their ecological effects — what are the risks to mankind? In the meantime we are a slave to the whims of the oil-producing countries, since our own supplies cover only a very small part of the Community's needs. This constant seesawing between hope and despair, between dreams and tragic reality, seems likely to continue, while the governments and countries dither Hamlet-like instead of taking decisions in a clearcut and courageous manner.

Solar energy and coal gasification cannot yet be used industrially on a large scale because research is still at the experimental stage.

Nuclear energy is the only thing which gives us a chance in the medium term of reducing our dependence on outside sources of energy to manageable proportions, i.e. about 50 % of our total needs. After a series of ups and downs and not always successful experiments with nuclear fission, we have more or less reached agreement now on the need to concentrate research on nuclear fusion. The traditional versatility of our scientists meant that we were ahead of our American and Japanese rivals, and that the JET project was advancing with admirable speed.

Once again the scientists have moved forward and the politicians have stood still. As a politician myself, I find this very distressing. It was quite clear that the research could not continue unless a site was found for this experimental machine, JET, and a decision was therefore urgently needed. But the politicians have dithered and a precious year has been lost. Today — and this is the bitter fact of the case — we are still no further forward, while the Americans have decided to stop up their fusion programme and have budgeted a sum which is greater — if I am not mistaken — than the 108 million u.a. which we propose to spend in the coming years. I do not think there is any sense, Mr President, in once again pointing the finger of blame. We are all to blame, including my own government, even if we can plead an extenuating circumstance — after all, the Commission in Brussels did choose Ispra as the ideal site — and even if Mr

Cifarelli

Pedini, the Italian minister who is responsible for this matter, stated a few days ago that Italy is ready to submit to the sword of Damocles and accept a majority verdict.

Is this not a fine example of *esprit communautaire* in a Europe where the temptation present in one or other of the Nine to use the veto causes our high hopes to be dashed?

Quite frankly — and I address my words to those who represent the governments of the Member States — if the nine Ministers next week cannot reach a decision on this vital matter after a year of beating about the bush, it will undoubtedly be a black day in the history of the Community. How can we ever hope that the Community will one day become a political force on the world stage, if on this clearcut but vital question on local and national interests exclude concessions, even temporary ones, which, in the long run, would benefit each and everyone of us? How on earth can we lose such a splendid development amid the procedural labyrinth which destroys every attempt to reach a decision? One of the founding fathers of Europa, Jean Monnet, tells us that the beginnings of the Community were full of cases of similar disagreement. But far from coercion being used on one or other Community member, the discussion went on and on until the truth was laid bare and accepted as such. The representatives of public opinion in our countries cannot put up indefinitely with the Council's evasion of its principal task, namely, the taking of decisions. For this reason, new methods will have to be tried to expedite decision-making.

The Liberal and Democratic Group would like to see a new form of joint cooperation between the Council and Parliament, leading to a sharing of responsibility. This type of procedure has brought excellent results with regard to the budget, and we believe it could be extended to cover another vital sector. Furthermore, a move in this direction is a step towards joint decision-making, which in the long run must be a privilege accorded to a Parliament elected by universal suffrage, as this House will be from next year.

I must emphasize that there is no time to lose. The brain drain from our research centres continues and the technological gap between Europe and the United States threatens to get wider once the Americans' nuclear fusion centre in Princeton becomes fully operational. I repeat: when the ministers of the Community meet on 17-18 January, they must be able to reach a decision which is of general benefit and which puts an end to the precarious position which for years has characterized applied research within the Community. It is a situation which severely undermines the morale of the scientists and which in the not too distant past has led to the shelving of admirable projects like the Dragon.

I have nothing more to say, Mr President. At times words convey inadequately the subjects with which they deal. However, if each of us as individual

Members of Parliament, answerable to public opinion, can transcend our national horizons, no matter how praiseworthy they may be, we cannot fail to proclaim, loud and clear, that the time has come to take decisions. Vital problems — like that of the JET project — are worsening daily, and all of us, the whole Community, risk missing the tide of history. We face the risk of becoming a secret colony, a mere protectorate of the powers which control the sources of energy, especially oil.

(Applause)

President. — I call Mr Giraud.

Mr Giraud. — *(F)* Mr President, as I submitted a written question on the JET problem to the French Minister of Industry and Research, I shall leave aside the national aspects of the problem and concentrate on the vital importance of the JET project for the Community.

It is not enough to tackle the energy problem on a short and medium-term basis, as we are doing; we must also, for the sake of the generations to come, think in the long term. The JET project is not a final solution, or a panacea for all our problems, but I do think — and everyone must agree with me — that JET opens one of the most promising roads before us. This is one of the rare fields — in the case of basic research and with particular regard to energy — where the European Community leads the United States and the Soviet Union. We currently have a specific project and a highly qualified team of scientists who are in danger of losing heart. The money has been set aside, and we are all set for this vital project. But the question of the site has still to be settled.

I am not going to repeat anything that was said in the excellent speeches we have heard here, but I do want to make one thing clear.

Whatever the importance attached to this project, no one in his right mind can deny that it is an issue of vital significance for the country concerned.

This is only one link in a long chain of decisions which the Community must take with regard to energy and our objectives in general. Without any unseemly haggling by the Member States, we can incorporate it in a system of justified compensation, which could be developed in other fields in order to maintain a fair overall balance for everyone. What we have to do, in this particular but vital sector, is to prove with something more than words that we want to ensure the Community's long-term independence where energy is concerned. A lot has been said about the need to stress the identity of Europe — here is one sector where it must be done. Consequently, I wish in closing to make it quite clear that any Member State wanting to veto the choice of a site, no matter where, would be taking such a responsibility on itself that I refuse to believe in the likelihood of such a heavy blow to the future of the Community,

Giraud

and in all probability to its credibility. If Parliament is unanimous — as I hope it will be — in passing the motion for a resolution tabled by all the Groups, it will have declared its position in an unequivocal fashion. I hope that the Council will very soon be ready to do the same.

(Applause)

President. — I call Mr Noè.

Mr Noè. — *(I)* Mr President, Members of the Commission, ladies and gentlemen, it is no easy task to express in just ten minutes what I have to say about the stage reached in the tortuous preparations for a final decision on JET. I should like to endorse what Mr Springorum and Mr Flämig said in their speeches on the potential of this source of energy by quoting, for the Council's benefit, a recent statement by someone who is eminently qualified in this field. The statement comes from Mr Hirsh, Vice-President of America's Energy and Research Development Administration, with responsibility for alternative sources of energy — a man, therefore, who is closely involved in the problem of this and rival sources of energy. A recent article of his included a diagram showing a fairly large rectangle representing fast-breeder reactors, which are at a relatively advanced stage of development. Below this there was another rectangle, of the same order of magnitude but half the size, which represented nuclear fusion. Finally, there was a small rectangle full of question marks for other energy sources such as solar energy.

Such a conclusion is of major importance for Europe. Although our energy needs are only between a third and a half per head of American requirements, the density of population in Europe makes the siting of nuclear power stations much more difficult and problematic — quite apart from any problems caused by the latitude of most of the Member States — than is the case with alternative sources such as solar energy. As a result, our course is clear.

Having said this, I want to take up something that Mr Flämig mentioned in his speech. He said that we must not get involved in technical discussions, but that we must find a site where fusion research is already being carried out. Let me make my own view clear once and for all. I disagree completely, and I can give you four reasons why.

The first is quite simple and straightforward. I only have to consult one of the five documents which the Commission has submitted to the Council. I am referring to the January 1976 communication which states on Page 7, with reference to a local scientific environment :

The local availability of such an environment is certainly of interest, but it does not appear that either for the construction phase or for the exploitation phase, the exist-

ence on site of a strong local environment of plasma physicists, outside the JET team, could be considered essential in case of difficulty.

This opinion was repeated in October 1976 in the most recent Commission communication I have been able to obtain.

But that is not all. Let us consider what may happen in a centre such as the JET complex. In the construction phase the problem can only be mechanical or electrical. In setting up the equipment, we may find that the vacuum chamber, for example, shows deformations deviating from those computed, so that the supports have to be modified. These are thus simple mechanical or electrical alterations.

At the operational stage, however, the flow of information and consultations between the JET team and centres where a great deal of fusion research has been carried out will become very much more intensive. This has already been the case for many years, the only difference of approach being that the flow of information lasts for years and is not the result of any sudden inspiration on the spur of the moment.

Let us look at the subject in some detail. One of the most difficult problems is diagnosis, i.e. the ability to measure temperatures, plasma density, induced currents in the plasma, since these are all totally new measurements which no process evolved by man has ever needed before. Temperatures, for example, will have to be up to 100 million degrees. The development of equipment to make these measurements requires years of work and of collaboration between the JET team and the research staffs at Culham Carching, Fontenay-aux-Roses and Grenoble, and at other centres which are not in the running for the project but which have the facilities for studying these formidable problems.

Apart from all the problems of diagnosis and measurement, which constitute one of the major difficulties, there is another problem occupying the scientists. The problem is one of physics: how can we obtain the conditions in which fusion can occur, i.e. how can we arrive at a very high value for the product of the concentration of the particles and their confinement time? This is why the centres at Culham and Fontenay-aux-Roses are carrying out research, which will last for years, and collaborating on how the temperature of the plasma can be increased, while the centre at Grenoble is working on the problem of radiofrequencies. All these projects require a great deal of work over a long period of time. What I am getting at is this: if a problem arises, Mr Flämig, someone working on the JET project cannot go and ask his colleague in the next office, since unfortunately it will take months to find a solution to the problem. This is what I meant when I was talking about a difference of approach, and — as I said before — this has already been pointed out in the Commission document.

Noè

But I also checked up in another way. One day I telephoned one of the two centres which have been working on plasma physics and asked to speak to the director. He was away, so I spoke to his deputy and outlined the problem to him. I said to him: 'Look, I happened to help plan the Lago d'Elvio power station, which would supply energy to Ispra if it were chosen for the JET site. I am aware of the importance of having adaptable equipment, and hydraulic machines are more adaptable than thermal machines. But I see that this aspect of the problem is disregarded, while all the attention is given to plasma research.'

The person I was talking to, the deputy director at this centre, replied: 'You are perfectly right.'

Let me go on to my fourth point. My country is backing Ispra, but it is backing a Community centre, and not an Italian one. If experience in plasma research were the guiding criterion, we should have to propose Frascati, since it is there that we are currently testing the world's most advanced tokamak. It has been designed in collaboration with the Massachusetts Institute of Technology, which benefited from Professor Coppi's years of research. If any progress is to be made on the product of which is the fundamental formula of fusion, the first step will be made at Frascati.

Now, Mr President, I should like to explain to Mr Flämig the reasoning behind the amendment which I have tabled. It is not my intention to waste time, but as I felt there had been a change in the Commission's attitude, I asked to be given certain documents. I was told that these documents would be ready for the Council meeting on 18 January. My reply was: 'When we have them, we shall look at them.' Naturally, I refuse to make any comment on documents which I have not yet read. The only documents I have are these here. There have been times in the course of this affair when I have felt that I was watching a play by Pirandello, since it is Pirandello who attracts the interest of the audience by contrasting reality and appearances. This was the basis of his skill. In this case, reality is represented by these documents here which I have read thoroughly, and appearances by those that I never get the chance to see. One of Pirandello's plays is called 'Six characters in search of an author'; we are nine countries in search of a site. I hope that the Council at its meeting on 18 January can solve this problem to everyone's satisfaction, so that the play remains a play and does not turn into a tragedy for future generations.

(Applause)

President. — I call Mr Dalyell.

Mr Dalyell. — Mr President, as you know, I asked to be considered to speak after Mr Brunner and the Council had spoken. Frankly, the way that this Parliament conducts its business in this kind of matter does

seem to me very ineffective, if I may say so. Here we have listened for an hour and 20 minutes to endless position statements that we have heard before, particularly those of us who have served on the Committee on Energy, Research and Technology. It is only sensible, if we are to be effective at all, to do the questioning after and not before we have heard the statements from the Council of Ministers and the Commission. There is no point in taking part unless we can in fact, if necessary, ask for clarification *after* the statements from the Council of Ministers and the Commission.

President. — It is of course for Parliament to decide whether it wishes to resume the debate after the Commission and Council have replied. It is not, however, current practice.

I call Mr Osborn.

Mr Osborn. — Mr President, I am little reluctant to get up in such controversy but I do agree with the previous speaker. What has been happening is that we have had months of indecision by the Council of Ministers. We have had a recommendation from the Commission and the Committee, on Energy and Research, which has two limbs, has looked at this subject from two points of view. My intervention will be a short one, but I want to elaborate my comments to the new President of the Council and my interpretation of the events of last December. I think I should make it quite clear to the representative of the Council of Ministers who will wind up, that, unlike some of my Conservative colleagues, I hold the view that ministerial agendas and the deliberations of the Council of Ministers should not be over exposed, but in our national governments, ministerial meetings, inter-departmental meetings and, above all, cabinet meetings of a government are held in private, and I for a long time would not wish to see their deliberations over exposed to the scrutiny of Parliament or outside bodies.

Now going back very quickly, Mr Brunner — I think on Monday 20 December — gave a press release expressing concern that the appropriate ministerial committee had not met. I regretted the fact that he had to give this statement. On the same day, Mr Anthony Wedgwood Benn, the new member of the Council concerned with energy, reported to the Committee on Energy and Research Committee, and on the following day Mr Brunner was able to explain his attitude to the Committee on Energy and Research. Now the problem is that I believe the structure of decision-making, at Commission, but above all at Council of Ministers and COREPER level, is too fogged, too bedraggled, and unless the Community is more decisive in matters such as this, then its existence will not be dynamic, but will almost certainly dissolve, as suggested this morning.

Osborn

Now energy is one vital subject. In the field of fission and fusion of course, JET is one project. But we have an interest in fast breeder reactors, high temperature reactors, pressure water, boiling water reactors, and — I think I had better be careful here — perhaps the CANDU or steam-generating heavy water reactor could come into its own. There have been debates recently in the British Parliament, and it seems that the decision taken to go ahead with the steam-generating heavy water reactor may not have the approval that was given by a select committee of which I was member four years ago. But since then the advanced gas-cooled reactor has developed favourably.

Now I raise these points because all forms of development should go in parallel across the Community, across Europe and include the United States of America and third countries. This is only one of many opportunities for new sources of energy. I have not mentioned solar, geothermal and other possibilities. But energy is one subject. Research and development is another. And this comes under the agenda of a multiannual research programme. Therefore I go back. We in this Parliament want to know much more about the committees in the Council of Ministers and COREPER who decide research policy and the committees who decide energy policy and, above all, we want to know why the research ministers failed to meet. Who are they? Are they fit to reach these important decisions for us? Therefore I would ask the President of the Council to give me much more information — and perhaps Parliament would like this too — than was available last month and early this month when I began my enquiries. We do not know enough about the decision-making process, and I ask the Council of Ministers to make it sharper.

President. — I should like to say to Mr Dalyell and Mr Osborn once more that initially the practice in this Parliament was that the Commission spoke after the rapporteur. The groups and speakers, however, expressed a wish to speak first so that they could have an answer from the Council and Commission and this has now become the usual system.

If Parliament feels further debate is necessary after hearing the Council and Commission's answer, Parliament naturally has the right to decide to do so.

I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, the great European speeches of yesterday and today have come and gone and here we are dealing with everyday European matters. Here we are again, the few dozen friends from all the groups who have for years now joined me in promoting this project. We have steered it through several Councils, meetings of the Energy Committee and plenary sittings and every time we have ended up in the same position. And what we have to say here today we have

already said on several occasions in this Parliament. We are not adding anything new. All we are doing is expressing Parliament's wish that an end should finally be put to this pantomime. It must come to an end and here and now.

Mr President, ladies and gentlemen, how do matters stand with this project? From the technical viewpoint it would, I think, be downright impudence on my part if I were to go into details at great length.

Every aspect of this project from the Staff Regulations to the financing key and the legal form has been discussed.

All this has been hammered out, and if someone comes to me at this stage and says that I should bring the costs up to date because they were estimated on the basis of the figure for 1975, I can reply that if I wait for another ten years I will be able to do an even better updating, because every day, every month that passes makes the project more and more expensive . . .

(Applause)

. . . and the money comes from the European taxpayers. I don't like to think of how much work we have done, how many journeys we have made and how many technical opinions have been given. I must say quite honestly, Mr President, that my patience is at an end. Not my patience as a human being, I could personally put up with quite a lot more, but my patience as a European is at an end.

Mr President, ladies and gentlemen, we have reached the point where European research, all the programmes we have worked out over four years, the entire network of fusion research and this JET project are in jeopardy. Time and again we have made progress with the help of the Energy Committee and this Parliament. We have now reached the point where we can do no more apart from what we are doing here today. We have reached the point where the Council must take over the responsibility. And I am asking you in the Council quite honestly to say 'yes' or 'no' as soon as possible as there is not much time left. If you say 'no' I will be very disappointed. That would be a serious blow to fusion research in Europe, but at least we would be in a position to think about other matters and to try and make up for this enormous blow which would set us back years. If you say 'yes' we can start straight away, but please decide one way or the other. We can't go on much longer with this game of ping-pong.

(Applause)

Mr President, ladies and gentlemen, what would be the consequence of neglecting this project any longer? From the point of view of the project itself, the consequences would be that nothing at all would come of it. Look, we have recently lost a third of the research team working on this project. How many more are we going to lose? We have spent about fifteen million u.a. How much more are we going to

Brunner

spend? Since the 1960s we have built up a whole network of thousands of researchers to underpin this project. What will become of this network? Clearly, all that can happen if a decision is not reached is that the various national laboratories involved will try their luck elsewhere, in particular in bilateral cooperation with the United States.

What would not reaching a decision mean from the European point of view? It would mean that we in Europe, who have been leading the field for a short time, will have lost our lead. It would mean that Europe would lose its credibility in the field of research. We have concluded agreements with third countries. They have an interest in our work. Do you yourselves want to make the declaration of bankruptcy in the field of research on behalf of Europe, if you do not reach a decision? And what else would not deciding mean? It would mean that all our fine words yesterday and this morning would be refuted by the hard facts.

This is not a matter of great doctrines, we are not discussing whether Europe will be a federation or a confederation. We are not dealing with the blue water or visionary school of politics. It is a question of whether we can finally make a decision and get on with the work in a field in which we can cooperate, in which only trans-frontier cooperation is possible and in which the preliminary work has already been done.

(Applause)

Mr President, ladies and gentlemen, as has already been said, we can only find the right way if reason prevails. As a member of the Commission I cannot believe that the Council can possibly deny this and I should like to end by saying to you once more: I have accepted responsibility for research in the European Community. I am also responsible for fusion research. You can be sure that I shall not preside over the abandonment of fusion research in Europe.

(Applause)

President. — I call Mr Tomlinson.

Mr Tomlinson, *President-in-Office of the Council.* — Mr President, I have listened very carefully to everything that has been said during this very important debate this afternoon and have taken note of the serious consequences of delay that have been referred to by many Members of this House and by the representative of the Commission itself.

There can be no doubt at all in anybody's mind about the importance of the JET programme. Equally there can be no doubt about the need for an early decision, and this has been emphasized by many speakers here this afternoon and by the Commission itself. It was hoped that a decision on JET would be reached before the end of 1976. But in the event it was not

possible, despite the consultations carried out by Mr Brinkhorst in his capacity as President of the Research Council. I share the disappointment that has been expressed here in the Parliament this afternoon that it has not yet been possible to reach a decision.

The United Kingdom presidency is continuing the efforts to find a solution to the JET problem. I do not think that it would be wise to put the item on the Council agenda until we were satisfied that a basis for agreement existed. To do otherwise would, I believe, risk the Council's being engaged in an unproductive discussion. I can assure the Members of this Parliament that consultations are continuing and I do not think it would be useful to go into further details concerning that consultation at this stage.

Might I say in conclusion, however, Mr President, that I have already described the efforts that are being made to reach an agreement, and that the Council of Ministers in their deliberations will take the most serious note of all the statements that have been made in this Parliament debate here this afternoon?

(Applause)

President. — Since no one else wishes to speak, I put the motion for a resolution to the vote.

On the first indent of the preamble I have Amendment No 1, tabled by the Liberal and Democratic Group:

Add the following to the first indent:

'.... and was not able to adopt the programme.'

I think there is no need to move this amendment. The rapporteur has already agreed to it.

I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

I put the first indent thus amended to the vote.

The first indent is adopted.

I put to the vote the second indent and paragraphs 1 and 2.

The second indent and paragraphs 1 and 2 are adopted.

On paragraph 3 I have two amendments:

— Amendment No 2, tabled by the Liberal and Democratic Group:

Modify this paragraph as follows:

'... a decision on the site *and the programme* at the Council of Foreign Ministers...'

— Amendment No 3, tabled by Mr Noè:

In this paragraph replace the words:

'in the light of the studies and investigations recently submitted to' by

'in the light of studies and investigations, including the most recent ones as and when they become available'

The two amendments are not mutually exclusive.

I call Mr Hougardy to move Amendment No 2.

Mr Hougardy. — (*F*) Mr President, I do not think I need say much, since this in fact supplements the amendment adopted by Parliament to the first paragraph; it is exactly the same thing with regard to the site and the programme, so that if you say it about the one, it automatically follows that you have to say it about the other.

President. — I call Mr Noè to move Amendment No 3.

Mr Noè. — (*I*) Mr President, I already moved my amendment during my speech. I am simply pointing out that I have never seen the more recently submitted studies and analyses, and therefore I base my judgment on everything which is available. If other documents are forthcoming, I shall want them to be submitted. This is all.

I think that Mr Flämig, who was somewhat puzzled as to the meaning, will now perhaps agree with me. Since reference is made to the most recent documents, I should like to see them, and I should not like to discuss them without having them to hand. On the other hand, the text in the version prior to my amendment was ambiguous because it said: 'in the light of the studies and investigations recently submitted'. What are they?

President. — I call Mr Springorum.

Mr Springorum. — (*D*) Mr President, we should omit any sentence which might be used by the Council as an excuse for further delays. I agree with Mr Noè's proposal as long as the words 'as and when they become available' are deleted. The Socialist Group would also agree to this, which would be a compromise acceptable to everyone.

President. — Mr Noè, do you agree to the deletion of these words?

Mr Noè. — (*I*) Just one small addition to remove any doubt regarding the wording: 'in the light of the available studies and investigations'.

President. — Mr Noè therefore proposes the following oral modification to his Amendment No 3:

Are there any objections to admitting this oral amendment?

That is agreed.

I call Mr Radoux.

Mr Radoux. — (*F*) I should just like to point out to Mr Noè that if he had not agreed to modify his position, it would have been somewhat out of line with the previous resolutions adopted. Of course we shall accept things as they are, i.e. 'available'. It is very obvious that we must repeat that, otherwise, as you have just stressed, the very substance of this amend-

ment provides a new excuse for delay. Consequently it was necessary to change the sentence as you did.

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

I put to the vote Amendment No 3 as modified orally by Mr Noè.

Amendment No 3, thus modified, is adopted.

I put paragraph 3, thus modified, to the vote.

Paragraph 3 is adopted.

I put paragraphs 4 and 5 to the vote.

Paragraphs 4 and 5 are adopted.

I put to the vote the amended motion for a resolution as a whole.

The resolution is adopted.¹

8. Oral question with debate: Common policy on southern Africa

President. — The next item is the oral question with debate, put by Mr Waltmans, Mr Hamilton, Mr Radoux, Mr Seefeld, Mr Glinne, Lord Castle and Mr Evans on behalf of the Socialist Group to the Conference of Foreign Ministers of the Member States of the European Communities, on the common policy of the Member States of the Community on southern Africa (Doc. 450/76):

1. What measures has the Conference taken to implement the resolutions of the UN General Assembly on Namibian independence?
2. What measures is the Conference taking to help bring about the early independence of Zimbabwe and the formation of a majority government?
3. What view does the Conference take on the question of an economic boycott of South Africa by the Community Member States in order to bring about an end to apartheid in South Africa and the introduction of a democratic form of government?

I call Mr Waltmans.

Mr Waltmans. — (*NL*) Mr President, the question that must be asked prior to any discussion of the problem of South Africa is whether the Member States of the European Community and whether the Conference of Foreign Ministers of the Community are blind to the dangerous developments that are taking place and whether they are prepared to assume their responsibility for the abolition of colonialism and racism in southern Africa. Is the European Community, on the basis of its indisputable moral, social, economic and political responsibilities, going to play an active part in ensuring peace, in view of the fact that the final abolition of colonialism and racism is urgently necessary in the interests of worldwide peace and justice?

¹ OJ C 30 of 7. 2. 1977.

Waltmans

The danger of an international race war in South Africa is coming closer. My question to the Conference is whether and how the United Nations can still put an end to the policy of apartheid before it is finally too late and before this race war leads to a world war.

We do not look at this question simply from the point of view of war or peace but with a view to the humanitarian and socio-economic aspects as well. It is also a question of putting an end to the infringement of human rights and to the internal socio-economic oppression and exploitation. The starting point for the European Community's policy must be something more than the protection of the West's supposed economic and military interests. Those who do not wish to understand the signs of the times could well lose all.

What, in concrete terms, are we now asking of the Member States of the European Community with these questions to the Conference of Foreign Ministers? With regard to Zimbabwe, we are asking for vigorous support for efforts to set up a majority government in the near future, together with the application and maintenance of the sanctions against the Smith régime, insofar as this is not already being done. We appreciate the fact that the Council argued in favour of an independent Zimbabwe at the United Nations on 28 September. The question is: will the Council now start preparing plans for financial and economic assistance to an independent Zimbabwe?

With regard to Namibia our question is: will the governments of the Member States recognize SWAPO as the sole authentic representative of the people of Namibia and will the Conference take the initiative of giving direct support to SWAPO? In our opinion the Member States must take SWAPO's political demands seriously.

And now we come to the question of South Africa. The President-in-Office of the Council rightly said at the United Nations in November that South Africa was a multinational society in which all people, irrespective of their race or colour, should have the right to live together in peace on a basis of equality. Apartheid, as Mr van der Stoep said, is a flagrant contradiction of this fundamental right and must be abolished. I would add that since the world is and always will be in a state of change rigid and immutable apartheid is not only objectionable in principle but is also inoperable in practice. This human character of apartheid is after all best illustrated by the strictly enforced legal but immoral regulations which prohibit people of different races from marrying and living together. There is also no need for us to have any illusions as to the political nature of apartheid. The fact that there are various groups with their own identity living in South Africa is not disputed, but that does not justify the way the whites unilaterally take for

themselves all political, economic and social power to the exclusion of the majority of the country's inhabitants. How can we consent to the Africans being made into migrant workers in their own country? Foreign companies are attracted by the gigantic profits that can be made in the South African system. They have been of decisive importance for South Africa's industrial development. The foreign companies are simply part of racist white South Africa. They support the white régime and oppose any significant change. And for those who only understand commercial arguments it is perhaps useful to recall that the flow of trade between the European Community and Africa does not only concern South Africa: we have more trade with other countries of Africa as a whole.

In the military field South Africa looks more and more like a power keg. The government of the country aims to have a quarter of a million soldiers under arms. Year by year South Africa increases its military budget. But for its extensive arsenal of weapons it is partly dependent on Western countries. Against this background it is a wonder that the influence of the Soviet Union in southern Africa is no greater. For the accusation that the Soviet Union, via Cuba, was indirectly interfering in the affairs of southern Africa followed by the justified accusation that South Africa was guilty of direct interference in the affairs of other countries, which was not officially opposed by the West. This accusation against the Soviet Union also contrasts rather sharply with the military, economic and political collaboration with the racist régime in South Africa practised by major Western States and Member States of the European Community. If we examine how the European Community has acted in the United Nations, we get a strikingly revealing picture of the Member States' so-called concern for this question. It is a pity that the European Community's voting record shows insufficient evidence of this concern. The question, of course, as Mr Crosland said this morning, is whether it is a good thing for us to speak with one voice in the United Nations if this voice betrays so many capitalist and neo-colonialist accents. There is only one possible conclusion: this collaboration, this continuing extensive support from the West for the Vorster régime must end. Ever since 1912, when the African National Congress was set up, the whites have refused a dialogue with Black Africa. The European Community can have only one message for White Africa: talk to your black brothers, not to us. And White Africa will not do this until it knows for certain that it can expect no further support for its policy from us or from the Member States of the European Community. There will of course be a bitter reaction if they encounter attempts by the West to isolate and boycott them. What they want, after all, is precisely the moral, economic, political and military support of other whites in the world. But we can and will not hold out the prospect of that, since we can and will not contribute to the start of a world race war. The Presidents of

Waltmans

the front-line States demand that the West put maximum economic pressure on South Africa in order to forestall a more directive violent confrontation. More than two years ago in Hammanskraal there was a representative meeting of 320 black South African leaders, the Black Renaissance Convention. This called on all countries of the world to withdraw all support in the cultural, educational, economic, social and military fields. My question now is: When does the Conference think the time will come — if South Africa continues to refuse to cooperate effectively and consistently in solving the problems of southern Africa in accordance with the United Nations declaration — when they will be justified in taking coercive collective measures, including a compulsory arms embargo and an economic boycott?

Finally, Mr President, the choice for which we as the European Community stand is a dramatic one. It is the choice between supposed economic self-interest and support of colonialism and racism on the one hand, and contributing to ending an inhuman and senseless policy on the other hand. The choice made by the European Community — and in this debate the Conference of Foreign Ministers is its spokesman — is in my opinion of decisive importance for future relations between the European Community and Africa.

(Applause)

President. — I call Mr Crosland.

Mr Crosland, President-in-Office of the Conference of Foreign Ministers. — Mr President, this brief intervention will be entirely as President-in-Office, although if it seemed appropriate at a later point in our debate I might make one or two remarks about how I see the position as the British Foreign Secretary.

The nine Member States of the Community firmly support the right of the Namibian people to self-determination and independence. They believe that Namibia must gain independence soon, and they are prepared to do all they can to help bring this about. The Nine have made these views clear on a number of occasions. On 26 January last, the Presidency made a *démarche*, on behalf of the Nine, to the South African government, and on 26 August 1976, the Nine sent a message to the UN Secretary-General to mark Namibia Day. During the recent debates in the UN Fourth Committee and the General Assembly, the Nine made a common opening statement and an explanation of vote. All these statements have stressed the Nine's view that South Africa should withdraw from Namibia at an early date, and that the people of Namibia should be given the opportunity to exercise their right to self-determination and independence in a fully democratic process under the supervision of the United Nations.

All political groups should be allowed to take part in this process, including, in particular, SWAPO, which, as a major political force, must be involved in the negotiations if a peaceful settlement is to be found. The Nine believe that a peaceful solution is possible and that there has already been some progress towards this goal. It should now be the aim of not only the Nine, but also the entire international Community to maintain this momentum and press for the various parties directly concerned to give early consideration to the composition, the location and the timing of a conference held under the auspices of the United Nations in which SWAPO should take part.

The Nine have also responded to appeals from various UN programmes which provide educational assistance to Namibia. The Nine has provided an important part of the funds donated to the UN educational and training programme for southern Africa, the UN fund for Namibia and the UN research institute for Namibia. When the country becomes independent, it will have great need of experts in a variety of fields and these programmes to help Namibians to help themselves deserve and receive our backing.

At their meeting in October, the Foreign Ministers of the Nine issued a statement welcoming the British Government's action in convening the Rhodesia conference, appealing to all parties to work for an orderly and peaceful transfer of power to the majority, and confirming their intention in the meantime to continue to enforce sanctions.

The Nine remain prepared to support all efforts aimed at helping the parties concerned to reach an agreement that will lead to an independent Zimbabwe under majority rule.

The Nine, Mr President, are united in their opposition to the policy of *apartheid* in South Africa, which is unacceptable on moral grounds and ultimately unworkable in practice. The Nine, both individually and jointly, have made their views clear on numerous occasions. The Nine believe that the South African Government must accept the need for fundamental changes which will lead to a society in which all South Africans, whatever their race, whatever their colour, can live and work together in peace, equality and mutual respect.

(Applause)

President. — I call Mr Hamilton to speak on behalf of the Socialist Group.

Mr Hamilton. — I am grateful to the President of the Council for having said what he did say, and I hope he will have the opportunity to speak later on to comment on the current position.

It is now 15 years or thereabouts since former British Prime Minister, Harold Macmillan, made a major speech about the winds of change blowing in Africa

Hamilton

— a very courageous and realistic speech — but that wind of change is now rapidly becoming a hurricane threatening catastrophe on a world scale. The world powers are moving in — China, the USSR and the United States — seeking to establish their own spheres of influence in that extremely rich continent. Western Europe has a great and vital interest in ensuring that its collective voice is heard in South Africa, heard loud and strong on the side of democracy, in support of the principle of majority rule, condemning racialism and helping people who have suffered from colonialism for far too long.

I think it is opportune that the United Kingdom Foreign Secretary should be speaking in this debate in a dual capacity. He and Her Majesty's Government are seeking a just and peaceful solution to the Rhodesian problem and to the Southern African problem as a whole. Our roving United Kingdom ambassador, Mr Ivor Richard, has been working hard in South Africa to that end and especially in Rhodesia. Nobody from outside can impose a settlement on that or any other part of Africa, and the UK certainly does not wish to try to impose such a settlement. It wishes simply to hold the ring until the white and the black leaders can thrash out a plan based on the Kissinger proposals.

Time is not on our side. Rivers of blood are already beginning to flow in South Africa and in Rhodesia and the crucial question that we have got to decide in this debate is what can we do now in this Assembly. I believe there is very little, except to give a resounding call of unity of the Nine behind the aims of the United Nations and the United Kingdom Government in achieving a just, peaceful and democratic solution to these problems. Secondly, I think we could seek to implement in full the policy of sanctions against Rhodesia; there are some erring nations to this day in the Nine who have never carried out the policy of the United Nations in this respect. I think thirdly — and the President of the Council has referred to this — we should now give guarantees of aid to the new government which we hope will be elected within the next two years in Rhodesia. And Sir, fourthly — and here again there are erring nations in the Nine — we should give an assurance that there will be no military equipment of any kind whatever given to the South African or to the Rhodesian regime ...

(Applause)

... and there are again erring nations in Europe who are seeking commercial profit from this kind of evil trade.

On the broader question of the economic boycott, I do not think this is practical proposition. There is no country in the world which exercises moral judgments in pursuing its legitimate trade, so long as that trade is not in military equipment. There is not a nation in

the world which does that. So I think we had better be realists in these matters as well as idealists. We are fighting for the minds of people. We are fighting for the rights of underprivileged people, and we had better be on their side and be seen to be translating our ideals into practical policies.

(Applause)

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

Mr Blumenfeld. — *(D)* Mr President, I should be extremely glad to associate myself with the honourable Members of the Socialist Group who have just spoken, insofar as they have put forward the high ideals of humanity, brotherhood and freedom. But their analysis of the situation is different. Last year in this House, ladies and gentlemen, we debated the African problem, South Africa and apartheid. We made our position clear. The Christian-Democratic Group, on behalf of which I am speaking here, left no doubt that with regard to the policy of apartheid and the right of self-determination it supported what the governments of the Nine had said. We support that, but I must say that this whole complex problem, the question of what policy the European Community should follow in South Africa or in Africa as a whole, cannot be dealt with in five minutes in the form of an oral question.

Ladies and gentlemen, we cannot simply settle the real central issues of the whole policy with a few grade words here, nor can the reply by the President-in-Office of the Council of course provide us with any really profound understanding of the problem either.

I should like to make one thing quite clear: we, the Christian-Democratic Group, shall continue to think for ourselves and form our own opinion on the problems in southern Africa and in particular on our attitude to South Africa, a parliamentary democracy which has a right to be judged accordingly by us and be treated with respect, even if we do not agree with its internal policies and its policy of apartheid. But I must protest at the idea that we should here simply regard as sacrosanct UN decisions, which can only lead to black nationalism in these questions and certainly not to the protection of minorities in Africa or to democratic freedoms. Just look at what is happening in African countries such as Uganda, Mozambique and others.

Therefore, ladies and gentlemen, we refuse to agree to the use of economic pressure to influence the internal policies of a sovereign State. We regard that as thoroughly inappropriate.

I do not wish to deal with Zimbabwe or Rhodesia; that is being dealt with by greater minds than mine and by a conference in Geneva, and anything the European Parliament can say on this subject will be of

Blumenfeld

little interest to them. I should, however, like to ask the authors of the question and the President-in-Office of the Council of Foreign Ministers whether they are aware of a SWAPO document dating from 1971 in which the SWAPO representative, then based in Dar-es-Salaam, wrote to this representative in Europe as follows :

I would like to assure you that since we told the Americans to go to hell, we have the full financial support of the Soviet Union and all socialist countries through the help of the South African Communist Party, with which we have now formed a secret alliance with the view that, once Namibia is free and we are in power, they will be given a base by us in Namibia to work for the downfall of the Boers and American imperialism.

The document goes on :

The Soviet Union has also assured us that they will ask the Arab States to support us and support us in the OAU, and with the assistance of the South African Communist Party will try to push hard to survive against the Front. We will use liberals in England to make it appear as if we were organized with the assistance of Western liberal groups which support African liberation movements.

Ladies and gentlemen, this letter, written as much as five years ago by the SWAPO Delegation to its European representatives, plainly shows what the results would be if we blindly followed the proposals of our Socialist colleagues.

Today I heard Mr Fellermaier expressing a belated insight on the part of the Socialist Group with regard to Ostpolitik. I hope that you will not wait too long before also changing your attitude to South Africa in order to bring it closer to reality — a reality which looks very different in Africa and in Namibia from what you attempted to portray in your question.

(Applause)

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

Mr Johnston. — Mr President, this debate is most timely. Not only is South Africa a place where policies are pursued which are an affront to human dignity, it is also a place where there is the greatest immediate danger that we may see in the late '70s the same sort of thing happening that happened in the late '60s in South-East Asia, where the West inflicted terrible injury, not only upon the innocent, but also upon itself, in an attempt to defend what could not be maintained or justified, and ended up by surrendering whole nations to Communist oppression.

No Liberal can defend apartheid, and no Liberal can ignore the gross inhumanities that it perpetrates. I believe that for all of us within the Commonwealth of European pluralist democracy, that is common ground. The motion calls for the translation of these common attitudes into common action. That is not quite so easy.

Firstly, as a Liberal I believe that the Democrat's duty is to oppose all oppression without distinction, even-

handedly, and only such a basic stand of principle offers the possibility of lasting success. It is not enough to say that we are utterly opposed to the racial persecution in South Africa, Rhodesia, or Zimbabwe, as it will undoubtedly soon be called, and ignore the racial persecution in Uganda, openly bolstered by Soviet arms. The OAU should never have allowed Amin to be their President for one hour of one day. It is not enough to denounce the illegal South African presence in Namibia and ignore the illegal Cuban intervention in Angola, its motivation and its consequences.

It may be pretended — and I would accept it as an argument of some substance — that we have more influence in South Africa than we perhaps have in Burundi, or Zanzibar, or Malawi or wherever. But I think that these matters should not be wholly or solely founded on practical considerations. In the 1930s terrible harm was done to democracy and to Europe alike by those who were willing to denounce Stalin, but not Hitler, and by those who, while recognizing the nature of Nazism, deluded themselves about Communism.

Secondly, I think that the concept of territorial integrity, which is valid enough in settled situations, cannot be used to justify deportation and murder. I do not believe that we can say to people who have settled in southern Africa for as long as the French, the Dutch and the British have settled in North America, that they have no right to live there. In southern Africa it is the establishment of black, and coloured and Asian rights, not the abolition of white rights, which we must seek to achieve.

Liberalism for me certainly, and for my group, is about cooperation, which leads me naturally to my third and final point. The motion asks us to consider economic boycotts. Not only do I, like Mr Hamilton who spoke earlier, think that boycotts, however worthy their motives, do not work, I think they are in fact counter-productive and encourage a 'laager' mentality which serves only to make the position worse. More deeply, I increasingly feel that they are not the proper tool for the Democrat or, in practical terms, the Liberal Democrat. Take détente, for example. Détente is a policy long pursued by Liberals throughout the community, and particularly by the German Liberals in participating in the Ostpolitik spearheaded by Willy Brandt.

What is détente? It is contact. It is not approval. It is the encouragement of contact in the belief that this will lead to change, and that that change will be peaceful. These are my basic thoughts, and underpin the five specific very quick, points I make in conclusion.

Firstly, I think we should support the Kissinger initiative which is now being followed up by Ivor Richard. Secondly, no arms — I agree entirely with what Mr Hamilton said — should be sold by Community countries to any country pursuing policies which repress democracy.

Johnston

Thirdly we should emphasize and re-emphasize to the independent African countries, which gained their independence with difficulty, the reality of Soviet imperialism and the real threat it presents to their new-found freedom.

Fourthly, there should be positive economic and political help given wherever there is an attempt to replace racist oppression with democracy.

And lastly, an active dialogue should be entered into with South Africa, both on Namibia and the internal South African situation, directed at fundamental peaceful change.

It is foolish to be optimistic that this is easy. Tempers are short and the tempest is rising, but I defy any Member of this Assembly to deny that such policies offer the only hope this Community has of fulfilling its responsibilities in its relations with southern Africa in a manner consistent with the liberal and democratic principles upon which this Community is based.

(Applause)

President. — I call Lord Reay to speak on behalf of the European Conservative Group.

Lord Reay. — Mr President, plainly we are living through a period of great changes in southern Africa, and a period which involves very considerable dangers for the West, and it is opportune therefore that we should have this chance to air some views on this matter, although of course Mr Blumenfeld is quite right in pointing out the inadequacy of the time that each speaker has to say all that there is to be said on this enormous, complex problem.

There are three matters which this oral question raises, the question of Rhodesia, of Namibia and of economic sanctions against South Africa. On the first two of these matters our attitude would be the same, namely a desire to see as rapid and as peaceful a transition as possible to independence.

On the question of Namibia, so far the Nine have acted in unity and in step with the wishes of the majority of the black African States. I think perhaps the main question now is: can the Community continue to do this? And I would like to ask the President-in-Office what he considers the prospects are of the Community being able to maintain an agreed position with the majority of the black African States and what is the machinery for doing this? Only by doing this do we reduce the chances of foreign intervention in any of these areas — which is of course one of the gravest dangers that can arise in this part of the world — and of prolonged wars of terrorism.

On the question of Rhodesia, we have of course recently witnessed an historic event, namely the concession made by Mr Smith that majority rule was to come within two years. There can be no going back

on that and here again we would wish to see as rapid and as peaceful a move as can be arranged towards full independence under a black majority rule. Here the Nine have welcomed the establishing of the Geneva Conference by the British Government. The Nine have also committed themselves, as the President-in-Office has pointed out, to renew their support for sanctions and they collectively decided to give financial assistance to those countries under the Lomé Convention who were adversely affected by the imposition of sanctions. So there has been continuous solid support by the Nine for the position of Great Britain, which has of course a particular role to play in this problem, and we hope that this will be continued.

Personally — and I say this to tempt the President-in-Office, as he helpfully offered to change his hat at the end of the debate and speak as a British Minister — as far as the near future is concerned I think that there will have to be a British presence in Rhodesia, and I think that this will have to involve reponsibility by the British for the security forces in Rhodesia. I would very much regret so see the British adopting a position of responsibility in Rhodesia once again, without having the power to discharge that responsibility properly.

Finally, on the question of South Africa, as a group, like all other groups here, we abhor totally the policy of apartheid but, like other speakers, we would not be able to associate ourselves with the apparent wish of the authors of this question that a policy of economic sanctions against South Africa should be introduced. And no government of the Nine has in fact supported this proposal in the United Nations. The sanctions have never been effective, they are not generally practised, as Mr Hamilton pointed out. It would seem extremely inopportune, when we consider how ineffective and how painful the process of sanctions against Rhodesia has been, to consider now introducing them in the case of South Africa. And for those reasons we cannot support the authors of the question on that point. But apart from that we would go along with them and would look forward to what answers the President-in-Office can give on the questions which those authors put to him.

(Applause)

President. — I call Lord Walston.

Lord Walston. — Mr President, we are all in this Chamber united in our condemnation of apartheid and we are united in our fear of a racial war in southern Africa. But it is not enough, from the safety of European parliaments and the comfort of our own private lives, to condemn and to warn simply with rhetoric. We must take practical steps in order to prevent and alleviate the suffering of millions of human beings throughout the whole of southern Africa. Already we have seen the beginnings of racial war: we have seen war and slaughter in Angola and

Lord Walston

we are seeing it, albeit on a relatively small but growing scale, at the moment in Rhodesia. What we must do now is to prevent the extension of this war and to bring today's slaughter to an end, and it is towards the practical steps which are going to enable us to exert influence in this respect that we must now turn our minds.

I shall deal only with the problem of Rhodesia, Mr President. A great step forward was made when Mr Smith, as has been said already by the Conservative speaker, agreed under pressure from Dr Kissinger and from Mr Vorster to an ending of minority rule in his country within a period of two years. And further steps forward have been made in Geneva under the very able chairmanship of Ivor Richard. We should give credit to those who deserve credit for this, whatever their motives may have been. Progress has been made. But today we know there are very grave difficulties standing in the way of the fulfilment of these hopes. It is inconceivable, surely, to us as rational human beings that, having accepted the principle of majority rule in Rhodesia within two years, the whole of southern Africa should be condemned to further warfare, further slaughter, further oppression because there cannot be agreement as to whether this two years should in fact be twelve months, fifteen months, eighteen months, and what should be done within that intervening period. I believe that the initiative — taken belatedly but still taken, and I give the President-in-Office credit for this in his capacity as British Foreign Minister — of a British presence in Rhodesia, is the right solution.

But now we have the problem of how to persuade Mr Ian Smith to accept this. There has been general agreement in principle by most of the leading African countries and Statesmen involved. The stumbling block rests in Rhodesia with Mr Smith. And here we turn to Mr Vorster. The key to this problem lies in Pretoria and pressure must be brought upon Mr Vorster to use all his influence, even the threat of turning off petrol, which immediately will bring Mr Smith to his knees. That is what I hope Mr Richard is doing today but, and I would quote the words of Mr Crosland this morning when he said 'The Community as a whole can exert enormous power provided it acts as one'. I now appeal to him in his role as President-in-Office of the Council of Ministers to ensure that Ivor Richard does not speak for the United Kingdom alone but that he speaks with the combined backing of the whole of the Community, and all the countries and all the influence that it represents, to tell Mr Vorster bluntly what the effects are going to be in his own country, let alone in southern Africa, if he fails to use this power that we all know that he has. The responsibility will be laid at his door and we as a Community, will use all our efforts to see that that is brought home to him.

(Applause)

President. — I call Mr Spicer.

Mr Spicer. — May I, first of all, say how very much we all welcome the very brief reply initially given by the President and the way in which he presented a large number of facts in the space of a very few minutes. But could I say this: the speech that he gave us — brief though it was — was extremely reasonable in its content and would read extremely well if we lived in a reasonable world. But sadly, unfortunately, in Africa, we do not live in a reasonable world. I had the privilege of living in Africa for two years, not in South Africa but in Kenya, and I have a great love for the people of Africa, both black and white, each of whom in their own way have contributed so much towards the prosperity of that continent which many of them enjoy today.

I think we, in the more favoured part of the world, have a duty to work for three things in Africa. Firstly peace, secondly freedom and thirdly prosperity. Could I just mention two particular areas? I will first deal with Namibia and your remarks on Namibia, and then go on, if I may, to talk a little about Angolan refugees, who have left their country. In your speech, you called for self-determination for the people of Namibia, and you coupled with that remark a very firm inference that in achieving that self-determination the SWAPO party had a right, I would hesitate to say a God-given right, but a right to be considered as a main party in achieving that self-determination. I would ask you, Sir: what is the right of SWAPO, other than the right which brings democracy out of the barrel of a rifle? What evidence do any of us have that SWAPO has a firm base within South-West Africa — or Namibia as it is today? I would very much welcome any evidence that you, or anyone else can produce to show me that they do have this firm base, which is not coupled with terrorism and anarchy which they are bringing across the border from Angola at the present time.

Then again, a little later on, you said that the people of Namibia should be given the right to exercise their right to self-determination. Sir, I could say with the greatest respect to you and to others who think in the same way: Tell that to the marines! Because we have seen in Africa exactly what this self-determination and the right to democracy and to free elections really comes down to. Tell that, Sir, to the many thousands of refugees who have fled from southern Angola across the border into both Zambia and Namibia. Can I give you just one example of why I am horrified at the double standards which are employed by so many people both in this Parliament and outside it, and particularly in the United Nations? There were twelve, fifteen, twenty thousand refugees across the border, who were daily being joined by five or six

Spicer

hundred more, driven across the border by scorched-earth tactics employed by Angolan troops led by Cubans. There are eye-witness accounts — not again South African eye-witness accounts but accounts by reputable United Kingdom journalists, who saw people being shot down and slaughtered, saw villages being destroyed. I took it upon myself to telephone the United Nations High Commission for Refugees in Geneva, and I said, 'What are you doing please?' Their spokesman came on. 'What are you doing about the refugees fleeing across the border? Are you giving any help to the South Africans and to the Zambians in looking after these refugees? The reply was very straight-forward: 'We know nothing about any refugees fleeing from Angola'. So I pressed my point again: 'I have eye-witness accounts, I know this is happening — please tell me.' 'We have no evidence at all, said this man again, 'of any refugees fleeing from Angola.' I said: 'Well, what is your source of information? Where are you getting your information from?' And he said, 'We are dealing with the legal government of Namibia. We are dealing with SWAPO'.

Now Sir, by any standard that is a scandalous way for civilized people to behave. And we are supposed to go along with the pretence that within the United Nations we are dealing with a civilized organization and that they do not accept double standards. This is my fear for the future. Most people here — I think Lord Walston said that — agreed in principle, but some people may be driven along this road of disbelieving the obvious, of exaggerating the one side of the coin and ignoring completely the other side. And if we want to see in Africa a just, free society established for both black and white, then for God's sake let us accept that there is evil, as Mr Johnston said, on both sides; let us in this Parliament and this Community give help where help is needed and not turn a blind eye to the problems that stem from terrorist organizations under Communist influence who would destroy anything that we would consider to be in the best interests of the African people.

(Applause)

President. — I call Mr Dalyell.

Mr Dalyell. — I wish to raise, on behalf of the Socialist Group, a question of which notice has been given, namely: What is to be done by the Community about the position in which the small and poor country of Lesotho now finds itself, in that the border with the Transkei has been closed? Any of us who were present at the European Parliament ACP Conference in Lomé — including Mr Cheysson — will well recollect that the situation on the closing of the border gave cause for concern not only to the Lesotho delegates, to whom we talked at length, but to many of our other African partners. Now, simply, as the President-in-Office knows very well, there is an impor-

tant issue of principle here — namely, to what extent a small country should be forced to give in to *apartheid*. There are, Mr President, many things that we could do. I understand from a question on 14 December that help is being given to make the crucial 80-km track passable in rainy weather. There are many other minor things that can be done to help. So the question is this. What are we doing? What is the philosophy of the Council and the Commission on future help to Lesotho, because this is an issue that we can do something about rather than pass pious resolutions on subjects that we are less able to do anything about?

President. — I call Lord St. Oswald.

Lord St. Oswald. — Mr President, in respect of what has become, naturally enough, one of the central themes of this wider debate, we all start from the premise that within a short time Rhodesia must, and will, have majority rule, and that this will, by sheer mathematics, lead to black majority rule.

Between these two axioms there is an opportunity for tragic and bloody turmoil, creating incalculable misery for almost all who live in that country, unless we take care to avoid it. Like Mr Blumenfeld, Mr Johnston and now Mr Spicer, I wish to exhale a breath of cool realism synthesized by the conviction that the white man has not simply a useful continuing role to play within Africa but an essential role.

Yet it appears to be part of the accepted folklore of the West, in our epoch, that in the whole of that vast, mysterious but voluble continent of Africa all white men are wicked, grasping, cruel and thoroughly bad, while almost all black men are sweet-natured, incorruptibly honest, innocent as maidens are meant to be — and exploited. Even a superficial look at the true state of affairs will reveal how often and how harmfully misleading this picture is, and a deeper look will discover that in some cases it can be a contradiction of truth, a reversal of fact.

When I was a delegate of my government at the United Nations' Session of 1970, I learned that this simple-minded and sentimental pretence was solemnly advertised, its observance was one of the ground rules of debate. There was also a preposterous and irksome bye-law, auxiliary to this pretence, to assist in its application, which went under the initials IRC. That stood for 'In respectable company'. This juvenile phrase incorporated into a government's instructions to its delegate meant that he or she could vote for a resolution or an amendment so long as neither Israel, South Africa, Portugal nor Spain was voting in the same way. Paradoxically, Soviet Russia and her servile satellites, Yugoslavia and other iniquitous dictatorships were considered eminently, admirably and even enviably, respectable. To me there was something incongruous in this approach, and so I took a more robust line,

Lord St. Oswald

applying the St. Oswald criterion, which in essence, that any line of conduct or advice which my conscience and considered judgment led me to approve was sufficiently respectable for *me*, whatever my company. This shocked my Western colleagues, including compatriots, all of whom considered this particular bye-law something akin to Holy Writ.

Now, this Parliament is an infinitely more sensible and effective body than the United Nations, by a factor of something like 50. Nevertheless, I have noticed the same insidious illusion creeping into the idiom and approach of this Parliament and, what is equally serious, into the treatment of the Rhodesian problem by some Western governments. Because I believe it is a perilous illusion, a peril to all who live in Africa. I will mention an instance, restricting myself to one only among many, where we are being patently gullible and thereby confusing, and perhaps confounding, our potential value to Africa.

All the former African colonial territories, I think, with two exceptions, were launched into independence by the departing power on a path to democracy after elections, and most, if not all, with a pattern of at least two political parties to balance each other. Almost all have subsequently, on the decision of powerful minority leaders, been converted into one-party dictatorships or near-dictatorships. There are now two countries which have never been offered even the opportunity of a democratic start which in the case of Western nations we make the badge of respectability and acceptability, certainly the lowest common denominator for the granting of real influence in world decisions. The leaders of these two newly-independent countries, Angola and Mozambique, have come to dictatorial power and retain that power through the cynical intrusion of the great Communist mammonths, Soviet Russia and China, with no kind of compensating influence or assistance from the West for the aid or encouragement of the democratic elements within those countries.

Yet in the Rhodesian issue, a kind of implicit and actual authority has been conferred upon 'President' Machel. How has he to merit this international authority and dignity? Samora Machel is not a political leader, still less a Statesman. He is a guerrilla leader, and that is not a pejorative term in my vocabulary — I have been a professional *guerrillero* myself. Only, this is a leader who has killed indiscriminately thousands of innocent people, almost all of them black Africans, in the course of his operations. The jagged fact is that Machel does not represent the people of Mozambique. He has not submitted himself for election, and it is the last intention he has in mind, for the very sound reason that he knows he would collect less than 5% of the votes. Almost half of the territorial area of Mozambique is in armed revolt against him in nine separate identifiable areas. They stretch from the western boundary at Zumbo to

the eastern seaboard, from the northern boundary at Muenda to a zone far in the south, in Gaza, close to the newly-named capital of Maputo.

Although he has multiplied the security forces existent during colonial rule, he dare not move out of his capital and he has publicly complained that there are not enough prisons in the whole country to contain the enemies he has captured. Hard labour camps have been opened to augment them, and ominously named 're-education centres'. FRELIMO is not, let us be clear and honest about it, a political party. It is a ruthless military force; it rules by terror, by armed power, purges and prisons.

There is a political party with democratic ideals, drawn from the people of Mozambique. It is called FUMO, the United Democratic Front of Mozambique, and it is forbidden to function openly in Mozambique because of its nature. All its leaders were in the struggle against Portuguese colonialism and are now in exile.

I affirm most forcibly that on the one hand we should draw a sharp excluding line at bequeathing world status and unworthy prestige upon a terrorist chief hated and feared by the vast majority of those he already rules. He should not be permitted to intervene in decisions involving lands even beyond the borders of his own territory, lands where his only object, and stated object, is to impose the same kind of oppression that he exercises at home. It is a mockery of our own aspirations for Africa. On the other hand, we should identify our true friends and fellow-Democrats and succour them.

(Applause)

President. — I call Mr Cheysson.

Mr Cheysson. — (*F*) Mr President, it is not for the Commission to enter into debate with the President-in-Office of the Conference of Foreign Ministers, no matter how strongly I am tempted to offer a political commentary on some of the fascinating speeches we have heard.

Consequently, I shall do no more than answer a question put by a member of the Socialist Group concerning our action in Lesotho. The government of Lesotho, which is a signatory to the Lomé Convention, informed us of a serious problem which had arisen in the country. The movement of its citizens between the eastern and western parts of the country had, in fact, become impossible as a result of measures introduced along the southern border of Lesotho by the allegedly independent government of Transkei. We immediately took emergency action. On 5 January, a week ago, following talks with the government, we granted Lesotho financial aid for the immediate construction of a road between the two parts of the country.

President. — I call Mr Glinne.

Mr Glinne. — (*F*) Mr President, we often hear people condemn apartheid and then add in the same breath that it is very difficult to express this condemnation through effective measures. We have just heard this again from Mr Blumenfeld.

One of the arguments regularly trotted out is that there is a communist threat in the Republic of South Africa and in southern Africa generally. Everyone knows that international power politics must come into it, but as far as the internal organization of these countries is concerned, I should say that the foremost champion of the communist cause in southern Africa is the South Africa government itself, by virtue of the odious regime which exists in that country, where the Repression of Communism Act is the daily justification for the most repressive measures against those who are defending the highest ideals, like those of western Europe, for example. It is this repression, more than anything else, which encourages the spread of communism in southern Africa.

Furthermore, Mr President, if there is some impatience with regard to SWAPO and Namibia, it is no doubt because many years have now passed since the first UN resolutions on Namibia and since — and this is more to the point — the decision by the International Court of Justice in The Hague, whose impartiality in the matter no one will question. And yet we are still waiting for these decisions and resolutions to be implemented.

Mr President, I asked to speak in order to direct the attention of the Commissioner responsible for the Community's political cooperation to two aspects which I find particularly serious.

Firstly, in a number of Community countries mercenaries are currently being recruited for Rhodesia. This is true of Belgium and of one or two other Member States. I hope it will be obvious to everyone that if this recruiting and movement of mercenaries for Rhodesia continues, the non-violent solutions which are sought and which have a reasonable chance of success will be severely compromised.

A number of Member States have, or have had in the past, temporary laws passed for specific purposes. I am sad to say that in my country, at the time of the Civil War in Spain, a law was passed which forbade, for the duration of the war, the recruitment of transit through Belgium of troops going to Spain. It would be very easy to bring such laws up to date. All we have to do is substitute 'Rhodesia' or 'southern Africa' for 'Spain' and the flow of mercenaries to southern Africa could be legally prohibited. Whatever the particular legal situation is in each of the Member States, it is vitally important for those responsible for the Community's political cooperation to take action and ban, as quickly as possible, the flow of mercenaries to Rhodesia in particular and to southern Africa in general.

Secondly, Mr President, I should like to point out how unseemly it is for the Member States of the Community to have cultural agreements with the Republic of South Africa. Nothing is more offensive than apartheid when it is looked at in the light of culture in the modern and humanist sense of the word. Several Member States have cultural agreements with South Africa. Belgium has just suspended the agreement which it had signed, but other Member States maintain cultural links with Pretoria. Mr President, I should like to urge that all these agreements be suspended until more auspicious times in South Africa.

(Applause)

President. — I call Mr Cointat.

Mr Cointat. — (*F*) Mr President, please forgive me if I prolong this debate by another five minutes. I had no intention of speaking, but for reasons which I do not quite understand my country has recently been the butt of veiled or even open criticism. I am sure you will understand that I cannot remain completely silent.

A short while ago it was Mr Hamilton who, without mentioning France by name, spoke of my country's relations with South Africa. Before that, it was Mr Fellermaier in a reference to another topical issue. And yesterday it was Mr Dondelinger with his accusations of electoral malpractice in France.

This is going a bit far, Mr President, and I do not want France to be considered a frightful country. Consequently, I should like to say that we are not at all happy about this, especially as I wonder whether this House is really the right place for such questions. I wonder, too, what the procedural justification is for bringing them up.

These thoughts lead me to a very important consideration, Mr President. Repeated questions and criticism of this type, about the internal affairs of a Member State, are sometimes justification for those who are against the election of Parliament by direct universal suffrage. It is not easy, in my position, to defend these direct elections in my own country.

But as we have freedom of expression here, Mr President, let me just ask: 'Why beholdest thou the mote that is in thy brother's eye, but considerest not the beam that is in thine own.'

Coming back to the question on South Africa, let me remind the House of the reply given by the Minister for Foreign Affairs. Mr de Guiringaud, to the UN Assembly in New York on 20 September last year. He said that as a result of the French government's condemnation of racial discrimination and other aspects of South African policy, it had been decided to curtail the sale of arms to the Pretoria government and eventually to ban all new contracts or sales.

Cointat

This statement by Mr de Guiringaud was merely the confirmation of an earlier statement made to the Security Council on 19 June. Let me just say in closing, Mr President, that the Community adopted a similar stand on this subject a fortnight ago and that France obviously subscribed to that decision.

President. — I call Sir Geoffrey de Freitas.

Sir Geoffrey de Freitas. — Mr President, I intervene for a few minutes only because I have heard too much pessimism. I was British High Commissioner in Nairobi at the time of independence for Kenya in 1963. Some years before that there had been, as many of my friends here will know, a Mau Mau uprising. But in the years leading up to independence, and at independence itself, there was no racial violence and it went smoothly. Since then, in the 13 years that have passed, blacks and whites have lived and worked together in peace. It can be done in Rhodesia too. Of course, it is difficult, but it can be done in Rhodesia too. The example of Kenya is there. It can be done if Smith can be held to his undertaking. I intervene only to say that we can see encouraging signs from other parts of Africa, so let us not be too pessimistic. If Smith sticks to his undertaking, it can be achieved.

President. — I call Mr Crosland.

Mr Crosland. *President-in-Office of the Conference of Ministers of Foreign Affairs.* — Mr President, I have listened with close attention and the greatest possible interest to this very constructive debate that we have had on the problems of Southern Africa, a debate that aptly, perhaps, ended on the optimistic note just struck by Sir Geoffrey de Freitas, which I profoundly hope and pray will be justified in practice. I think to be on the safe side, as I am a novice in these matters, I had better confine my reply to my role as United Kingdom minister rather than as President of the Council, as I haven't yet got a complete grasp of what my fellow ministers of the Nine would or would not agree to have said on their behalf.

I want to make very briefly one general point and four very short specific points. The general point is that one or two speakers, to my surprise, rather gave the impression that the only two — or the two most prominent — regimes in Southern Africa which refuse to submit themselves to the majority of their electorates for support were Angola and Mozambique. I would have thought there were two other regimes which equally refused — namely Mr Vorster's and Mr Smith's — neither of which would dream of submitting themselves to the vote of the majority of their own peoples.

Now my four specific points. First of all, Namibia. I was asked: what is the right of SWAPO to take part in negotiations? There is a very simply answer to this. The South African Government of course have not

seen fit to allow an election to be held over the entire territory of Namibia. The only elections held have been on a tribal basis. We therefore don't know how many people SWAPO represents or how many people a lot of other organizations represent. But we do know SWAPO represents a great many people, and of course it is part of our policy to have United Nations supervised elections to test the issue finally.

Secondly, the question of the economic boycott of South Africa. Here again what I am stating is the UK position, and not the position of the Nine. Mandatory economic sanctions against South Africa would require a prior determination under Chapter 7 of the United Nations Charter of the existence of a threat to the peace, breach of the peace or acts of aggression. The United Kingdom does not take the view that the situation in South Africa, deplorable as it is, justifies such a determination. Mandatory trade sanctions would do great harm, far beyond their effects on the South African economy itself. In South Africa it would be the non-whites who would be the first to suffer and who would suffer worst, and I don't believe — this is confirmed by all our information — that those non-whites actually living and working in the Republic would wish to have trade sanctions imposed against them.

Thirdly, the point raised by my colleague, Mr Dalyell, about Lesotho and the difficulties caused for Lesotho as an indirect result of the South African action in bringing the Transkei Bantustan into being. Commissioner Cheysson has already answered the question as to Community aid. I will say one thing about the Bantustans more generally. So far as the recognition of the Transkei is concerned, the position of the Nine, and here I do speak for the Nine, is clear.

The Member States, each in the light of their own criteria for recognition, were unanimous in refusing to recognize the purported independence of the Transkei Bantustan. I fear, however, that the Government of South Africa is being slow to learn the lesson. There are, I am sorry to say, some signs that South Africa's only reaction to the terrible happenings of Soweto is to tighten repression and to accelerate their programme of Bantustans. This must cause all of us great concern, because there are policies that take no account of the real interests and wishes of the people involved.

Lastly, Mr President, if I may, a word about Rhodesia. In many respects a different problem, but similar in that racial conflict lies at the root of it. We want to work, all of us, for a negotiated settlement which, while meeting the legitimate aspirations of the majority, would ensure a future for all races. This has been our aim at the Geneva conference and is our aim in the talks which Mr Ivor Richard has been holding since the conference was adjourned to allow for a period of reflection and consultation. Mr Ivor Richard,

Crosland

as my colleagues here well know, has since then, since 29 December been touring Africa. We have in the British government developed a number of ideas which we think could contribute to a settlement, including a willingness to play a direct role for Britain that is, to play a direct role in the transitional period. Mr Richard, in the course of the first round of consultations, has seen the front-line presidents, has seen all the four main nationalist leaders, has seen Mr Vorster and has seen Mr Smith. He has received assurances from Presidents Kaunda and Nyrere that the guerrilla war would, be halted as soon as this had been done. But I mustn't conceal from any of my colleagues here that there is still a very wide gap indeed between the restrictive positions of the parties concerned. Certainly, there will be no question of re-convening the conference as I had originally hoped in Geneva, on 17th January. Nevertheless, Mr Richard will be continuing his consultations, and the conference will be re-convened as soon as he has established a basis on which it can meet with a good prospect of success.

And I would like to emphasize in conclusion that we are playing for immensely high stakes in Rhodesia. If these talks break down, there will of course be an immediate intensification of the guerrilla war. Nobody should be under any illusion that the guerrilla war will be confined simply to white Rhodesians and African Rhodesians, because it won't. There will, very rapidly, be intervention on both sides — South Africa or South African volunteers will certainly intervene on one side, with the risk of course that we may have Cuban intervention on the other side. We shall then have the unthinkable prospect of a racial war which gets caught up in the world global conflict. And for those honourable Members here who are concerned about the Communist threat, of course, there can be no greater encouragement to Communist intervention in Southern Africa, than a failure of the Rhodesian talks to reach a settlement. And it is for that reason that I am profoundly grateful to all those Members of this Parliament, who have expressed their moral support and their political support for the efforts which the United Kingdom is putting into trying to achieve a settlement in Rhodesia, because I agree with those speakers, who say it is not simply a question of one country that's concerned with Rhodesia; we have special responsibilities yes, legal, historical, moral, judicial, for Rhodesia, but fundamentally this is a problem that concerns the whole of the western world.

(Applause)

President. — I call Mr Waltmans.

Mr Waltmans. — *(NL)* Mr President, I think I would be failing in my duty if I did not express my gratitude to the Foreign Secretary of the United Kingdom for his answer to my question. I do not

know if it is usual in Europe for foreign ministers of one country to account for their policy to Members of Parliament from another country, but I am extremely glad to see it. I should like to say something more about SWAPO, since this question has been brought into the discussion in a rather tiresome fashion by the representative of the Christian-Democratic Group. Of course, Mr Blumenfeld, anyone can bring along unauthenticated letters and read out passages from them. You as a German ought to know better, since you know from your own history that from time to time telegrams and letters have been forged in order to achieve a particular effect. I would therefore be wary of being taken for a ride.

Whether your comments on Uganda and Mozambique are well founded is a rather different matter. I would have thought that unless we, Western Europeans have very short memories we ought to be rather cautious about accusing other countries of doing things that we have frequently been guilty of ourselves. And let us not forget that the tragic circumstances in South Africa are a direct legacy of our Western European interference in that part of the African continent.

I wanted to say something more about SWAPO, since I feel very strongly about this. I think the difference between the Foreign Secretary and myself with regard to SWAPO lies in the fact that I do indeed regard SWAPO as the authentic representative of the Namibian people, while he, in accordance, I admit, with the position of the Council of the European Communities, recognizes SWAPO as one of the political factors but then lumps it together with the tribally based puppet council in Windhoek, which is aimed at continuing the illegal South African regime. What I should like to ask is that the European Community should lay much greater emphasis on examining the position of SWAPO itself in connection with the future of a free Namibia. I feel some clarification is needed when talking about parliamentary democracy for young countries in an historical and political perspective, but I cannot give this now, if only for lack of time.

Mr Cointat talked about France's internal problems, with which we cannot and should not concern ourselves. I do not feel any great need to do so, Mr Cointat. What you do in your own country, insofar as it does not go beyond the frontiers, need only be subject to my consent or approval insofar as I myself am affected. But in view of the fact that for years France has been the predominant supplier of arms of all sorts and has provided assistance — and is still ready to provide assistance — for South Africa's nuclear development, which could possibly favour the creation of a nuclear military power, we all, both the blacks in South Africa and we here in the European Parliament, have the right to ask France, and to ask the French Government, one of the governments of

Waltmans

the European Community: what in God's name are you doing?

Finally, however, I think I can say that if Africa is listening it will have heard some encouraging things. I gladly acknowledge this, and that also goes for the foreign Secretary's remarks, although he will not deny that the time may come for the European Community too when we shall have to admit that we have only one non-violent way of putting an end to this regime which is leading us towards a race war, and that is an economic boycott. I appreciate that at the moment the majority in the European Parliament is not ready for this, but I do not exclude the possibility that at the end of the year the cards will be stacked differently.

President. — I call Mr Blumenfeld.

Mr Blumenfeld. — Mr President, I am going to speak in English in order to save time. I have no intention of prolonging this debate, but I wish to go on record as asking the President and the House to give us an opportunity to discuss this whole matter — which is of great importance and which has been raised by the question by the Socialist Group — in more detail and at greater leisure, some time this spring, when we will have before us the report by Mr Schuijt on behalf of the Committee on Development and Cooperation. He is in the final stage of presenting his report, and I would like us to have time to clear up some of the political and other misunderstandings which have cropped up during this debate, because I certainly feel myself misunderstood by what Mr Waltmans said just now, although I shall not try to clear it up right here and now.

But I have another point to make, since the President and Mr Cheysson have mentioned it, namely Lesotho. Are we to understand that it is a true fact, sir, that through the actions of the South African Government and the Transkei provisional government or whatever you might call it, Lesotho has been sealed off, and therefore needs economic assistance, which I understand, has just been promised by Mr Cheysson, on behalf of our Community? I am all in favour of economic aid if the facts are right. I would like to ask the President and Mr Cheysson whether a report — and not a dubious letter such as I have just been accused of reading to you — whether the report from a serious correspondent of *The Observer* — A British newspaper whose repute is clearly established — on 9 January this year is correct or not. The journalist says, with regard to the notion that the government of Lesotho has also asked the UN for substantial help:

It took me only one day's journey along the rugged frontier between Transkei and Lesotho to see that traffic flows freely through the three mountain passes which lead down to the Republic of South Africa.

On the day the Security Council adopted its resolution calling on South Africa to reopen the frontier, I passed four bus loads of shoppers and migrant mine workers as

well as 14 motocars and trucks and one ambulance on the road from Qacha's Nek to the South African frontier town of Matatiele ... Not one complained of any difficulty in crossing the border. Police records of vehicles crossing the Transkei border show that, apart from private vehicles, a daily average of two buses cross from Lesotho and four buses return with migrants from the South African mines ... The notion that either South Africa or the Transkei is trying to isolate Lesotho is therefore completely groundless.

Now I would like to know from Mr Cheysson whether he has established his source's credentials, and I would like to know from the President whether he can tell me if this report by *The Observer* is correct or not. If it is not correct we ought to do something about it, or his government ought to do something about it.

(Applause from certain quarters)

President. — I call Mr Cheysson.

Mr Cheysson, Member of the Commission. — (F) Mr President, the Commission has naturally not proposed exceptional measures for aid to Lesotho in addition to the financial assistance to which it is normally entitled, without first asking its local representative, who is based in Maseru, for a report on the subject. It is true true that the border posts have not been closed, but it is equally true that transit by Lesotho citizens through Transkei to South Africa in order to re-enter Lesotho at the other side has become impossible. In other words, Lesotho citizens still have the right to go to Transkei but they no longer have the right to use the road which goes from Transkei to South Africa to join the two parts of Lesotho: transit has become impossible between the two parts of Lesotho via South Africa and Transkei. I have a precise report on this subject from our local representative.

President. — The debate is closed.

9. Change in Agenda

President. — The next item was to have been the report (Doc 441/76) drawn up by Mr Lange on behalf of the Committee on Economic and Monetary Affairs on

the principles to be observed by enterprises and governments in international economic activity.

I have been informed that the political groups have agreed to remove this report from today's agenda and to deal it in the February part-session.

I call Mr Lange.

Mr Lange, rapporteur. — (D) I wanted to request that the report be referred back to the Committee on Economic and Monetary Affairs.

President. — Are there any objections?

That is agreed.

10. *Oral question with debate:*
Mr Adams and Hoffmann-La Roche

President. — The next item is the oral question with debate, put by Mr Prescott on behalf of the Socialist Group to the Commission of the European Communities, on Mr Adams and Hoffmann-La Roche (Doc 499/76):

Since Mr Adams' arrest for industrial espionage in Switzerland in 1974 and his conviction for providing information to the Commission about the illegal trade practices by Hoffmann-La Roche, the Commission have assured the Assembly that the 1972 Agreement between the European Economic Community and the Swiss Confederation is incompatible with those Swiss laws that led to the conviction of Mr Adams.

Will the Commission answer the following questions:

1. When did the Commission convene the joint committee under the 1972 Swiss/EEC agreement to discuss the implications of this case, and what conclusions did it reach?
2. Has the Commission been informed as to the date of Hoffmann-La Roche's appeal to the European Court against their fine? Is there any delay, and will the Commission make a statement?
3. Has the Swiss Government given any assurance that no Community citizen will face prosecution for industrial espionage if they provide information to the Commission similar to the action taken by Mr Adams about the illegal practices of such companies?
4. Has the Commission received any representation from other EEC Governments on behalf of Hoffmann-La Roche in this matter?
5. On what date did the Commission publicly move against Hoffmann-La Roche companies in the Community and was Mr Adams previously informed? If not, why not?
6. When was the Commission first made aware of Mr Adams' decision to appeal against his conviction by the Swiss Courts and is it compatible with the statement given by Commissioner Soames to the European Assembly in September?
7. Has the Commission received any request from Mr Adams for assistance in acquiring citizenship of one of the Community countries?

I call Mr Prescott.

Mr Prescott. — Mr President, this matter has been before Parliament on a number of occasions since I have been a Member, three times, in fact, with a period of three or four months between each occasion. There has been little progress in this matter, though the issue has had the attention of this Parliament for the past three or four years through the Socialist Group, before I joined it.

We have expressed considerable concern about a number of ramifications involved in the case of Mr Adams and Hoffmann-La Roche. There is no time to outline once again the many issues of considerable concern to this Parliament, or indeed to deal with the

matters in which the Commission has played an active part in financing the legal defence of Mr Adams, for which I congratulate them. I would like to add that the series of questions that I have put down on behalf of my group in the document before the House are in no way intended to be critical of the intention or the desire of the Commission to assist Mr Adams in his present troubles. Nevertheless, there are difficulties and the difficulties are different for each party in this dispute, as I will try to show.

Briefly, it will be recalled that this multinational drug company, Hoffmann-La Roche, was fined 300 000 u.a. by the Commission for certain practices that this company adopted while operating within the Community, even though the headquarters themselves were located in Switzerland. This fine, by the Commission is presently being contested by the company at the European Court. Of course, to a certain extent it may be argued that the matter at *sub judice*. But, as I want to try and impress upon the House, there are consequences for a person, namely Mr Adams, to which we should give further consideration, to balance against the argument that one sometimes hears that this particular matter is *sub judice*. It is clear that Mr Adams, who was an employee of Hoffmann-La Roche, assisted the Commission considerably in providing information which eventually led to the successful prosecution — one can use the word 'prosecution' in this sense — and fine by the Commission on Hoffmann-La Roche and the ceasing of this particular practice, which was illegal in the interpretation by the Commission — one which I fully support — of these activities under Article 84 and other articles of the Rome Treaty.

The concern of myself and the group is that, while this issue has been discussed here before, it is at this stage, as I said, before the European Court, and is also before the Swiss Courts, as Mr Adams himself was fined and placed in jail at one stage, and has faced considerable consequences because of his action, primarily because the Swiss authorities prosecuted him for spying or industrial espionage. Anyone looking at the legislation under which he was prosecuted can be left in no doubt that the charge arose directly out of the view taken by the State — because the State had a say in the nature of the charge — that this was against the national interests of Switzerland, in that information was provided to a foreign body, in this case the Community's Commission.

The point I really want us to exercise our minds on is that, while the different parties to this dispute are contesting it in the courts, the consequences are different for, each party. The Commission are concerned with assistance to Mr Adams in his difficult situation. La Roche were fined a very miserable sum only a fraction of the maximum fine that could have been imposed for this activity, and which is, of little

Prescott

consequence to them. For the Swiss authorities it is obviously a matter of some concern, and one which, no doubt, they are watching closely. But no one faces the personal consequences that Mr Adams himself has faced.

You will recall that after the interrogation by the Swiss authorities, when the man was arrested, his wife unfortunately within a number of hours of that interrogation committed suicide. He himself eventually got out of prison with the aid of the Commission, and went to Italy. Now, he is in a situation where, as a Maltese citizen, living in Italy, he is attempting to rebuild his life. He has rendered this Community a considerable service — one that I think would rate the possibility of our considering him for Community citizenship. One of the questions — Question 7 — is one largely geared to considering whether British citizenship could be granted to him, and particularly with his background. He was for 40 years a British citizen until the Maltese Independence Act, and also acted in an honorary capacity as vice-consul for Britain in a Latin American country. In these circumstances surely it must be possible to grant him that. To that end, I have a meeting both with the Home Secretary in Britain on 24 January, and I hope for a meeting with President Jenkins about this matter. We are taking steps to help him in Italy in order to see if we can achieve for him what has been much delayed, a residence certificate. Under those circumstances, we could personally help Mr Adams considerably, and through the power of this Parliament in its publicity, and the Commission by its contracts, together we should be able to achieve these two things.

But there are a number of other questions of equal concern down on the paper. Questions about whether there is delay in dealing with the matter by the European Court, whether in fact the Commission in its activities have been subject to certain pressures, matters that have been mentioned in press speculation which one finds difficult to substantiate, questions which clearly need voicing in this Assembly to the Commission, to ask whether there is any truth in these matters. Why was Mr Adams not informed of the action by the Commission against the company and allowed to visit Switzerland and therefore to be arrested by the Swiss authorities? In Question 4, for example I ask the Commission — and I want them to be absolutely precise about this — whether it has been approached by any other country, giving an opinion that perhaps La Roche was correct in this matter, or has there been any correspondence between the Commission and member Governments about the case of Adams and La Roche; if so, in what way and in what manner is it related to the issue? I hope we can have some reasonably precise replies about that.

The other aspect of this problem is a problem of direct concern to this Parliament, namely that the

agreement achieved between the Swiss Confederation and the European Parliament allows a free trade area to be developed and come into being from 1 January of this year, and trade between the Community and the Swiss Confederation will be equal between the competing parties. They have access to our markets. But it is quite clear from the legal documents that we have been given that the obligations in the international agreement are clearly in conflict with the domestic law of that country. Mr Adams, in fact, was prosecuted for the offence of giving information about an illegal practice for which the Commission have correctly, fined the company. And in those cases where domestic legislation is in conflict with the international law, it is the precedent that the international law should prevail and the domestic legislation should be changed. The position therefore at the moment is that if any other Community citizen was to provide information about this company, or other companies in similar circumstances, and they happened to be situated in Switzerland, they could face prosecution on a charge of criminal espionage just by providing information to show that certain illegal practices under the Rome Treaty were taking place. Certain articles of the Treaty apply to Switzerland because of their Agreement with the Community. Therefore, other citizens of this Community face considerable dangers. I want to ask the Commission the question: why is it that we have not used the committee to raise and debate thoroughly the issue of the conflict between the domestic legislation in Switzerland and the obligation in the international agreement between the Community and Switzerland? I hope they can give us further information about that.

I will listen very carefully to the replies that we get, and so will my group. We will then consider what we can do subsequently.

The final point really is that this man, Mr Adams, served this Community very well. He did the Community a service. The least that we can do is to assist him. He is looking to this Parliament to protect him, to protect his interests and give him some form of justice. I hope that will be considered as an honourable part for all parliaments to play and that tonight we will make some small progress towards achieving the protection of his interests and taking a step that Parliament should take on behalf of the interests of Community citizens.

(Applause)

IN THE CHAIR: MR LÜCKER

Vice-President

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission. — *(D)* Mr President, ladies and gentlemen, before I

Haferkamp

give a formal answer on behalf of the Commission to the questions put by Mr Prescott in Document 499/76, I should like to state that we are all aware of the unfortunate and tragic personal side of this case, as evidences in many debates in this House, and that this does not apply solely to the Community Institutions.

As to Mr Prescott's questions, my answers are as follows :

On question 1 : the Community delegation informed the Joint Committee of the Hoffmann-La Roche case at its meeting of 5 June 1975. The delegation declared that in this view under the terms of Article 23 of the EEC-Switzerland Agreement certain practices adopted by the Hoffmann-La Roche group were incompatible with the smooth operation of the agreement and could prejudice trade in vitamins between the Community and Switzerland. It pointed out that in view of the need to guarantee fair competition the partners to the agreement could be expected to ensure the accessibility of any facts which might contravene the agreement. In the declaration made at that time the Commission also reserved its right to this question. For its part the Swiss delegation declared its willingness to examine this question in terms of the letter and spirit of the Agreement in accordance with the procedure and the obligations laid down in it.

Secondly : the appeal lodged by Hoffmann-La Roche with the European Court of Justice was communicated to the Commission by the Court in accordance with the usual procedure. The Commission received the text on 3 September 1976. There was no delay.

On question 3 : the case of Mr Adams is the only case so far relevant to this part of the honourable Member's question. A procedure for the exchange of information between the Commission's departments and the Swiss mission has been laid down. The Commission takes the view that this procedure should ensure that there will be no repetition of cases similar to the one we are discussing today. Furthermore, as it stated to this House in September last year, the Commission will not hesitate to take the necessary steps if the future application of Article 273 of the Swiss penal code were to prevent or obstruct the provision to the Commission of information on practices detrimental to competition, particularly under the terms of the free trade agreement.

The answer to the honourable Member's 4th question is : no, no representations have been made to the Commission on behalf of Hoffmann-La Roche.

On question 5 : the first check on a Hoffmann-La Roche subsidiary was made at the end of October 1974. At that time the Commission's departments had long since lost contact with Mr Adams, who had not given his new address in Italy. Mr Adams had previously declared his willingness to confirm his information as a witness in court if necessary.

On question 6 : in July 1976 Mr Adams informed the Commission that he had instructed his lawyer to lodge an appeal against the verdict of the criminal court in Basel-stadt as soon as he received the written declaration of the grounds for the verdict. In accordance with this instruction Mr Adams' lawyer lodged an appeal on 6 October 1976.

On question 7 : Mr Adams has requested the Commission's assistance to enable him to acquire the nationality of one of the Member States of the Community. In this connection Mr Thomson in his personal capacity asked the British Home Secretary whether it was possible for Mr Adams to regain British citizenship. It emerged that under the existing British legislation that was not possible.

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

Mr Bangemann. — (D) Mr President, as Mr Prescott rightly said, we have already had various debates on this case and I well remember the September evening when we considered the aspects of the case here. Mr Prescott has painted a very striking picture of the human tragedy involved and we have nothing to add to that except to express our support for what he said. Previously — and I also well remember that Mr Haferkamp made a statement on behalf of the Commission on that occasion — I, speaking on behalf of my Group, discussed the more general aspects, since we must all of us be concerned to prevent similar occurrences in the future.

There is no doubt that this is a general problem which also goes beyond the framework of relations between the European Community and Switzerland or that of rules of competition. On that previous occasion I asked or suggested that it might be possible to draw up a convention on the Commission's initiative or that the Commission could perhaps take some steps, at least in the context of the Council of Europe, which has already enacted various conventions which are binding on the Member States of the Council of Europe. Such a convention could at least ensure that between States which sign the convention these conflicts between national law, be it national criminal law or national law on competition, and international obligations arising from the EEC Treaty itself are eliminated.

It is quite clear that the obligations which Hoffmann-La Roche have failed to fulfil arise essentially from the rules of competition in the Treaty. That is why I asked earlier whether this conflict could not be resolved. I should like to repeat this question today and to urge the Commission, if it has not yet made any progress in the matter or has not yet come to a conclusion, to pursue its efforts. This seems to me to be the only chance of eliminating such cases of

Bangemann

conflict in future and I would be very glad to hear what the Commission now has to say on this question.

President. — I call lord Bethell to speak on behalf of the European Conservative Group.

Lord Bethell. — I would like to join with other Members who have referred to the tragic circumstances of this case, and to express the sympathy of all of us with what has happened to Mr Adams, in particular concerning the death of his wife.

Having said that, I would like to make one or two observations on the case presented so eloquently by Mr Prescott, in the hope that this matter can be treated with a little bit more circumspection and a little less rashness than has been the case up to now.

I think on balance Mr Prescott was mistaken in raising this matter at this particular point. It would, I think, have been more consistent with normal parliamentary practice for Mr Prescott to have waited until the legal remedies had been exhausted before raising such a matter in a parliamentary assembly. In his question he refers to the illegal trade practices of Hoffmann-La Roche. This is a value-judgment which has been based on administrative action by the Commission and has yet to be tested in the European Court. It may be of course that Mr Prescott and the Commission are correct, and that Hoffmann-La Roche have violated Article 84 of the Treaty of Rome, but the European Court has not yet pronounced judgment on the matter, and I think it is premature to use the word 'illegal'; certainly, the practices referred to are alleged to be illegal, but that is as far as it goes at the moment.

I have also sympathy with Mr Adams finding that he cannot live in Switzerland, the country where he has worked up until now, and wishing to live in a Community country. But can I suggest to Mr Prescott, who has taken up this case on Mr Adams's behalf, that he should urge Mr Adams, instead of applying immediately for citizenship of the Community, which is an exceptional claim to make for a person who is not a citizen of any Member State, to make application in the normal way to the Home office in the United Kingdom for permission to enter, and for a work permit? This would seem a more appropriate step to take initially. If such a request were to be granted by the British authorities, Mr Adams would be able to fulfil the required residence qualifications, and eventually become a UK citizen, at the end of the term of residence qualification. This of course is assuming that Mr Adams does not wish to live in Malta, the country of which he is a citizen. One must not forget that as a Maltese citizen, he is of course entitled to live in Malta.

But the final point where Mr Prescott is, I think, off the rails, is where he is suggesting that we should

require Switzerland to change her domestic legislation because of her agreement with the Community. This, I think, is a dangerous precedent, Mr President, and one which we should not encourage. We in our Community stand for certain principles. We have many things in common. We are all pluralist democratic States; but we have trade agreements with all sorts of countries, and most of the countries with which we have agreements, I regret to say, are not democratic and have many laws which we find strange and even repugnant. Nevertheless, we trade with almost all the countries of the world and we have trade agreements with them. To require changes in domestic legislation of a country as a condition to continuing a trade agreement seems to me a dangerous course to urge this Parliament to follow.

President. — I call Mr Pistillo to speak on behalf of the Communist and Allies Group.

Mr Pistillo. — (1) In our opinion, the problem raised by Mr Prescott concerns not only the need to show our support for Mr Adams, but also our capacity to take action against all practices of industrial concerns, and in particular of the multinationals, which are in conflict with the principles enshrined in the Treaties.

In this field the Commission's power to act without having to answer to the Council is very extensive. Given the present situation, does the Commission not consider that it should act promptly, without deviating from the line it has followed so far? To do less would be tantamount to non-fulfilment of its obligations and a repudiation of the steps taken so far, of which we naturally approve.

President. — I call Mr Prescott.

Mr Prescott. — Mr President, I will be brief. Lord Bethell made a number of points in replying, but I have to tell him that the delay is of more considerable concern to Mr Adams than to other parties in this — a point he accepts. But secondly, also, it is an obligation, on signing the International Treaty, that the domestic laws to comply with it. That was one of the conditions of signing such a treaty, so the change is a matter of that obligation, not something we are attempting to force on them now.

Some of the first replies by the Commission were not too clear, and I hope Mr Haferkamp will clarify certain points in his final reply. For example, he did give the date when the joint committee under the agreement referred to in question I was convened, and I believe it was mentioned by the Commission, but the complaint of the Swiss authorities is that there has been no request to discuss the matter by the other party to the agreement, namely the Commission. They have mentioned it, yes, but not discussed the complications and problems involved which the Swiss Government apparently have made a statement about.

Prescott

On Question 2, I accept their answer. On Question 3, I am pleased to hear that the Commission are taking action and initiative to seek assurances that no other citizens would face criminal charges under Article 273. But on Question 4, I think the question may have been misunderstood or I misunderstood what Mr Haferkamp said. I wasn't asking whether the Commission had actually intervened on behalf of Mr Adams with Hoffmann-La Roche but whether other Community Governments had intervened with the Commission itself about Hoffmann-La Roche, either by offering evidence, exchanging letters, or through interventions by ministers of another Community State.

On Question 5, whilst it may be put forward as a reason that they didn't know the address, I do think, that the Commission should not have acted unless it was assured that Mr Adams clearly knew that they were going to move against these companies. The fact that the address wasn't known to them at the time, even though they may have know the lawyer's address, was not sufficient justification for them to move, and the consequences arise directly out of that — what I consider as a piece of negligence by the Commission.

As to the other questions, I accept the answers on questions 6 and 7: I think there has been sufficient answer there. But I hope that on these other questions the Commissioner could be much more explicit when winding up, because we as a group would wish to assess those replies and consider what further action we should take in this matter.

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission. — (D) First of all I should like to clear up a misunderstanding on the answer to Question 4. It is possible that this did not come over very clearly in translation. The answer to Question 4 is *no*. No approaches have been made to the Commission on behalf of Hoffmann-La Roche. To make this quite clear and avoid any misunderstanding — this might arise from the German expression — I would like to say this: no approaches have been made to the Commission, in other words no one has made any representations to the Commission, in other words the Commission has been subject to not outside intervention. I think that is clear. There was a misunderstanding here and I think it is very important that this should be cleared up.

This case clearly gives rise to a problem of principle, to which Mr Bangemann referred, namely the relationship between Community law and national law or between Community law, international law and the national law of a partner with whom the Community enters into legal agreements — Mr Prescott also referred again to this point — and I think that here we are faced with a branch of law which cannot be

said to exist in a clear and definite form but which is in a state of development. Furthermore, this question is the subject of pending legal action. We can do nothing that interferes with the proceedings. Therefore, while avoiding any such interference we have at the same time attempted to find pragmatic solutions to prevent a repetition of similar cases. I think I have explained how this has been done.

Mr Bangemann made a suggestion which I warmly welcome, namely that an attempt should be made to clarify this whole question of new kinds of relationships in international law by means of international agreements, e.g. conventions under the aegis of the Council of Europe, and so take it out of the realm of controversy. Corresponding studies are being carried out in our departments. They are not directed towards the Council of Europe, as we are thinking at present more in terms of the OECD. We are thus following up a similar idea and I should be grateful if we could have the chance of discussing this with the relevant committees of this Parliament as well, in order to clarify the legal relationships between ourselves and our partners. I should also like to point out that I am quite convinced that the procedure we have agreed on will prevent a repetition of such cases. I do not think there is anything further we can do in the present situation. We all regret what has happened in this case, and I repeat that we are not alone in this but know there is a similar attitude on the Swiss side, but we are unfortunately in a situation where we can at the moment do no more than what I have just said.

President. — The debate is closed.

11. *The Community's competence in the field of external economic relations*

President. — The next item is the report (Doc. 380/76) drawn up by Mr Spicer on behalf of the Committee on External Economic Relations on

the advisability of enlarging the Community's competence in the field of external economic relations.

I call Mr Spicer.

Mr Spicer, rapporteur. — Mr President, may I open by saying that we can well be very grateful for the fortunate coincidence which has brought this debate to our agenda on the occasion of Mr Haferkamp's first appearance before this House as the Commissioner responsible for the Community's external relations. We are delighted to see him here, and I am sure that he will understand if we take full advantage of this opportunity by inviting him to describe to us how he sees the development of the Community's external relations over the next four years. We were always most grateful to his predecessor, Sir Christopher Soames, for the extraordinary frankness with which he

Spicer

spoke to this House about problems of current concern. We shall expect no less from his successor.

Before I turn to the priorities for action which arise out of my report, I should like to place on record my own personal gratitude to my predecessor as rapporteur, Mr Knud Thomsen, whose enthusiastic work laid the foundations for what you see here today. I should add that this report has been a long time in coming. It has been two years, and many of us will remember Knud Thomsen and the work that he did in this Parliament. I am deeply grateful to him for the work he put into this report.

First, two general points. It is my firm impression that the most urgent need for the Community in this field is to undertake a comprehensive review and redefinition of the different kinds of agreement which exist with third countries. We can all think of countries which have had an agreement with the Community and have then seen other countries obtain more favourable terms. This has prompted resentment, leading in turn to demands for further concessions and so on. The end result of this has been a wealth of different kinds of agreement. And Mr Commissioner, I would like to make this point very strongly to you. We have a wealth of different agreements at the moment: we have associations agreements, cooperation agreements, commercial agreements, short- and long-term trading agreements, all of which overlap and none of which is precisely defined. This has been the root of much of the incoherence which must to an outsider seem to be one of the main features of the Community's external relations. I quote one example of this, which we are all only too well aware of. I happen to be a Vice-Chairman of the EEC-Turkish Association Committee. There is no doubt that over the last ten years there has been a steady erosion of the favoured position that the Turks initially enjoyed as association members, as one by one we concluded agreements with other countries. They are now in the impossible position where they see others have signed on more favourable terms, particularly in the agricultural field, and that they are left at the starting-line way behind the others. The point was made. Sir, by your predecessor in Strasbourg last year when he said that the Commission were very well aware of the intolerable position that this placed the Turks in and that the Commission would be examining this very closely and making adjustments. I think they have a right to be aggrieved and to feel some resentment: one could mirror this feeling in various other ways as well.

My second point is that in my view the Community has no reason to be shy about pursuing policies which are in its own interests. Self-interest is not, as many people seem to think, something we should be ashamed of, because out of self-interest very often comes interest and concern for other people round us. This is not to say that we in the Community cannot be generous — indeed, there is no one in this Chamber tonight who would gainsay the fact that we

have in the past been extremely generous — nor to suggest that we should behave in a manner which is insensitive to wider considerations, be they political, philosophical or humanitarian; but I would very firmly maintain that a Community which seeks to be taken seriously must acknowledge its responsibility towards its own citizens and towards Community enterprises operating in the world at large. When the interests, the livelihood and sometimes even the lives of citizens of this Community are threatened, then we must hesitate to act. I hope, Mr Commissioner, that you will be in a position to give us some assurances on this particular point, because we do have some feeling on the subject, but perhaps in the past this has not been stressed firmly enough; we have been rather afraid to use the obvious power that we have, power which we should use in the interests of our Community and our citizens.

I now turn to a matter which arises directly out of my last observation and which is contained in paragraph 4 of the motion before you. At this point, Mr Laban, I am sure you would not wish me to speak of the Socialist amendment — I have no doubt we shall come to that in due time. This is really the question of investment guarantees. It is in my view merely common prudence that commercial undertakings proposing to invest in third countries should seek some assurance that their assets stand no risk of being confiscated merely as a result of a change of government or of policy. I would stress in this respect that I take out of this completely that if a company operating outside the Community behaves in a way that is against the laws of the country in which it is operating, if it involve itself in any illegal act, then of course that is indefensible and it must pay the price. But there are those who observe the practices and the laws of the country in which they operate, and they should, and must, have protection from the Community. If we are to succeed in encouraging a steady flow of investment on the part of the Community in the developing countries, then the Community when negotiating commercial agreements must seek assurances guaranteeing such rights. And, Mr Laban — and I make no apology for addressing Mr Laban on this point, because he and I shared the discussions that we had with UNICE and with the commercial undertakings — they all stressed this as their main point: they were both able and willing to invest more overseas and bring help and support where they invested, but they did need some form of guarantee for that investment. I believe that is not an unreasonable thing for any one who is undertaking a possibly risky investment which may bring great benefit to the country where that investment is taking place.

I should like to draw the House's attention to paragraph 3 of the motion. We are all of us aware that the Community is the world's major trader. We are also very largely dependent for raw materials on third countries. These two facts place us in a position which is at once uniquely powerful and uniquely vulnerable, and

Spicer

I think we should take account of that fact. Are there ways of using our power to make us less vulnerable? I certainly believe that there are. We can all of us agree that the Community's prosperity, and with it our capacity to be generous, is dependent upon the continual expansion of free trade. We might also agree that those links between countries which arise out of trade are a force for peace. It follows, therefore, that the establishment of a liberal régime with inward-looking state-controlled economies operating in accordance with commercial philosophies far removed from our own in this Community is, by virtue of the threat it poses to free trade, a threat both to the continuing prosperity of our Community and to our hopes for world peace. It is thus doubly appropriate that we should work unremittingly not only for the expansion of trade but against those ideologies which threaten us. Certainly, because of our dependence on raw materials from outside, such a policy would entail great risks. In the long term, a greater preparedness to use our trading strength as a force for peace and for the promotion of trade would make us less vulnerable to external pressure. I hope the Commissioner will comment on this particular point.

Incidentally Sir, it is evident that a greater political content in our external economic relations makes it more than ever necessary that this Parliament should be closely involved at all stages of major trade negotiations. This point, I thought, was made very firmly indeed by the new President of the Commission when he spoke to us on Tuesday, and I took note of that as a major point, coming from him.

I turn finally to what might appear to be two relatively minor points in the motion — in paragraph 7 and paragraph 8. I believe that for the Commission to continue to work in a constructive and determined fashion towards the simplification of trade is essential, not only to our prosperity, but to the faith which people place in our Community institutions. Whilst working on this report I have been very impressed by the emphasis which all those organizations we have consulted with a practical interest in trade, within the Community and outside it, place on this aspect of our overall trade policy. After all, it is upon these people that our prosperity in the future depends. What is the point of elaborate trade agreements unless at the same time a structure is created within which trade can flow freely with the minimum amount of time spent in filling out forms? There is a practical point here of great advantage to the Community, because, certainly in the United Kingdom and it may well be so in Germany and other States, we well know the frustration that people in business feel when they are faced with this mountain of form-filling whatever they propose to do. Therefore, from the point of view of the Commission it would seem to me absolutely right that every possible effort should be made to cut down

on any form of bureaucratic interference with trade acting as an impediment to its expansion.

I hope that this report will command the general support of this House. Certainly the Commissioner may rest assured and, I hope, forewarned that we expect great things of him in his new role. I hope that this debate will be a token of our interest in this most important aspect of Community policy. It has never been my intention or, I believe, that of my predecessor Mr Thomsen that this report should be anything but a coatpeg on which Members of this Parliament could hang their own particular thoughts and ideas coming from all sides of the House, but at the same time, Sir, I hope that within it there are some thoughtful and helpful suggestions which the Commissioner will take into account in these very early days when he has undertaken this new and very exacting portfolio.

(Applause)

President. — I call Mr Laban to speak on behalf of the Socialist Group.

Mr Laban. — *(NL)* Mr President, on behalf of the Socialist Group I should like to make a few comments on the report drawn up on its own initiative by the Committee on External Economic Relations and on the motion for a resolution contained therein, both of which have just been presented by Mr Spicer, to whom I should like to express my thanks.

First of all, I would emphasize that the Committee on External Economic Relations is authorized to deal only with the Community's external economic relations with developed countries. Its mandate does not cover development cooperation, which is the responsibility of the Committee on Development and Cooperation. At the very most, the Committee on External Economic Affairs expresses its opinion in certain cases to the Committee on Development and Cooperation. My Group's view is thus that the motion for a resolution in fact relates to association agreements by virtue of Article 238 of the EEC Treaty, preferential agreements with former EFTA countries, cooperation agreements such as the one recently concluded with Canada, possible future agreements with the CMEA — but certainly not, for example, to the Lomé Convention.

This is how my Group views the motion for a resolution. With this reservation, we can agree with the conclusion that, under the circumstances, the development of our external economic relations can generally be regarded as satisfactory.

We also agree that the Community's present responsibilities are adequate for the implementation of the common commercial policy. In preparing this report, the Committee on External Economic Affairs consulted a number of representatives of the interests concerned, and this, I imagine, derives more or less

Laban

from the fact that this report was produced on the Committee's own initiative.

This however, is not a wise way for Parliament to act. These lobbies are already represented on the Economic and Social Committee, which advises the Commission and the Council. The suggestion to the Commission, in paragraph 8 of the motion for a resolution, that it should consult the representatives of these interests thus means, as far as I can see, that the Commission should consult the Economic and Social Committee — which is in fact the 'parliament' of organized industry. When parliamentary opinions are being prepared, it is clear that the Parliamentary committee responsible will consult the Economic and Social Committee whenever necessary. It has occurred repeatedly in the past — quite recently too — that the views of the Economic and Social Committee, or of one section of it, have been explained at a meeting of Parliament's committees. I should like to hear from Mr Haferkamp if this is how he sees the matter too.

In our view, we must continue in future to make use of the opportunities offered by trade relations to exercise influence on fascist and other authoritarian or discriminatory regimes which violate liberty and basic human rights, as was formerly the case in Greece and Spain for instance. In this context, we can think of such examples as the Republic of South Africa and Zimbabwe, which we have just debated at length. As usual, we shall be voting here on the text of the motion for a resolution, and not on the explanatory statement, but Mr Spicer must admit that the two texts cannot be regarded separately.

If we look at the explanatory statement, we can see that it lumps together relations with the developed countries with those with the under-developed countries. It refers to the Lomé Convention, it speaks of a fair and stable relationship between the richer and poorer countries, it speaks of the North-South dialogue which — by the way — is to a great extent being held up by the rich industrialized countries. In particular, however, I would draw your attention to paragraph 20 of the explanatory statement, which states that it is regrettable that the Community obtains so few concessions in return from its trade partners. In particular, there should be more emphasis on reciprocity in agreements with developing countries. These are simply regarded as one homogeneous group, and the statement goes straight on to say that investment guarantees and guaranteed supplies of raw materials should be asked for.

These ideas are in fact also reflected in paragraph 4 of the motion for a resolution, although that paragraph studiously avoids referring to the developing countries specifically. However, this is the idea behind it, as can be seen from the explanatory statement, and my

Group is unable to accept this. There are various sides to the matter. Naturally, those providing capital are entitled to ask for guarantees in relation to possible nationalization and such like.

On the other hand, however, they themselves can do much to ensure that no difficulties arise. If the aim of the investment is to benefit as much as possible from cheap labour and cheap raw materials and to transfer as high a profit as possible to the shareholders, you can well imagine that the country in which the investment is being made will sooner or later nationalize the business. There is much less chance of this happening if the business is satisfied with a fair return and if it is managed in such a way as to help the developing country to achieve a reasonable standard of living for its people through a just distribution of labour and technology and through the payment of fair prices for raw materials. I am sure there are lots of businesses which operate in this way — out of self-interest, among other reasons, since they realize that relations in the world are changing.

There are undoubtedly also developing countries whose conduct is sometimes not what it should be, but this does not mean that we then have to tar a whole group of these countries with the same brush, as those on the Right unfortunately tend to do. What Ghana has done — and I shall not dwell upon that here — was a clear example of this. In fact, all the countries of the Lomé Convention are being lumped together. Nor is it possible simply to ask for guarantees of supplies of raw materials. The developing countries can demand that the industrialized countries pay a reasonable price and that they give an assurance that those countries which are particularly dependent on certain raw materials or products do not become the victims of sharp falls in prices on the world market. The Stabex formula in the Lomé Convention is a promising but as yet incomplete start in this direction.

There is a lot which could be said on this subject, but I shall not say it. However, I hope I have explained why I started by saying that the Committee on External Economic Relations should stick to its own remit — i.e. relations with the developed countries. This, Mr President, also explains why my Group has tabled an amendment to delete paragraph 4 of the motion for a resolution, which is a sibling of paragraph 20 of the explanatory statement, although not as explicit. Paragraph 4 could cause misunderstandings and is thus unacceptable to my Group. I would ask Parliament to support our view by voting in favour of the amendment, which I now consider to have been moved. The rest of the motion for a resolution, however, is acceptable to my Group.

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

Mr Klepsch. — (D) Mr President, ladies and gentlemen, I should like first of all to thank Mr Spicer on behalf of my Group for producing this excellent report and for the frankness with which the explanatory statement reflects the wide-ranging discussion within the Committee on External Economic Relations on the various points involved. I had the impression from what Mr Laban said that he regarded the summary of the discussions in the Committee as some sort of profession of faith by Mr Spicer. If you read the text carefully, however, you will see that this is not so — precisely in the case of paragraph 20. I would therefore like to take this point up again later.

I can only say that the Committee on External Economic Relations dealt very carefully with this extremely complex subject. It tried to obtain as much information as possible, and I therefore think, on behalf of my Group, that this has produced a very well-balanced motion for a resolution. Let me first of all, however, say a few words about the actual external economic relations themselves.

The difficulty facing us is that, although the Treaties give the Community wide powers in this field, there are now forms of international agreements of which it is not completely clear whether they come under these powers or not. This House has debated the so-called cooperation agreements and their relationship to the powers for external economic relations, as well as the problems they might cause for these powers. We were glad to note that the Commission had impressed upon the Council the need for an improved delimitation of these powers, and that the Council was acting accordingly. However, I must emphasize that we regard it as fully appropriate that Mr Spicer's report deals with all aspects of external economic relations and not simply with traditional concepts of trade policy in the narrow sense.

It has rightly been said that trade has always been an essential factor in ensuring and strengthening peace and harmonious cooperation between the peoples. In our view it should continue to play this decisive role in future.

Naturally, however, it cannot be ignored that history has shown that, in the field of external economic relations, it is very easy to use a dominant position to exert pressure, that positions of power can be misused in such a way that trade relations also suffer. As in the past, trade relations can still become an instrument of power politics today. This makes it all the more essential for the Community to harmonize its interests and act jointly *vis-à-vis* the outside world, with the aim of making trade a peaceful instrument of international relations. There are examples of successful work by the Community. I need only remind you that the solidarity of the Community was extremely successful

in the discussions on Basket Two in Helsinki. Parliament has thanked the Commission and Council for this and encouraged them to continue to represent the common interests of the European Community in this fashion.

With regard to the motion for a resolution, I would therefore say that there were two main problems involved in investigating the question of enlarging the Community's competence. First of all, there was the intra-Community competition and the harmonization of the mutual relations among our countries when negotiating common positions to be adopted in external economic relations. Without going into too much detail, I should just like to point out that we regret — as we have stated in the motion for a resolution — that in the field of credit guarantees so much remains to be done on a code behaviour with common rules of competition within the Community. I think the motion is right to mention this, and I should like to say on behalf of my Group that we regard it as important that the Commission should be fully aware of its duty in this respect.

The other problem was external relations. In this context, we considered carefully in the Committee on External Economic Relations how we could produce a motion for a resolution which reflected our common resolve, and I therefore emphasize — this concerns Mr Laban in particular — that the text of the motion was adopted unanimously. I hope I can dispel at least some of his reservations and should therefore like to make a few more remarks on this part of the motion. Let me just emphasize that we regard GATT as an extremely valuable instrument, and that the Commission's work in this areas has our full support. However, we also regard the dismantling of non-tariff trade barriers as being of crucial importance and as a task which calls for our close attention.

And now a few comments on the text of the motion. The Christian-Democratic Group — Mr Scelba was so kind as to submit it on our behalf — has tabled an amendment to paragraph 3 to the effect that the words 'were appropriate' be deleted. We feel that under no circumstances should the text of a resolution from this Parliament contain such a non-committal expression, and I think this was purely an editorial slip when we were drawing up the text. I would ask the rapporteur to agree to the deletion of these two words. This would be asking the impossible from the Commission, from those negotiating on behalf of the Community — not to mention the difficulty of reaching agreement in this House as to what was in fact 'appropriate'.

As regards the remainder of the text, I must say something about the question raised in paragraph 4. Mr Laban, I do not think it is right to cite paragraph 20 of the explanatory statement in order to justify your

Klepsch

rejection of paragraph 4. What we read in paragraph 20 reflects the discussion of suggestions — some of them from your group, in fact — which the committee happened to reject. I am grateful to the rapporteur for dropping the original text and rightly pointing out to those Members who, for trade union or other reasons, wanted to include the wording which now features only in paragraphs 20 and 21 of the explanatory statement, that this had no place in the motion itself. What paragraph 4 now says, Mr Laban, is something completely different. It does not say that this refers to the developing countries — it refers in fact to all our trading partners. It would be inappropriate for me to give examples at this stage, but there have recently been debates in this House on reports on our relations with major industrialized and developed countries — there will be other debates in future — and we made very plain our views of the specific question of reciprocity in trade concessions and guarantees for supplies of raw materials, as well as on the abolition of non-tariff customs barriers and trade restrictions. It is quite right that this may also be applied to the developing countries, but the decisive factor in all these questions is our external economic relations with the developed trade partners. I therefore think, Mr Laban, that as far as these factors are concerned you can put your mind at ease and see your way to approving paragraph 4.

There remains the question of guarantees for investments in the countries involved. As it stands in paragraph 4, this applies to all countries, but it naturally also applies to the developing countries, and I regard it as duplicity to maintain that we want to ensure that there is more investment in the developing countries if we do not ensure that this investment actually takes place because there are legal guarantees. If there are no legal guarantees, there will in any case be no investment — or only investment of the kind which Mr Laban rightly condemns, where the investor wants the investment to be amortized within a very short period of time, for fear that a new government may break off the existing relations after three or four years. I therefore feel that the call for legal guarantees in particular for investments can serve primarily to direct urgently needed investment to the developing countries. However, the actual wording refers naturally to all our partners — we cannot be selective here.

I will not conceal from you the fact that the main reason my Group put down the amendment tabled by Mr Scelba was because we wanted to avoid constantly having the discussion re-opened in this House when restrictive measures are to be imposed in our trade policy with certain countries which are not to be imposed in identical cases *vis-à-vis* other countries. This is why we are against the phrase 'where appropriate'. If we regard trade policy as, among other things, an instrument — and this is something about

which my Group has grave doubts — with which we should influence political decisions in other countries, then I can very well understand that Mr Laban will choose certain countries he wishes to influence and others he does not, but surely this is not a policy on which the whole House can agree — even making this choice would be quite impossible.

Our view is that if we set up criteria for the application of certain principles in trade policy, they apply to everyone, and we must not then exclude any totalitarian or authoritarian régimes from our consideration. Above all, I shall turn a blind eye in one direction only. What I mean is that we simply cannot overlook the fact that certain countries are constantly using terrorist or dictatorial measures in complete disregard of human rights. I am thinking, for example, of the People's Republic of Poland and the oppression of the workers there — that, too, would have to be included in our discussions.

I therefore sincerely hope that there will be no debate now in this House about giving relative marks to countries. What we feel is important is that this motion for a resolution lays down, in our opinion, what is possible, what can be achieved at present and what can be developed. That is why we shall vote in favour of the motion for a resolution, with the request that Mr Scelba's amendment be accepted. I might add that we are glad Mr Spicer's report is being decided on today, as we have been discussing it for long enough. My Group considers this to be one of the most important areas of your mandate, Mr Haferkamp. We are glad that you are going to tackle this task with all your energy and we wish you every success.

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

Mr De Clercq. — (NL) Mr President, Mr Spicer's report was approved unanimously in committee on 19 October 1976. My Group will therefore vote in favour of this report on the advisability of enlarging the Community's competence in the field of external economic relations, and I take this opportunity of thanking Mr Spicer on behalf of my Group. I should only like to make a few brief additional comments.

The motion for a resolution — which also contains major requirements for further development — states quite clearly and unmistakably that the present powers of the Community are adequate for the implementation of the common commercial policy. This is a healthy feature, since more powers mean more bureaucracy — and trade has no need of that. We note that the liberal application of the instruments of trade policy has played a decisive part in strengthening and expanding the foreign trade of the Community, while at the same time contributing towards the harmonious development of world trade. This is in line with the general aims of the common

De Clercq

commercial policy under Article 110 of the EEC Treaty, and it is good to know that we are on the right lines with regard to this policy. It is thus desirable for this system of free trade, preferences and association agreements — as well as non-preferential trade agreements — to be further expanded along the lines called for in the report drawn up by Mr Spicer and approved unanimously by the committee.

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

Mr Bouquerel. — (*F*) Mr President, the report presented to us by Mr Spicer is regarded by the Group of European Progressive Democrats as excellent, and as complementary to that presented yesterday by Mr Cousté on the current state of economic and trade relations between the Community and the United States of America.

Under the existing Treaties, the Community as such has wide powers to maintain dynamic economic relations, of advantage to all concerned, with the whole world. Indeed, under Article 113 of the Treaty of Rome, the Member States transferred to the Community their national powers in all matters related to trade. It thus has the necessary powers to implement a common commercial policy based on uniform principles relating to changes in tariff rates, the conclusion of tariff and trade agreements, the achievement of uniformity in measures of liberalization, export policy and measures to protect trade such as those to be taken in case of dumping or subsidies.

If we include the system of generalized preferences, which, although from a legal point of view not part of the common commercial policy, have become an important instrument in our relations with developing countries, if we also consider the possibility afforded by Article 283 of concluding with other States or an international organization agreements establishing an association, and if we also bear in mind the Lomé Convention concluded with 46, soon to be 49, ACP countries, we cannot but come to the conclusion that the Community has very wide scope for action. A brief review shows that the activity of the EEC in the sphere of the common commercial policy has proved to be a powerful factor in the liberalization of trade.

On a bilateral basis, it has signed many agreements of widely varying nature and content: association agreements establishing a customs union, non-preferential agreements, preferential agreements establishing free trade areas, trade agreements limited to certain products.

On a multilateral basis, it is a party to GATT and to international commodity agreements, and in international forums such as the North-South dialogue and UNCTAD it is taking part in the quest to establish a new world economic order based on a fair and stable relationship between rich and developing countries. All this is cause for some satisfaction.

However, every day we see that a change has come about, a transformation has taken shape in the nature,

the essence of commercial policy. The accent is being placed more and more on cooperation and not merely on the fixing of new import regulations. In the economic relations between industrial and developing countries, it will no longer be, for the Europeans, so much a question of filling the gaps in the common commercial policy as one of constructing a true common policy incorporating cooperation. To leave the traditional commercial sphere, not to be afraid to call into question certain of its rules, to re-examine the terms of trade — these are the probable major guidelines for future commercial policy towards third countries. A considerable step has already been taken in this direction.

Furthermore, the implementation of the Council Resolution of 22 July 1974 establishing between Member States and the Commission an information and consultation procedure for cooperation agreements concluded with Member States and with third countries, has brought about a distinct improvement. Moreover, we are gradually witnessing the partial realization of the demand formulated in Copenhagen by the Heads of State and Government, which states that it is up to the Community to develop more actively a policy of industrial, scientific and technological cooperation in all fields. Cooperation agreements obviously belong to this category. The recent agreement signed with Canada is vivid proof of this. This was stressed by the rapporteur and we are all agreed on this point. The European Economic Community is endowed with sufficient powers to implement an economic policy comprising many facets: investment, guarantees for the supply of raw materials, etc.

But can we be satisfied with the results obtained? If we were to draw up an account, we could say that it was in balance. With regard to 1975 and 1976, we would even be tempted to say that we were moving into the black. The Lomé Convention and, quite recently, the virtual rounding-off of the overall Mediterranean policy argue in favour of this view. Is this enough? This aspects should not conceal from us the considerable efforts still to be made if the Community is to make full use of the powers at its disposal. We have said it before and we can never repeat it often enough: it is high time to incorporate by progressive stages into the Community's sphere of activity the various autonomous and contractual moves made by Member States in the field of cooperation with third countries at world level. It is high time that Europe, having become aware of the need to present a united front both in the interest of third countries and in its own interest, adopted the right attitude. Member States must therefore harmonize and coordinate their policies in order to achieve true solidarity. It is inadmissible that their actions should hinder the development of the EEC in its external relations. To take just one example, that of export credits following the opinion of the Court of Justice of the European Communities on the draft 'Understanding on a local cost standard', such credits are unquestionably under the sole jurisdiction of the Community.

Bouquerel

We shall conclude by saying that, although some people feel that the results obtained are spectacular, we are somewhat disappointed, bearing in mind Europe's enormous potential on the international scene. However, in the final analysis, we shall vote for the motion for a resolution presented by Mr Spicer and the amendment tabled by Mr Scelba. On the other hand, we are not in favour of Amendment No 2 by Mr Laban.

(Applause)

President. — I call Lord Castle.

Lord Castle. — Mr President, I hope I am absolved from appearing to rat on colleagues with whom I have worked with great amity over a long period on this report, but I have to press home what my friend, Mr Laban, so effectively drew attention to in my absence, which was the dangers of including paragraph 4 in this report. I think Mr Spicer and his closest colleagues will recognize that during the long period of gestation in which this report and its recommendations were in the womb of the committee on External Economic Relations, I did my very best to find solutions for the difficulties which we thought we might encounter outside. The one thing that we were all intent upon doing was to see that the Community as a Community at least succeeded in its economic endeavours in foreign negotiations — in negotiations on trade and cooperation. Everyone of us who believes that there is scope for Europe must be united on that one subject. And nothing I say, nothing that my colleagues would dream of saying would interfere with that.

And our amendment tonight reflects to some extent the reservations that I presented to the committee at various stages in our discussions about the danger of misinterpretation of our intentions. We did our best verbally to present the general view expressed here. We all know as realists that trade agreements, the efficiency of industry, the efficiency of our own agreements with other people, have a political influence. None of us I hope would wish to use trade as a political bargaining point to enforce our particular point of view upon developing countries. I am not concerned with the developed countries. We know where they stand. We know, all of us surely, that we want to help Spain and we want to help Portugal, we want to help Greece towards the solutions that we believe are there for them — the democratic way of life.

But there remains in the world today, particularly among the undeveloped countries themselves, the fear that Europe could be engaged upon an economic imperialism. All of us, I think, would wish to withdraw from that position. I am sure Mr Spicer, who made a very thoughtful speech on Africa today from his own personal knowledge, would recognize the danger there is in putting words of this kind into a resolution which is to be carried by this Parliament. I do not mind what the argument is in the report which Mr Spicer produced. I could of course fault it from my

own point of view here and there, because I am a Socialist and he is a Conservative, but we are not in any case totally accepting the report as such, we are not giving verbal endorsement to every word in that report. We know the way that the rapporteur's mind must work, and we welcome the fact that he was as fair and impartial as he was. But what you are doing in paragraph 4 is leaving yourself open to suspicion. It may be utterly unjustified but there are the words which could be quoted by some scrupulous and some unscrupulous people in the developing world.

Why do I say this? I have tried my best, as I have said, Mr President to get a wording that would convey our ideas, without leaving us open to suspicion and yet I arrive at my own group of sophisticated — well whatever else you might think about them — pretty sophisticated politicians, and I find that there is still remaining a very clamant demand that those words be changed or deleted, because they are open to this misinterpretation. It would be a shame, Mr President, if a report which has a certain amount of value — I don't regard it as one of the momentous reports, nor would Mr Spicer, but we have spent a lot of time and trouble on this, and I believe it is worthwhile that we ourselves had that education in doing this — it would be a shame if such a report were to be spoiled by the possibility of disunity on this. That seems to me to be getting things entirely out of proportion.

So I appeal to Mr Spicer, and I appeal to Mr Fletcher, merely to support us on this, so that we can say what the policies of this Community are without any hesitation in explaining them. I am sorry that at this late stage I should have to make these reservations. I don't think I can be accused of being unfair, because for a year I have given indications that that might happen. We tried to overcome it, we have failed to do it, we have failed to dispel the doubt. So, for God's sake, let's get rid of Clause 4 — this is the first time in my life I have ever said that.

(Laughter)

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission. — *(D)* Mr President, ladies and gentlemen, in this session we have dealt with the important subject of external economic relations on a number of occasions in this House. It has been dealt with from a wide variety of aspects e.g. specific aspects in Question Time, and on the basis of the report by Mr Cousté and of today's report by Mr Spicer. There are also important passages concerning this subject in the statements made by the Presidents of the Commission and the Council of Ministers yesterday and today. I am very happy to have heard these statements, explanations and helpful comments at the first sitting of this House which I am attending wearing my new hat; words of encouragement have been spoken and good wishes expressed. I shall need this encouragement just as much as I shall need your help, and I believe we all need luck, in this as in other matters.

Haferkamp

The committee or, as the case may be, its rapporteur, has dealt with this question in a very systematic way, outlining a set of difficult problems. It has not confined itself to proclaiming principles and theories, as so often happens, but has developed these principles into proposals for practical policy. I believe that this very list of practical proposals embodied in the motion for a resolution is of particular importance and particular benefit.

At this late hour, Mr President, I do not wish to go more closely into this very interesting and systematic debate. I should just like to say a few words about one or two points.

The rapporteur has shown the problems arising from the existence of a wide variety of agreements which have developed in widely differing ways, and that in certain circumstances this may involve considerable difficulties and disadvantages for the parties to these agreements.

I believe that on this very point the proposals developed by the committee in this report are also important from a political point of view although we are agreed that the agreements can never be uniform but should logically be differentiated.

Reference has also been made — and I should like here to emphasize the importance which has been attached to this subject — to the Community's competence in external economic relations as a whole and to the concern that no all aspects of this trade policy could be covered by the chapter on economic cooperation, which has been discussed here many times in the past and about which we were always in agreement with this House.

If I may, I would also, however, point out once again the progress achieved recently, in particular the chapter on economic cooperation in the agreement with Canada, which is important in this context.

Mr Klepsch pointed out the difficulties arising from the differing export credit regulations. This subject is also mentioned in the motion for a resolution. Mr Klepsch felt that what already existed here in the Community could be developed. I believe that he expressed himself very mildly on this point and that we must make considerable efforts to find a way out of the difficulties and many conflict situations which we create for ourselves. I think that after a long period of stagnation we are approaching a better situation in this area.

Mr Laban put a question to me concerning the relationship of the parliamentary committees to the Economic and Social Committee. In my view, the parliamentary committees have profited from the expertise of the economic and social forces in many ways. I am thinking here of the hearings which have taken place with management and labour organiza-

tions on a wide variety of subjects, and I believe that the committees' relations with the Economic and Social Committee can also be regulated, with a sovereignty similar to that of Parliament within the framework of our constitution — if I may so describe our Treaties. I believe it is important for us all to mobilize all expert help in this politically so important area of the economy.

(Applause)

President. — I should like to take this opportunity of once again conveying to you, Mr Haferkamp, Parliament's best wishes. We wish you luck and most success in the task which you have taken up. You have today been able to discuss it with Parliament for the first time.

I hope you feel that Parliament, with this report and resolution, has given you a timely indication of the course to follow. I think that with your ability and commitment you will also be able, in cooperation with Parliament, to fulfil all the hopes which we cherish today for the development of the common external policy and external relations.

I call the rapporteur once again.

Mr Spicer, rapporteur. — Mr President, could I first of all again thank the Commissioner very much indeed for his contribution, and thank all other members as well.

Sir, as I said at the beginning, I thought this whole report was based on a determined effort to be helpful, and to give support where it was needed. As Mr Laban and Lord Castle have made quite clear, we not only had very many long sessions, but we did bring in people from outside. I, personally, find it incomprehensible that Mr Laban should at this stage object to the fact that we did bring those people forward to our committee — the representatives of UNICE and of the other commercial organizations, and indeed of the trade unions, because I personally believe that all too often our committees in this Parliament are dead, dull and dreary. To bring those people into that committee gave life to that committee. There was certainly no objection from any member of that committee when we did that.

So, during the course of our discussion, I did my very best to change the wording of my resolution. Mr Laban contributed to this. We went through it, time and time again. We arrived at conclusions. We all agreed. Now, I am extremely sorry that we should have arrived at this situation with a report that is meant to be helpful, which reflects the views of people who are involved in this day by day, the people who need that investment guarantee in order to invest. It is not a question, Mr Laban, of getting more profits or being greedy. These people require that investment. And in this sort of document, as I am

Spicer

sure the Commissioner would agree, it is quite impossible as you say, to stick to our own last. How can you do that in this sort of document? When people walk in and say: you may talk about Turkey but you mustn't talk about this country. You may talk about investment there or somewhere else. Frankly, I don't mind that we have this overlap. Surely we are dealing with a Commission which is adult enough to sort out what belongs where and deal with it in those terms.

Sir, I believe it will be a betrayal of those people who offered their time and energy to come and give the evidence before us. As has already been said, this report was adopted unanimously by our committee. In the circumstances, and in the face of opposition which I certainly was not led to expect within the committee, either by Mr Laban or by Lord Castle, I have no alternative but to ask we establish a quorum before the vote.

(Mixed reactions)

President. — I call Mr Fellermaier to speak on the request to establish a quorum.

Mr Fellermaier. — *(D)* I am surprised that the question of a quorum is being raised at such a late hour. I would only say to the European Conservative Group that we can easily ask for a quorum to be established every day and at any time. If that is the way you want it, so be it. In my view, the House is as full now as on any other day at 11 a.m. or 4 p.m. There are enough Members present for a vote to be taken and if anyone wants to ascertain the number of Members present, then let the count be taken. In future my Group will always have a count taken on other occasions, too.

President. — I call Mr Spicer.

Mr Spicer. — I really must take advantage of one of the first opportunities when I have had a chance to cross swords with Mr Fellermaier. He was not probably in the Chamber when we were subjected to the most outrageous form of filibustering and holding-on in this Parliament building before Christmas, and we warned your group, sir, at that time, and our former commissioner Spinelli, who was instrumental in this, that they were unlocking a door which they would find very difficult to lock again. What's sauce for the goose is sauce for the gander, and if you don't like it, as far as I am concerned, you can lump it.

(Laughter and protests)

President. — I call Mr Klepsch.

Mr Klepsch. — *(D)* Mr President, I understand what all the trouble is about, but I would point out that it arises from one particular event. If a committee submits a unanimously adopted motion for a resolution which has been adopted with the votes of the

members of the Socialist Group — I note the absence in the House today of the deputy chairman, Mr Schmidt, who helped to draft the motion, and Lord Castle has told us himself that he took part in drafting it — and so if a motion for a resolution with unanimously approved wording is tabled and if we have taken pains to explain that the objections raised have nothing to do with the text, since it contains absolutely no reference to the developing countries, then it is of course surprising to see at so late an hour a move — based on the small number of Members who happen to be present, although this does not reflect the normal composition of Parliament — to remove the central element of the whole motion for a resolution.

If we remove this paragraph 4, and you read the motion through carefully, I wonder how much actual content it will still have. If I understand Lord Castle correctly, I would sooner have said that the motion should be referred back to the committee to be redrafted. There would at least have been some sense in that. An amendment by the Socialist Group would also have been in order if it was simply a question of wording, as Lord Castle says. But to take something on which we are all supposed to be agreed out of the motion for a resolution, thereby depriving it of any meaning, simply because it is open to misinterpretation, is an astonishing way to go about things. Therefore I understand why the rapporteur is doing his best to ensure that there is a normal balance in the House when this vote is taken.

President. — May I, ladies and gentlemen, tell you something on the basis of my long experience in this House. If you take every possible opportunity to use this instrument, Parliament will no longer be capable of working.

(Loud applause)

Therefore this instrument should only be used in situations which really do not afford any other way out. Before Christmas I myself experienced in this House the situation to which Mr Spicer referred. On that occasion the request was put by this side of the House, and the request was not withdrawn, so that the vote had to be postponed. I simply bring this to your attention without interfering in your decision. I should now like to ask Mr Spicer whether he maintains his request to establish a quorum pursuant to Rule 33 (3).

Mr Spicer. — I must, regretfully, say that I do, on the very clear grounds that have been established by Mr Klepsch. If there had been opposition within our committee, if it had not been unanimous, if they had not agreed at that time ...

(Protests from the left)

I maintain my position, Sir!

President. — Therefore, since the request must be put by at least ten Members, I ask those Members who wish to second Mr Spicer's request to stand.

Thirteen Members second the request. It is therefore admissible.

I note that there are not sufficient Members present to form a quorum. Therefore, pursuant to Rule 33 (5) of the Rules of Procedure, the vote is postponed to the next sitting.

12. Agenda for next sitting

President. — The next sitting will be held tomorrow, Thursday, 13 January 1977, at 10.00 a.m. and 3.00 p.m., with the following agenda :

- Vote on the motion for a resolution contained in the Spicer report
- Question to the Commission on oil drilling in the western approaches to the English Channel
- Question to the Commission on the aerospace industry
- Question to the Commission on data processing
- Motion for a resolution tabled by Mr Pisoni and others on unemployment in Europe
- Creed report on the extension of social protection
- Question to the Commission on wine duties
- Sandri report on cooperation with developing countries

The sitting is closed.

(The sitting was closed at 8.10 p.m.)

ANNEX

Questions which could not be answered during Question Time, with written answers

*Question to the Council
by Mr Hamilton*

Subject : Common Mediterranean Policy

What progress has been made in the development of a common policy in the Mediterranean area, and what initiatives are anticipated in the next 12 months?

Answer

The Community signed agreements in 1976, in the context of its policy of an overall Mediterranean approach, with most of the countries which belong to what has come to be referred to as the 'first generation' of Mediterranean countries in question, that is to say, Malta (agreement signed in March) and Algeria, Morocco and Tunisia (agreements signed in April). The Council is currently studying the matter of relations between Spain and the enlarged Community.

Similar agreements are to be signed in early 1977 with most of the 'second generation' of Mediterranean countries, namely the Arab Republic of Egypt, Jordan and Syria. A Cooperation Agreement is also due to be signed with Israel.

The policy of the overall Mediterranean approach is to be further extended, when circumstances so permit, particularly with regard to the Lebanon and Cyprus.

Furthermore, the Community and Yugoslavia have just declared their common will to strengthen, extend and diversify cooperation between them.

As you know, fresh impetus has, also, just been given to the Association with Turkey and the negotiations on the accession of Greece will continue actively in 1977 at the same as the implementation of the present association agreement.

Lastly, the Community policy towards the Mediterranean countries, is to be extended through the implementation of agreements, and particularly of the cooperation for which these agreements provide.

*Question to the Commission
by Mr Creed*

Subject : Health risks arising from exposure to asbestos

In view of the well-known health risks arising from exposure to asbestos and in particular the conclusions reached by the World Conference of the International Metalworkers Federation on health and safety of work in the metal industry, will the Commission state whether it intends to draw up proposals relating to effective measures for the protection of workers and the general public from dust containing asbestos and the mandatory replacement of asbestos by other materials as far as possible; and if not why not?

Answer

The Commission is drawing up a proposal to fix the 'exposure limit' for asbestos in industry.

Also, the Commission is soon to publish a statement containing an assessment of the health risks to the public from asbestos. The mandatory replacement of asbestos by other materials is not yet possible because we still know too little about the possible risks from alternatives such as glass fibre.

SITTING OF THURSDAY, 13 JANUARY 1977

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IN THE CHAIR: MR BEHRENDT

Vice-President

(The sitting was opened at 10.00 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. *Release of appropriations relating to research activities — Transfer of appropriations within the budget for 1976*

President. — At its sitting of 13 December 1976 the Committee on Budgets examined a third Commission request for the release of certain appropriations for the JRC 'Fusion' programme. The Committee on Budgets decided to authorize the request, but regretted the rather undue haste with which it was submitted. In accordance with the procedure for the release of appropriations provided for in the Resolution of 18 June 1976, this decision will be notified to the Council and Commission.

The Committee on Budgets also received a proposal for the transfer of appropriations from Chapter 98

'Provisional Appropriations' to Article 307 'Activity of the European Trade Union Institute'. After receiving some additional information from the Commission, the Committee on Budgets delivered a favourable opinion on this transfer proposal and expressed the wish that the President of the Council be informed. However, the Committee on Budgets regretted the delay in the submission of this proposal, since the 1976 financial year was already coming to an end. It therefore asked its chairman to propose to the Commissioner responsible that in future no requests for transfers should be submitted after 15 November.

3. *Agenda*

President. — Mr Durieux has requested on behalf of Mr Guldberg that the latter's oral question with debate (Doc. 502/76), which he had put to the Commission of the European Communities on behalf of the Committee for Economic and Monetary Affairs, on a common policy for the aerospace industry be postponed to this afternoon.

Mr Durieux, we have just approved the new Rules of Procedure. According to these, it is only possible to change the agenda once it has been fixed by invoking two Rules, namely Rules 14 and 32 — urgent procedure or removal from the agenda. That does not apply in this case. But the current President could make a

President

proposal to change the agenda. Since the Commission must also give a reply, I have made enquiries as to whether the Commission is able to reply to the question this afternoon. I am afraid this is not possible, and so I am unable to comply with Mr Guldberg's understandable request. Thus I cannot propose any change. Someone else will have to move this oral question so that the debate can take place.

4. *Community competence in the field of external economic relations*

President. — We now come to the vote on the motion for a resolution contained in the report (Doc. 380/76), drawn up by Mr Spicer on behalf of the Committee on External Economic Relations, on the advisability of enlarging the Community's competence in the field of external economic relations.

I put the preamble and paragraphs 1 and 2 to the vote.

The preamble and paragraphs 1 and 2 are adopted. On paragraph 3 I have Amendment No 1, tabled by Mr Scelba on behalf of the Christian-Democratic Group :

In this paragraph delete the words :
'where appropriate'.

The amendment was already moved yesterday.

What is the rapporteur's position ?

Mr Spicer, rapporteur. — Mr President, I would be delighted to accept this amendment.

President. — I put Amendment No 1 to the vote. Amendment No 1 is adopted.

I put paragraph 3 thus amended to the vote.

Paragraph 3 thus amended is adopted.

On paragraph 4 I have Amendment No 2, tabled by Mr Laban on behalf of the Socialist Group and requesting the deletion of this paragraph. The amendment was already moved yesterday.

What is the rapporteur's position ?

Mr Spicer, rapporteur. — Mr President, I have already made my position clear on this. If you remove this paragraph you remove the heart and soul of this report, which was debated many times in our committee and had the unanimous support of the committee at the end of the day. I would hate to see this carried, Sir.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, after what happened yesterday, when the European Conservative Group attached such political importance to this paragraph that at 8 p.m. they had a count taken to ascertain that there were not enough Members to form a quorum, I am sure that it is in the interest of the author of yesterday evening's request if I propose on behalf of my Group that the vote be taken by roll call. (Mixed reactions)

President. — I call Mr Cifarelli to make a statement on the vote.

Mr Cifarelli. — (I) Mr President, I do indeed think that we should vote on paragraph 4 as proposed. I should like to state the reasons for my opinion and my position.

As I see it, these delicate relations with the countries with which the Community has economic arrangements should be based on the maximum fairness and balance. In this matter we must not split hairs but attend to what is important, and we must neither create nor destroy a possibility of cooperation simply because something has or has not been said. Rather we must, when approaching the Council and the Commission, ask them to take account of the situation as it stands, involving as it does the need for investment guarantees, the possibility of reciprocal arrangements and the supply of raw materials and energy. The Community must realize that this is the area in which its future subservience or freedom in the difficult world in which we live will be decided.

I have never considered that, especially with regard to governments which are legal only in appearance but are essentially undemocratic, we can afford verbal concessions. Anyone who remembers Italy's external relations during the Fascist period knows that every time we yielded verbally we actually lost the substance, i.e. with regard to the future prospects for cooperation and peace. We might have avoided postponing the vote yesterday evening if we had referred this text to committee, but I feel that the responsible committee was right to present it as it stands.

These are my reasons for wanting to give this explanation of vote, which is also a statement of position with which I am sure my colleagues from the Liberal and Democratic Group will agree.

President. — A vote by roll call has been requested.

This will begin with Mr Faure, whose name has been drawn by lot.

I ask the Secretary-General to call the roll.

(The roll call was taken)

The ballot is closed.

Here is the result of the vote :

Number of Members voting : 103

Abstentions : 0

Votes cast : 103

Votes in favour : 47

Adams, Albers, Albertini, Amadei, Ardwick, Behrendt, Broeksz, Bruce, Carpentier, Castle, Delmotte, Dondelinger, Dunwoody, Faure, Fellermaier, Fisher, Frehsee, de Freitas, Gerlach, Giraud, Glinne, Guerlin, Hamilton, Hansen Ove, Hughes, Laban, Leonardi, Masullo, Mitchell, Molloy, Müller W., Murray, Patijn, Pistillo, Prescott, Radoux, Sandri, Schwabe, Seefeld, Spénale, Spinelli, Suck, Tomney, Veronesi, Vitale, Walston, Waltmans.

President

Votes against : 56

Aigner, Artzinger, Bangemann, Berkhouwer, Bersani, A. Bertrand, Bethell, Blumenfeld, Bouquerel, Bourdellés, Brugger, Caro, Cassanmagnago Cerretti, Cifarelli, Cointat, Creed, De Clercq, De Keersmaecker, Deschamps, Durieux, Dykes, Fioret, Geurtsen, Houdet, Hougardy, Kellett-Bowman, Kirk, Klepsch, De Koning, Kruchow, Martens, Martinelli, Van der Mei, Memmel, Muller E., Mursch, Ney, Noè, Normanton, Notenboom, Osborn, Pisoni, Reay, Rhys Williams, Ripamonti, St. Oswald, Santer, Scelba, Schulz, Schwörer, Shaw, Spicer, Springorum, Vandewiele, Vernaschi, Yeats.

The amendment is rejected.

I put paragraphs 4 to 9 to the vote.

Paragraphs 4 to 9 are adopted.

I put to the vote the motion for a resolution as a whole, thus amended.

The resolution is adopted.¹

I call Mr Gerlach on a point of order.

Mr Gerlach. — (D) Mr President, during the roll call Mr Aigner accused me of voting when Mr Flämig's name was called. I should like to state that this was not the case and ask you to establish formally which vote was cast when Mr Flämig was called.

(Mixed reactions)

President. I call Mr Aigner.

Mr Aigner. — (D) I do not think we should make a big thing out of this incident. But I would like to request that whenever a roll call is taken in future Members should stand when casting their votes — that's not difficult — so that such misunderstandings cannot arise again.

President. — Mr Aigner, I would point out that a number of Members stood of their own accord, while others did not. Nobody has previously suggested that this is necessary. I leave it to Parliament to decide whether it wishes to adopt this procedure. I note that no vote was cast for another Member. You yourself referred to a misunderstanding, and I assume that the matter is now closed.

I call Mr Spicer on a point of order.

Mr Spicer. — Mr President, we are all very conscious of the remarks made from the Chair last night about the disruptive nature of the call for a quorum and I am indeed very conscious of that fact myself. Could I ask you as a matter of urgency to discuss this problem with the President and the Bureau so that this does not happen again as it did before Christmas and again now? I am sure that Mr Fellermaier would agree with me that this is a matter that needs urgent discussion by the President and by the Bureau.

(Applause from the right)

President. — Mr Spicer, I shall inform the President accordingly.

5. *Oral question with debate: Oil drilling in the western approaches to the English Channel*

President. — The next item is the oral question with debate (Doc. 498/76), put by Mr Cointat on behalf of the Group of European Progressive Democrats to the Commission, on the Community agreement on oil drilling in the western approaches to the English Channel :

Is the Commission able to find a solution to the dispute between the United Kingdom and France over oil drilling in the western approaches to the English Channel?

If it is precisely in this disputed area that drilling is most advantageous, does it not think that it would be preferable for a Community agreement to be reached as quickly as possible, pending a possible decision by the International Court of Justice in the Hague?

I call Mr Cointat.

Mr Cointat. — (F) Mr President, the sea constitutes a new world which is as yet little known but which will be one of humanity's major preoccupations in the course of the next few years, since its resources are enormous. Beneath the seabed we can in particular find hydrocarbons, the seabed itself can provide all kinds of materials, and the coastal zones, especially those on the continental shelf, can be subjected to intensive agriculture. From now on the sea is a new element in territorial development.

Although this domain has hardly been explored, the problems are beginning to make themselves felt. In the western approaches to the English Channel between Britain and France, studies have been carried out on a zone in which there could be energy reserved in the form of oil or gas. Depending on how the territorial waters of one Member State or the other are defined, depending on the adoption of this or that median line starting from the coast or from the islands, a certain sector or portion of the sea is in dispute between our two countries.

The Heads of State and of Government were conscious of this problem and decided to submit the dispute to the Court of Justice in The Hague. Five judges were designated by the Governments and have presented their conclusions. The representatives of France and Great Britain are to present their arguments at the end of January. It is therefore now up to the Court to announce its decision, and this is the object of the Oral Question to the Commission. When will the Court announce this decision? Will it be in a few weeks or in a few months?

¹ OJ C 30 of 7. 2. 1977.

Cointat

Will it, Mr Commissioner, take three hundred years as for the Minquiers, on which a decision was reached in 1963 after centuries of investigation? We are worried about this in view of the fact that drilling has started in the undisputed French part of the western approaches but the most interesting and most promising part in precisely in the zone which is claimed by both Member States.

Now I naively thought that since Great Britain and France are part of the same Community it ought to be relatively easy to solve the problems. I wish this were true, for at present drilling has been stopped because of this problem, which seems to me to be most regrettable, in view of our dependence on third countries with regard to energy.

Consequently, on behalf of my Group I should very much like Mr Brunner to give us full details of when we can expect the decision from the Court of Justice in The Hague. I should also like to ask him — and this will be my last remark — whether he thinks the Community could contribute to reaching a transitional solution which would enable drilling to be resumed as soon as possible, thus meeting the need to improve the oil reserves of the European Economic Community.

Those, Mr President, are the two questions I wanted to put on behalf of the European Progressive Democrats on this problem of the western approaches to the English Channel.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, we fully share the view expressed in the questioner's explanation. It is in fact of great importance that rapid progress should be made on this question. According to our information, drilling is at present being carried out by a French firm, but at a point which is indisputably on the French side. This work in progress is not affected by the differences of opinion.

The Commission itself cannot make any direct contribution to resolving the differences of opinion. The arbitration procedure has been instituted between the two Member States with their consent. This arbitration procedure is taking its course. There have already been two written opinions. A final decision can be expected to be handed down before the summer. To this extent there is no danger of any appreciable delay.

The general position in such disputes on demarcation lines is as follows: we have already had cases like this. I remember the dispute between Denmark, the Netherlands and the Federal Republic of Germany. These disputes were solved by arbitration. The Community is not competent to intervene. Once a settlement has been reached, however, Community law is applicable to the whole field.

That is the present situation. There is no economic danger if it takes 300 days. I expect it to take about

150 days, Mr Cointat. Anyway, we are aware of the whole question, we are keeping a close watch on it and we are also trying to ensure that disputes like this do not lead to excessive friction between the Member States and in the Community.

President. — I call Mr Prescott to speak on behalf of the Socialist Group.

Mr Prescott. — Mr President, the matter raised in the question by Mr Cointat is naturally one of concern to the people involved. As my own country is one of those mentioned in this dispute, I could express an opinion from that point of view. But I am speaking on behalf of the Socialist Group, and our desire of course is to see agreement between two Community nations wherever a dispute exists. In this matter there are very important economic considerations, quite apart from the political ones, that must be considered in any solution that is arrived at.

As the Commissioner has pointed out, it is incumbent upon us to recognize that there is already a set of international laws that govern this type of situation. There is an agreement under the Continental Shelf Act, and the relevant legislation is agreed internationally through the United Nations, leading to a convention which not only gives rights to nations in the exploration of mineral wealth, but also lays down specific legislation, endorsed by each national parliament, governing the procedures to be followed when there are disputes. This is not a unique dispute; other countries and, as the Commissioner has pointed out, other Members of this Community, have had disputes in those areas where the division of responsibilities and rights of exploration begin and end.

To that extent the reply given by the Commissioner was a comforting one. He has assured this House that he does not think there would be unnecessary delay in pursuing the normal arbitration procedures laid down in the international convention and respective legislations. He has also assured us that he does not think there would be any dire economic consequences. Neither of the two countries in this particular dispute now being considered under the arbitration procedure stands to lose significantly by further delay; delay will not be significant. The answer the Commission has given us today is therefore reassuring. One hopes that the normal arbitration procedures, as foreseen by the countries when they agreed to the convention, will be applied. This is what is now taking place, and we look forward to a solution. The precedents clearly show that the decisions handed down in such matters have been largely respected by the countries involved. Therefore we as a group look forward to a satisfactory conclusion under the arbitration procedures laid down by international law. The Commissioner has also made it clear that competency in this matter lies with the international legislation and not, in this case, with the Community.

Prescott

Agreement in this matter is of great importance to us, since it concerns not only mineral exploitation rights but, one would presume also, overall energy policy and fishing policy, which are not entirely unconnected matters. The point is that the procedures are there; they are now being implemented, and I am sure this House will look forward to a successful conclusion as soon as possible so that the two countries in the dispute may pursue their rights to explore for minerals in their respective areas.

President. — I call Mr Normanton to speak on behalf of the European Conservative Group.

Mr Normanton. — Mr President, although the question has been answered by Commissioner Brunner, it is quite clear to him and to the House that this whole question covers a very wide range of issues — energy, legal, political, economic — it covers the field for which the Commission as a whole is responsible. And I think the answer very clearly reflects the recognition of that fact. Secondly, I think the important thing we should be concentrating our minds on is what we want to see happening, not just a long drawn out debate. And I suggest there are three basic things.

Firstly we must press for the Court to come to an early, clear and precise decision. That I think is fundamental. Secondly, we ought to be doing all we can to make sure that the exploration and technical developments are not held up. There is no ground whatever, in our judgement, for such developments as the discovery of more sources of oil although they have so far been very satisfactory being impeded whilst the Court is deliberating.

And thirdly, I think we should not forget that the demarcation line is not, and indeed should not, be so fundamental as to be an impediment in the progress towards expanding the sourcing of oil and gas on the continental shelf. In this context, we should remember that what we call the North Sea area is already being exploited by German, French, American and Dutch, and indeed international consortia, quite apart from British institutions, and that is a healthy development in what we, in this House, have repeatedly insisted is a Community interest, a matter of collective interest to all the peoples of Europe.

We, the European Conservative Group, earnestly hope that this question which has been put by Mr Cointat will not be allowed to become a major or an increasing area of conflict between two or three, or more Member States, but that it will be seen as the wish of the Parliament, as indeed Mr Cointat indicated, to maximize the rapid development on behalf of the European Economic Community of this very valuable and certainly increasingly valuable area for the sourcing of such vital energy resources.

President. — I call Mr Osborn.

Mr Osborn. — The Continental Shelf Act and the legislation in the early 1960s involved me in the House of Commons. The decision to mark out the North Sea amongst the countries involved was a step in the right direction. I am interested that Mr Cointat should have raised this issue at the present time, because obviously it involves the Prime Ministers of France and Britain, and I support the others in saying that we expect a decision quickly and hope that this difficulty can be resolved.

In spite of Mr Brunner's observation, I would like to know what the Commission in fact can do to help. Obviously, if the decision is that of the Court, it can do very little at the present time. But I have tried to find out exactly what is the nature of the dispute. I have tried to lay my hands on the appropriate maps to determine which areas are the subject of agreement, how many hectares are the subject of agreement and which areas are in fact in dispute and where they are. I have made enquiries and find there is remarkable secrecy about the dispute. Therefore, I very much hope that, when there is an agreement, information will be provided to Members of Parliament, to the countries concerned and to the oil companies.

My colleague, Mr Normanton, and many others and, once, the Committee on Energy, Research and Technology visited the North Sea. I confirm we have seen many different nationalities exploring for oil in various areas. One query I would like to raise, and would like the Commission to comment on in due course, but not now, is the type of agreement these oil companies have to make with the British National Oil Corporation, and to what extent part State ownership of a major field is an obstacle to others coming in. Also, the Law of the Sea has been changed. Obviously the 200-mile limit may affect what was otherwise a satisfactory agreement.

Therefore, much information is lacking to many of us as Members of Parliament. I hope, when the Court has made a decision, the Commission will see fit to ensure that all have more information as to the nature of the agreement and what the new situation is. I find today, having made numerous enquiries, that many of us who are interested have to speak with lack of information. I hope that information can be made available quickly for the Members of Parliament involved.

President. — I call Mr Spicer.

Mr Spicer. — Mr President, I speak only because I have the great fortune to represent a constituency in Dorset which, along with Cornwall and Devonshire, has been suffering over the last two or three years the initial stages of the oil companies' work in preparation for drilling in the Western Approaches.

Spicer

May I say that I think it was an excellent decision on the part of Mr Cointat to bring this matter forward, because it does highlight the fact that there is yet another areas within the Community where almost certainly oil will be found in quantity. Had I been able to go along with his view, had we been faced with a long delay before the Court made their decision known, I would have said, with him : could not the Community intervene in some way in order to arrive at an interim agreement ?

But I am delighted to have heard what the Commissioner has said. I am delighted that we can look for a final decision in this matter within the next 300 days. In that case, Sir, I do not believe that any delay is involved whatsoever. To the best of my knowledge, the oil companies are already girding up their loins, ready to spring into action. We already have — and it may surprise many Members of this Parliament to hear this — two oil wells in Dorset, not on the scale of Saudi Arabia, but there are at least two oil wells and we are extracting a considerable quantity of oil on a daily basis. So, we look forward to that decision, whatever it is, handed down by an international Court of Justice, and whatever is finally extracted from the Western Approaches can only add to the Community's energy resources which in the years to come will be so vitally important.

President. — I call Mr Cointat.

Mr Cointat. — (F) Mr President, I should like very briefly to thank Mr Brunner for his answer to our question and to say that I welcome the speed with which the decision is being taken, which is a matter of days and not of years. I also welcome the consensus among my colleagues from the other groups on the importance of this problem. I should, however, like to say as well that the problem is nonetheless slightly more complex, since it involves not only oil but also navigation and fishing. I should like to see as soon as possible a common fishing policy and a common energy policy, which would perhaps enable the problems to be settled more easily.

President. — The debate is closed.

6. *Oral question with debate: Common policy for the aerospace industry*

President. — The next item is the oral question with debate (Doc. 502/76), put by Mr Guldberg on behalf of the Committee on Economic and Monetary Affairs to the Commission, on a common policy for the aerospace industry :

On 16 December 1976 the European Parliament approved the entry on the 1977 budget of an appropriation of 8 million u.a. for basic research in the aerospace industry. When does the Commission intend to submit the specific proposal that has been announced for this sector ?

The European Parliament also approved the establishment of an item for aid to the aerospace industry so that, if necessary, amounts could be transferred to this item during 1977. When does the Commission intend to submit the specific proposal that has been announced relating to common financing that will be able to replace national financing, research and development schemes in connection with programmes for large aircraft for civil aviation ?

Mr Cifarelli. — (I) Mr President, I have no hesitation in taking the floor to deputize for Mr Guldberg, since this overcomes the problem caused by his absence, and because this oral question with debate was tabled by the Committee on Economic and Monetary Affairs of which I am a member and in which I have for several months followed, with close attention, the discussions on this subject.

The chairman of the Committee on Economic and Monetary Affairs, Mr van der Hek, can testify to the considerable efforts which have been made in this area for over a year. In addition, Mr Spinelli, a former Commissioner — whom I see with us today — has submitted proposals to the Commission in an attempt to achieve something new and constructive at this advanced frontier of the Community.

I am firmly convinced, Mr President, that here is an opportunity to leave behind the empty Community waffle which produces nothing but hollow words and vain ambitions, and get down instead to positive action. It is my belief — and one which I believe others share — that the construction of the Community is imperative not merely for reasons of history, ethics, politics and vicilization, but also because of the need to come to terms with the problems of our time. An exclusively national aerospace industry simply cannot survive. Despite collaboration between two major industrial countries of the Community, France and Britain, the Concorde project demonstrates the insuperable difficulties which arise, and also the waste, contradictions and frustrations involved. Furthermore, since the whole point of the Community — as set out in the famous Spaak Report of 1956 which preceded the Treaties of Rome — is that present-day technological and industrial problems cannot be solved within the national framework of individual states, this should be considered a battle, and at the same time a fundamentally necessary pioneering effort to overcome the limits which national frontiers represent.

Building Europe therefore means developing the interests which will allow us to tackle and solve today's problems. Instead, we frequently revert to outdated notions and to a small-minded and destructive selfishness.

Mr President, we are very frequently concerned about our independence, for example with regard to the sources of energy and raw materials, or *vis-à-vis* certain countries, such as that great democracy on the

Cifarelli

other side of the Atlantic, the United States. What I said yesterday evening about the JET project and the subject dealt with in Mr Spicer's report are examples of this. But we fail to realize that only real independence can enable us to develop our own industries in certain advanced fields, such as data processing and the aerospace industry.

Mr Guldberg has asked a question which is endorsed by the entire Committee on Economic and Monetary Affairs and which invites the Commission to do what Parliament expected it to do when it entered an appropriation of 8 million u.a. in the 1977 budget for basic research in the aerospace sector.

We would like therefore to ask the Commission when it intends to submit the specific proposal that has been announced, i.e. when will common financing actually replace the national schemes?

I come from a country where — whether through traditional scepticism or traditional wisdom, I cannot tell — ominous signs are associated with certain concepts and certain ideas. I should not like the very fact that we are discussing research to be an omen of ill fortune. The fact is that whenever research and the solutions to the problems inherent in common research are discussed, nationalistic motivations come particularly to the fore and, along with them, the narrow-minded and wasteful folly which frequently permeates our Community.

I would also like to stress that the problems connected with the issue we are debating are political rather than economic, in that the programmes of the aerospace industries in the nine Community countries are very heterogeneous. Moreover, the accusation that certain Member States are more interested in collaborating with third countries — which is what happens in the case of research into energy problems and of nuclear research — instead of pursuing a Community policy — does not seem to be groundless. This is another manifestation of the foolish selfishness of which all the Community States are guilty and which in the past caused the collapse of European pre-eminence in the world and wars between the European states, and which has now brought us to the brink of complete dependence — let us hope this will never become reality — on other powers.

However, to come back to the subject in hand, I should like to stress once more that, in view of the importance of the jet aircraft market — the figures involved, Mr President, make one's head spin — any competition between our nine states could well prove to be an extremely dangerous factor contributing to the disintegration of the Community. Consequently, even if 8 million u.a. represent a sum which is far from adequate, we should realize that they do at least represent a beginning in this sector. We should undertake this research in the firm belief that — as Jean Monnet stated and as Community experience has

shown — once the process of collaboration is under way it will develop its own momentum and its own capacity for expansion. Our task should be to alter the course of events accordingly. We should act decisively and place research conducted at national level on a Community footing, with all the developments which this entails.

We therefore ask the Commission to comply with the wishes expressed by Parliament in the budget, and finally implement an item which has received formal budgetary approval.

I have, Mr President, strongly emphasized the question of our freedom and independence. The fact is that as an Italian and as a European I am becoming more and more convinced that we are losing our freedom, independence and autonomy *vis-à-vis* the outside world. This is borne out by major and minor events affecting the Mediterranean, the Middle East, our dealings with the Arab world and with other countries, and the new international power relationships. We can have as many fanfares and wave as many national flags as we like, but we shall still have to be careful not to share the fate of Venice which, when other states grew stronger and widened their horizons, was pushed to the side and bartered like a state no longer able to control its own destiny. Yet, as all Italians — and not only the Italians — remember, Venice was the Great Britain of the 15th and 16th centuries, when the standard of the Lion of San Marco ruled the waves. Venice has since become a tourist attraction. As responsible and democratic Europeans, we have no wish to see the Community end the same way.

IN THE CHAIR : SIR GEOFFREY DE FREITAS

Vice-President

President. — I call Mr Davignon.

Mr Davignon, Member of the Commission. — (*F*) I would like to thank Mr Cifarelli for his presentation of the problem, since it reflects the Commission's own attitude.

On an issue such as this, it is essential that the problem be tackled as directly and as resolutely as possible. There is no more time for exploratory talks or declarations of principle. We should see what positive action we can take and when we can get to the heart of the matter and actually do something. It is in this approach that the Commission intends to adopt in its work on this dossier and I am convinced that it is right.

As the House is well aware, the Commission made certain suggestions on this matter to the Council, which did not approve the necessary budgetary appropriations. It was at Parliament's insistence and thanks to the conciliation procedure that 8 million u.a. in

Davignon

payment appropriations were reintroduced into the budget for 1977. This means we can do something specific, and it will allow us to continue along the path which we have taken since it gives real point to the consultations we are holding with the various branches of the aerospace industry.

It is very difficult for the Commission to hold talks with the builders of airframes, engines, ancillary equipment and helicopters if we come empty-handed and have, so to speak, nothing to offer. Thanks to the step taken by Parliament, we are now in a position in which such discussions, which are difficult because of the sometimes contradictory interests involved and because habits are not easily changed towards Community-level cooperation, can have a successful outcome, but only to the extent that we have something to offer — as we now have.

On a more practical note, what are we going to try to do in the immediate future? With regard to research programmes, we have an opportunity to act. It therefore seemed logical to us to state clearly, in our consultations with the representatives of this industry, the criteria which we would like to see adopted and without which no programme can be drawn up.

Firstly, we want to make it perfectly clear that there is no question of this joint project being made up of several residual and secondary projects presented in the guise of a basic programme. We have stated explicitly that we are seeking a consensus on specific subjects which will affect the requirements of tomorrow's air transport sector, e.g. running costs, the need to keep maintenance costs down, pollution and consumption. These are the subjects which we find important.

On the other hand, for the reasons Mr Cifarelli has just given, we are not interested in participating in programmes lasting only six months or a year. What is about to begin is a process and if it is to have any effect on the future, it must clearly be capable of development. Consequently, secondary projects which would merely have a short-term impact do not, in our view, satisfy the definition we have submitted. What interests us first and foremost — and we have said this on several occasions — is a *multi-annual* action programme.

We are convinced, however, that if the programmes which we have in mind are attractive, they should not be wholly financed by the Community. The cost must be shared, so that the effect by the aerospace industry can reflect the true degree of its interest, of which there is otherwise no evidence. The shape this effort will take will naturally be the object of negotiations and considerations and we must be flexible in our approach.

We must ensure that the various national research centres which already exist can collaborate, because

the dispersal of effort increases costs, reduces efficiency and makes this indispensable political factor of collaboration less credible.

If we want to draw up a programme, we must ask the aerospace industry to make the necessary arrangements so that the Commission can deal with a single negotiator on each of the issues to be considered, otherwise we shall lose a great deal of time in getting things organized.

Naturally, it is always easier to establish criteria and principles than to put them into practice, and I am well aware of the difficulty of the task, of the doubts which exist and of the problems created by common commercial projects involving Community countries and non-Community countries. We must live in the real world and not in an ideal world. But there are two ways of tackling a problem; one is to use the difficulties involved as an excuse for doing nothing, and the other is to regard the problem as a springboard to real progress. As I see it, what we are faced with here is a rather fundamental choice. If we do nothing, the problem will not only exist *vis-à-vis* the United States, but also *vis-à-vis* a number of countries which are in the process of setting up aerospace industries of their own, such as Canada, Japan, Israel, Brazil and Iran. We risk ending up as merely sub-contractors and this would affect not only one or other Member State, but the entire European continent.

So what can we do? Our opinion is that if we embark immediately upon a very specific project having clear-cut objectives to be implemented without delay, we will come up against a host of problems, because this would mean defining the project clearly and immediately asking the operators, i.e. the industrialists, to modify a number of their options. We would waste an enormous amount of time in a discussion of this kind. This is why our intention — I say intention because consultations with the sectors I mentioned a few moments ago are under-way — is at present to decide on the type of joint research which everyone will need, whatever the industrial or commercial system or type of aircraft required. That is why we feel that research into ways of saving energy concerns everyone. The same goes for noise, pollution and similar problems. This is the present aim of our consultations.

What we want — because nothing is more dangerous than consultations which drag on to the point of becoming an end to themselves — is to have concluded these talks in the first quarter of this year, so that the Commission can discuss the whole question and then submit a series of suggestions to the Member States as to the best way of spending these 8 million u.a., with a view to implementing the procedures which will allow us to use that money immediately.

Davignon

Though I have spoken on the problems of research, this does not mean that I am unconcerned about the basic problems of cooperation between the Member States and of the policies which they pursue with regard to the aerospace industry. Alongside the specific action in the field of research, I intend to resume the political discussions with the Member States on the various points contained in the action programme presented by the Commission in 1975. During these formal consultations with the Member States, we shall have to examine what can be done to achieve real progress in this field.

There is another point which I wish to raise and on which Mr Vredeling would like to say something at the end of this debate: the aerospace industry is an essential part of the Community's industrial policy and is a major sector employing skilled labour and likely to expand. It is quite impossible to isolate this research project and this sectoral approach from the wider context of our priorities in the field of industry and its repercussions on employment. I felt that this was worth mentioning.

In reply to the question put I have outlined our basic approach to the problem, giving some details of our short-term objectives with regard to the use to which we intend to put the appropriations at our disposal, and which give us a solid basis for our negotiations with the operators in the sector, and have also given some pointers as to our future policy.

President. — I call Mr Carpentier to speak on behalf of the Socialist Group.

Mr Carpentier. — (*F*) Mr President, as Mr Cifarelli reminded us a few minutes ago, this is not the first debate on the aerospace industry in this House. He quite rightly pointed out that apart from statements issued and documents published on this problem, no real progress has yet been made. We therefore welcome the 8 million u.a., which we consider to be only the first step along a road we must follow, however difficult it may be. I think we all agree that no Community country can go it alone in the aerospace sector and that there must therefore be solidarity between the Member States if we are to achieve real cooperation in this field.

Nevertheless, I would like to ask a twofold question: is a Community aerospace industry necessary and is it feasible. The need for cooperation between our countries presents no problem and is easy to demonstrate. Moreover, Mr Davignon has just pointed out that there are 400 000 workers — and skilled workers at that — engaged in this field throughout the Community and that a Community policy would probably create the jobs we need so badly, halt the flight of currency (for any aircraft bought from the Americans must be paid for in dollars) and, above all, go a long

way towards safeguarding our technical autonomy and our political independence. No one can deny, after all, that the United States has a tendency to bring French companies under the control of their American counterparts. The latter are seeking — at present rather disjointedly — to use cooperation with the European industries as a means of technically eliminating the design departments on this side of the Atlantic which are still potential competitors of their own departments and which are producing blueprints for the future, and of thus organizing their work programmes to suit their own interests.

We must refuse categorically to become sub-contractors for the United States or anybody else; we must refuse to become subservient in this field.

Is such a policy possible? I believe it is, because we have seen it work already. We have pragmatic evidence of this — the Concorde and the Airbus are, after all, realities, and these are the fruit of collaboration between Community countries. Such a policy is feasible because there is a whole field of potential endeavour for the aerospace industry of the Community, especially as regards the market in medium-range aircraft.

There is a European market, but let us not forget that there is also an expanding market in the developing countries. This should prompt us to take a more effective action in this sphere.

Like Mr Cifarelli, I would like to call upon the Commission, which has Parliament's full support, to do all it can to get the Council to organize a meeting between those responsible in this field with, of course, the participation of the airlines — who will be the customers and who must therefore give their views on the right type of aircraft to build — and also taking into account the opinion of the workers in this sector.

These, Mr Davignon, are my reasons for hoping that we shall proceed briskly along this road.

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

Mr Blumenfeld. — (*D*) Mr President, I am very grateful to the representative of the Commission, Mr Davignon, for having answered this question in rather wider terms, since that gives me the opportunity of drawing attention in a few words not only to the importance of the problem, as Mr Cifarelli has already done so capably, but also to the fact that this really is the eleventh hour. There is no time to lose whatever. Mr Carpentier very rightly pointed out at the end of his speech just now that so far in our discussion — and unfortunately on the part of the Commission as well — no attention has been paid to the customer. It is the European airlines that are the customers and they have to compete worldwide and cannot afford to wait for the European aerospace industry to get down

Blumenfeld

to basic research. At the beginning of the eighties they will need the new planes with which they will have to fly until the end of the century. The aircraft which are still in service now are out of date and are coming to the end of their life, and basic research is something we have simply no longer any time for, apart from the fact that in the individual countries of the European Community we have already wasted thousands of millions of dollars because everyone — whether it was the Germans, the French, the British, the Italians, the Dutch or whatever — thought they could develop the best plane themselves, and they have all fallen flat on their faces because the market has simply not bought the planes that have been developed. The airlines need a new medium-range plane, they need a new short-range plane and for the late eighties and nineties they also need a new long-range plane. That is the problem. It is the Commission's job to provide support for this and I hope that we can help you to do so.

In concrete terms I therefore propose — taking up the previous speaker's idea — that as soon as possible a hearing with the European airlines should be organized by the Commission, with the participation of Members of this Parliament, in order to find out first of all what the airlines need and how far they have got with their plans and studies. I have some idea of how far they have already got and, Mr Davignon, there is really no time to lose. Unless something is done here in the next few months, the bus will have left, the planes will be ordered in America and the European aerospace industry will no longer be in a position to place a single new order. I would point out, Mr President, that there is a danger of our experiencing a relapse into ideas of national political prestige, of the ball being passed by the aerospace industry to the national governments, or vice versa. We just cannot afford to play this game any more. We can no longer afford to waste the money; it is now a question of making a great European effort at the last moment so that both the European aerospace industry and its workers and the European airlines can jointly develop a plane that they will fly for the next twenty years and which really does embody service and product management and development to meet the demands of present-day international competition. That, Mr Davignon, is the task before us — for you and your staff in the Commission as well as for the European Parliament and the national governments. This, and only this, is what we have to see to.

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

Mr Krall. — (*D*) Mr President, I should like right away to take up the suggestion made by Mr Blumenfeld and declare on behalf of my Group that we will be glad to support the proposal for this hearing. I must emphasize that the eleventh hour has indeed

struck. The restrictive attitude of the Council on the question of a common European air transport policy is quite incomprehensible to us. We are glad that Mr Davignon has adopted a very positive attitude on behalf of the Commission. Air traffic increases every year by 7%. Excluding the Eastern bloc, 92% of all civil aircraft are of American construction. Only 6% are built in Western Europe and 2% in the rest of the world. The American giants thus have a dominant position on the market.

I should like to stress here that we not only need a common strategy for the aerospace industries of the Community but, as the previous speakers have made clear, this must be done in conjunction with the airlines, the Council and the Commission. We expect the Commission to take immediate action on this and get these various parties round a table. We are more than willing to give our support, as Mr Blumenfeld also said just now. Otherwise, there is indeed the danger that planes will be designed or even built without any regard for the needs of the airlines.

The deal of the century is coming up in the aerospace industry. Who will be able to cut himself the biggest slice of this cake, nobody knows. At any rate the outlook for the European aerospace industry is at the moment very gloomy. In the next few years more than 2 500 aircraft will be needed for use on long-haul routes, 2 500 aircraft which must have a seating capacity of more than 200 each.

If we fail to take action, we must face the possibility of disastrous consequences for the European aerospace industry. I hope that our colleagues in the other groups will support the proposal to organize a hearing as soon as possible, in order to reach a consensus quickly on the whole question of research and on all the matters which Mr Davignon has just explained, so that we can work together to ward off the dangers facing the European aerospace industry.

President. — I call Mr Osborn to speak on behalf of the European Conservative Group.

Mr Osborn. — Mr President, I support the view that we should have a much longer debate and a fuller review of this subject. Last year we debated the action programme for the European aeronautical sector and it has had a mixed reception from different countries. Now we are debating. I think primarily, the sum of 8 million units of account, which I think is probably too small. We are debating research and aid, and I accept there is a need for urgency by the member governments and by the industries concerned.

What in fact have been the views of the national governments? What have been the views of the national parliaments? Undoubtedly — and this is my observation in Britain — Parliament favours the independence of its own industry. I should like to know what the other nations have done. We have had a very

Osborn

good Select Committee of the House of Lords. They are critical of the addition of two further layers of Community authority, which could only produce a steep organizational pyramid. On basic research a more positive attitude has come out. The Committee welcomed the proposal that certain areas of basic research should enjoy Community financing. That is the view of the committee. It has to be endorsed by two chambers in a national parliament and the government have to act on it. Now the British scene has in fact changed, because the aircraft industry has been nationalized and the minister involved, Mr Kaufman, has underlined in evidence to committees and in debate that the national industry should be independent. The new head is Lord Beswick. Well, the two great industries of the Community rest in Britain and France and this has been accepted. But what is now the new relationship between one Member State, namely Britain, and the Community? I would like to know what the Commission are going to do in this area.

The Community does need a European aerospace industry because it will help our balance of payments. It is making far too few of its own aircraft. It was estimated recently that expenditure by the world airlines would be 41 billion units of account over the next 10 years. How much can Europe take of that? And there is increasing growth in airlines. The European aircraft industry requires the stimulus from its customers to bring in new types of aircraft, bring in new equipment. McDonnell Douglas, Boeing already have done this. There are opportunities which the industry of Europe and the governments must look at. For instance, there is the Franco British AWACS based on the A 300 B for which there is a reasonable NATO requirement of some 32 to 36 aircraft. There has been talk in Britain of the BACX II. What is to become of that? There is talk in the States of the Boeing 7X7. There is a second generation of the European Airbus and, above all, the second generation of the Concorde already being referred to. And there are Mirage bombers. And therefore it is essential that the European industry looks at this together. I am not going to touch on the air traffic structure, as I think it is irrelevant, but of course I have tabled a question on electronic aircraft accident avoidance systems after the Zagreb disaster. But, as a suggestion, I think the Commission should look at its role in acting as a catalyst amongst the major aircraft producers to agree the desired characteristics for the next generation of aircraft. I believe, as a second suggestion, that the Commission should define the future military aircraft requirements for NATO and others, because much of our industry is concerned with defence rather than civil aircraft.

I welcome the reply of the Commissioner. He has put the case for working together and the need for a multi-annual research programme, and I support the view

that the Community should have more than 8 million units of account next year. But we want in this Parliament to have information on Community research and national research and in what fields it is being carried out. He asked, 'What can the Community do?' There should be discussions immediately and urgently. And I would ask what has happened to the Action Programme, bearing in mind it has had a mixed reception from the industry in the member countries? I support the view that the Council of Ministers should meet quickly. My group supports the view that nations must work together, as time is only too short. Therefore I ask the Commission to give us an interim report, not in 6 months' time but in 3 months' time, and to start their discussions quickly. But I urge them to concentrate on those areas where there is national agreement amongst the industries and the member governments of the Nine and not pursue policies that have provoked a certain amount of hostility. Therefore I wish them good luck in this course and I ask Mr Davignon to bear in mind that there is urgency, and Parliament would like to be informed as quickly as possible.

President. — I call Mr Spinelli to speak on behalf of the Communist and Allies Group.

Mr Spinelli. — Mr President, I would first like to thank Commissioner Davignon for outlining the Commission's intention, through directives which I consider suitable, to put to immediate use the eight million u.a. which Parliament was well-advised to extract from a reluctant Council and which provide the Commission with its first opportunity to replace mere words with positive and effective action in the aeronautical sector.

Nevertheless, I feel that the most important part of Mr Guldberg's question has been overlooked by both Mr Cifarelli and Mr Davignon. The essential step is to establish a European aerospace industry and not to ensure participation in research programmes, important though this may be.

Mr Guldberg reminds us that Parliament — once again backing the Commission's proposal against the Council — has approved the establishment of an item for aid to the aerospace industry. The Commission, for its part, has proposed that national financing be replaced gradually over the years by Community financing. As I see it, this is the heart of the matter. Many Members, however, have called for hearings. My own six years' experience of hearings can basically be summed up as follows. Governments have at first refused even to participate in any discussions and then, in the end, have agreed. Governments — or rather ministers and high-ranking officials appointed by them — have then informed us that the only joint programme they could consider would be one put forward by the manufacturers themselves. Thereupon

Spinelli

we held hearings and discussions with the manufacturers who were all very enthusiastic and who all recognized that the European solution would be their salvation. At the end of a long round of talks, these manufacturers informed us that they would be prepared to put forward a joint programme only on condition that their governments could agree on a method of allocating financial aid. But as long as each state pursues its own aid policy how can the manufacturers submit a joint programme?

This is a vicious circle from which there is no escape. And if the Community, the Commission and the European Parliament do no more than make fine speeches on the need for Europe to be independent and on how nice it would be to have this or that type of aircraft, but do not have the necessary means for implementing the programmes, we shall go on witnessing the breakdown of this important industry in Europe.

In order to avoid this we must have a precise idea of the problem: if all we do is make requests for Community appropriations to add to national aid, we will be dealing with trifling amounts of no use at all, because what will count is the massive financial aid which Britain and France — and, to a lesser extent, Germany and Italy — give their industries.

There must therefore be a programme to phase out national financing over a period of 5-7 years. Only a programme of this kind will make it worthwhile contacting the various companies concerned, holding hearings and so on.

Both personally and on behalf of my Group, Mr Davignon, I would like to urge Parliament to see that this basic concept of gradually replacing national financing by Community financing is not forgotten.

Otherwise we shall have only Community prattle about aviation, which means that we will not succeed in tackling the problem effectively and will be left with a sense of frustration.

President. — I call Mr Prescott.

Mr Prescott. — Mr President, it is clear from all contributions that the European aircraft industry is facing serious problems. There are a number of reasons for this, and previous debates have outlined them. Time does not allow one to go into detail, but the problem is familiar to Europe from its ship-building industry. That is, there is a country outside Europe which tends to dominate a particular market. In this case, it is America: in the West, America has the large dominant aircraft industry, which has had considerable influence on the development of the European aircraft industry, both civil and military.

There are a number of reasons why this should be so. Clearly, the advantage of a large domestic market enjoyed by the American industry — close on 50% — is considerable with regard to unit cost. It has unlimited funds which it is prepared to utilize. The joint civil-military projects conducted by these huge

aircraft corporations in America create tremendous advantages in the development of new aircraft. Clearly, Europe finds itself at a considerable disadvantage.

Nevertheless, there are certain advantages which could be used to the benefit of European industry. I have before me a report which compares American and European aircraft production. In many ways, we have the advantage of cost, primarily due to lower wages and higher skills than under the American system. But our great difficulty is that we do not get the production runs that the American system is able to enjoy. For example, producing the same type of aircraft at a production run of 75 instead of 200 means that we are in serious difficulties; but if we were to produce the same amount of aircraft, our costs would be between 40 and 50% less than the Americans.

That is a key economic fact that we should exploit to our advantage. All too often Europe has produced the right aircraft at the right time and has never been able to sell it in sufficient quantities in the right type of market. It is quite obvious, as the Concorde has shown, that the success of these and other aircraft depends on getting access to the major markets, and that we fail to do for a number of reasons.

But a further advantage for the European aircraft industry is its innovating ability, as shown by Concorde and its vertical take-off aircraft. These are the aircraft of the future, and we should exploit our advantage. We have to direct our research, resources and ideas to capitalize on that. But it will not be a success without access to the market. The reality of the aircraft industry at present, is that we have to come to an agreement with the Americans. Without agreement with the Americans, you will not sustain a European aircraft industry. That is the reality of the economics of the operation. As has now been seen in negotiations, we have to negotiate joint aircraft projects with the Americans. The future of the European aircraft industry depends on that. I think there are possibilities, and I hope the research can be adapted to them.

In summing up, Mr President, I wonder whether I could make a plea to the Commission in regard to the funds at its disposal for research? Only this week an aircraft industry in my constituency has laid off 450 workers because of a lack of confidence in the future of aircraft development. I might add, in view of the South African debate yesterday, that I agree that we should refuse to sell military aircraft to South Africa to maintain the apartheid system. I support that, but I am afraid my workers are not very receptive to that point when they remind me that it puts them out of work. Politicians must make that point, but it comes a little hard when other Community nations move in and sell the same military hardware to that abhorrent regime in South Africa. And there are still those 450 redundancies.

Prescott

I would therefore like to make a plea. We have in Britain the HS 146 aircraft, which has a number of attractions that correspond to these ideas I developed. It meets the requirements of the medium-hull aircraft; it is advanced in some aspects of its design; it is cheap to operate; it combines a number of European components in its production; and it has an American engine, to enable it to be sold on the American market. It needs a certain amount of money to fund its further development. I would make a plea to the Commission to consider this particular aircraft for a joint European research project with certain opportunities for access to the American civil market. I would take it upon myself to send to the Commissioner a dossier on the various aspects of this. Our future lies in joint cooperation, and I must say that in this area, as in shipbuilding, as in fishing, an international solution has to be achieved; and, in those circumstances, we have to produce the right project. And not only produce it at the right time and in the right place — we have to be able to sell it in all the markets. For that we need agreement. Our future lies there, let us use our money to that end — to develop the right sort of joint projects to produce the right kind of markets and the right planes.

President. — I call Mr Tomney.

Mr Tomney. — I think it advisable, Mr President, to ask the Commission to proceed on this question with the greatest caution. As Mr Prescott has outlined, the concomitants of any successful aerospace industry are a large military component and a sustaining domestic market. The United States have had this privilege almost exclusively since 1945. Through its NATO connections and the dominance of NATO as supreme contributor to Western defence, the American industry was able to build up a substantial lead. It also has a domestic population which at least can support the turnover required for the operation of its own industry.

No nation in Europe has that potential. So what is involved here is high level politics of a trans-Atlantic nature. And whether you get agreement or not — and I rather think you wouldn't on this vital question — it is important to remember that this is the most capital consuming industry I know. I would recommend to the Commissioner that his department should read two valuable reports produced in the last 20 years by the Expenditure Committee of the House of Commons on the aircraft industry. He will find there an item of £ 22½ million for an aircraft which never got off the drawing board. It is this kind of mistake that the Community will have to avoid.

There are several aircraft being developed by European nations which are worthy of support. But the only successful outcome for a European aerospace industry is, as Mr Prescott outlines, an agreement with

the United States. That I think would not be forthcoming. The Douglas Corporation made advances to finance the RB 2-11 aircraft engine when, to the consternation of the engineering world, Rolls Royce, with its great reputation, was on the point of bankruptcy, and had to be rescued by the taxpayers. It transpired subsequently that the Douglas Corporation itself was in difficulties, and their survival depended on Rolls Royce manufacturing this engine. So the American taxpayer, on his own behalf, came to the conclusion that the support required for the American military programmes was so great that it couldn't be sustained at its present level. Now with that situation, and with the American dominance for legitimate defence purposes in NATO, you face the situation where there will be a tremendous trans-Atlantic fight if you come to the conclusion that research can be shared.

If you take the case of Concorde — and I was on one of the original committees on this issue — the cost escalated from the projected £ 460 million to £ 1 600 million. We will never recover the capital cost of Concorde. You may recover the running cost, if America will agree to let the aircraft land in New York. At the present time there is no possibility of that, although you would recover your costs operating on that scale. But tied up with this is the whole operation of aviation — flying fields, licences, licences of independent operators, and all that goes with the capital outlay of the aircraft industry. It is not much use, in my opinion, making available to independent operators the benefit of the capital costs of airports on a franchise which is not viable. And that has been done extensively throughout the world. So it is these kind of questions that the Commission will be faced with and they will have to resolve.

President. — I call Mr Cifarelli.

Mr Cifarelli. — (I) Mr President, I do not think that I can bring the debate to a close because the subject is so complex, but I feel I must express my thanks and clarify two points.

My thanks go to Commissioner Davignon and to those who have spoken during this debate and who have been kind enough to consider my initial presentation of the subject useful and to the point. The points which I feel ought to be made clear are these: I agree with Mr Spinelli's remark that this is a two part question concerning, first, the appropriations earmarked for research and the way they are to be used and, second, the establishment of a system of Community financing to replace national financing. In my opinion, these are two different concepts, two different levels of action — although not altogether unconnected. At a practical level, of course, the most urgent matter is how to use the eight million u.a. which have been made available thanks to Parliament's firm stand.

Cifarelli

Moreover, Mr Spinelli is right when he says that the establishment of an item for aid to the aerospace industry is essential for future action in this field. I should like to stress this point and ask the Commission not to forget the experiences of previous Commissions, so that we can avoid returning to a state of affairs in which there might again be nothing but disappointment and deadlock.

In view of the complexity and the interrelationship of the problems at both military and civilian level, the requirements of an industry producing a vast number of products, and the need to provide employment, it is clear, Mr President, that in order to agree on and draw up a joint financing procedure, public opinion — which we represent — must play a major and decisive part in the national parliaments.

This is why I underline the importance of this joint financing procedure as a first step.

The second remark I wish to make, Mr President, is this: Mr Blumenfeld and others have suggested here that it might be useful to have detailed discussions with the aerospace industries, i.e. with those interested in these problems.

I should like to thank Commissioner Davignon for stating, as I understood it, that the Commission's task is to see that the aerospace industries participate as an entity in order to avoid a dissipation of efforts and in order to be able to address a single negotiator. I only wonder whether arranging full-scale consultations and hearings might not be a retrograde step and whether it might therefore not be more useful to start from our present situation and promote efforts which will provide something in return. This, as I see it, will be achieved above all through the research which Mr Davignon claimed was, or should be, oriented towards technology — in other words, towards engines and aircraft which take account of the need to combat noise, pollution and especially the wastage of energy which is the cause of such grave concern in this day and age.

Summing up, if this line of thought — a common industrial front, utilization of existing agreements and experience, and advantages gained from joint research organized along the lines proposed today — proves to be right, this debate, through the initiative of Parliament and with the decisive cooperation of the Commission, will have marked a step forward towards a solution, or towards the beginnings of a Community-level solution, to these complex problems.

President. — I call Mr Davignon.

Mr Davignon, Member of the Commission. — (F) Mr President, I should like to thank Mr Cifarelli and all those who have spoken during the debate, and perhaps Mr Spinelli will allow me to thank him in particular, in view of his experience in this field and the guidelines with which he has provided us. I greatly appreciated his comments.

I think the present involves a number of problems which it would be advisable to distinguish. Of course, they are all part of a whole, and there has to be a common denominator, but we have several programmes which must be distinguished as regards their timing and their organization.

On the first point, i.e. the utilization of the eight million u.a., the best solution is to draft proposals quickly in order to get down to the specific dialogue which I mentioned earlier. I should therefore like to confirm that we intend to conclude our consultations within the first quarter of the year — this ties up with a suggestion which had been made to me and which I accepted — so that, in areas where real achievements are possible immediately, we can tackle the problem as a whole and put forward suitable proposals to obtain the release of these appropriations.

This is a first point, and when the Commission proposals have been submitted I shall be only too pleased to discuss the matter in greater detail with the competent parliamentary committee if it so desires.

For my second point, I come to the consultations needed in order to assess future requirements on the basis of the current situation, and I should like to state quite frankly that I am obliged to tackle the situation as it stands and not as I would like it to be. When the situation is examined as it stands, it is clear that there are some structures, contacts and habits which it will be impossible to change overnight. I do not think we can answer the appeal to cut the talking and get down to action if we assume that everything must be changed before beginning.

Sometime after the coming three months — I am not quite sure when, but certainly not much later — I could present a detailed report on our assessment of the intentions of the countries and companies involved in order to draw up as realistic a programme as possible.

A number of speakers — especially Mr Spinelli — dwelt on a third point, namely, the tricky problem of replacing national financing with Community financing. He is perfectly right in saying that there can be no structured industrial policy if it continues to be managed on a national basis and is not brought under the control of a Community authority. If I were to declare that, as regards employment and structure in these industries, the existing situation is such that we can envisage this changeover taking place within the coming six months, I think no one here would believe me, so I shall not say it. But what I will say is that, once we have decided in which sectors action is possible, it is essential for us to show the Member States, the industries and the operators the advantages to be gained in these sectors by discontinuing a national policy which they are no longer able to control and which is the object of increasing criticism in their own countries. Once this is done, we shall

Davignon

have to start acting gradually according to a programme which will affect the employment situation and the very structure of our industries. This is a commitment which I undertake willingly, because it is consistent with the line of action which I intend to adopt.

Another remark I would like to make concerns our relations with the United States in this context. In view of the structure of the aerospace industry and current technological developments, it would obviously not be realistic to think that we could build up a European aerospace industry right away without cooperating with the United States in certain areas. However, we must obtain something in exchange — access to the American market for the European aerospace industry rather than vice versa, i.e. not simply access to the European market for American aircraft and technology. I would be less pessimistic on this point than one speaker who felt that there was no basis for discussion. I have in the past participated in several discussions on these problems and I can tell you that as long as the Americans feel — and this is essential — that Europe has a mind of its own and a policy in this sector, we will be able to talk to them from a position in which our basic interests are better protected and our future more secure than in other fields. It is in this light that the situation must be viewed, avoiding a position in which no basis for discussion exists because the situation is wholly and patently advantageous to the American industry, to the extent that purchasing American aircraft in fact means a budgetary saving for our countries in the short term. This is an unacceptable situation which must be rectified, and I am prepared to discuss it at greater length with the committees concerned.

Those are the four points which I wanted to raise at the end of this debate. I should like to thank the House for supporting the Commission in keeping up this long and difficult struggle to ensure that the aerospace industry does not remain a subject for discussion, but becomes a reality. I feel strengthened by the support which I have found here today.

Lastly, I would like to ask Mr Vredeling to say a few words on the repercussions of these problems on employment, for we intend to tackle them through a concerted approach. We felt that this procedure was a good way of demonstrating to Parliament the Commission's spirit of cooperation and unity.

(Applause)

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — *(NL)* I am not surprised, Mr President, at the way the debate on the aerospace industry has gone, since it is not a question of a small, limited problem of research and the like. Behind this there lies a whole world of problems, as has been brought out by many speakers in this Assembly.

The action programme which the Commission drew up earlier for the aerospace industry contains the statement that there will most likely be changes in the structure of the industry, with all the consequent effects in the social sphere. That means we shall have to investigate as carefully as possible what these consequences are with regard to the structure, and the extent and location of employment opportunities, as well as to conditions of employment in the various branches of the aircraft and aerospace industries in general and in related sectors. It has already been stated in the action programme that consideration will be given to the possibilities for given assistance from the European Social Fund and the European Regional Development Fund, particularly in cases where transfer of jobs, retraining and so on could be involved.

I would remind you that the aerospace sector provides about 400 000 jobs. This indicates that over the years there has been a reduction in the workforce. In 1969, for example, the number of jobs was still 435 000. We are thus talking about a reduction of the order of 7 %. Mr Prescott drew attention just now to the problems that this is creating in his constituency. However, Mr Prescott, as you well know, there are many constituencies with the same problems. This is a problem that we should not lose sight of in talking about the aircraft industry. The reduction in the number of jobs is connected with the decline in employment in British industry as a result of structural changes and improvements in productivity. I intend, in the general context of employment problems, to consult the organizations concerned in these sectors. It is not only the aerospace industry that is faced with these problems. They are making themselves felt in shipbuilding, the leather industry, textiles, the ready-to-wear clothing industry, the glass industry, synthetic fibres, etc. etc. There are plenty of examples. We must naturally lay down priorities since it is impossible to solve everything at once. But we must remember that if we go about it too pragmatically, without having an overall picture and following a general policy, we could be accused of an overly fragmented, case-by-case approach, which is to be avoided. In my view it is necessary to develop a coherent policy on this which must be a logical part of the general social and economic policy to be followed at Community level.

I endorse what Mr Davignon said, namely that the distribution of the portfolios in the new Commission is such that I am primarily responsible for employment. That means that my job must consist above all in coordinating the various portfolios of my colleagues. This is a responsibility which I take very seriously indeed, since it affects the daily lives of the citizens of our Community. This is not a technical matter but something which concerns the Commu-

Vredeling

nity as a whole and all the citizens of the Community. I shall naturally hold intensive consultations with the people with whom I have to establish contacts, i.e. representatives of management and labour I hope this afternoon to be able to say something more about this in connection with Mr Pisoni's motion for a resolution.

President. — The debate is closed.

7. Oral question with debate: Second Programme on data processing

President. — The next item is the Oral Question with debate by Mr Cousté on behalf of the Committee on Economic and Monetary Affairs to the Commission of the European Communities on the second programme on data processing (Doc. 503/76):

On 15 December 1976 the European Parliament approved the entry on the 1977 of an appropriation of 2 835 000 u.a. for the start of the first projects under the second programme on data processing. The Commission had originally requested 7 235 000 u.a.

What projects does the Commission think it can get under way with this reduced appropriation and does the Commission consider it proper for requests for appropriations to be amended while the budget is being discussed without the European Parliament being informed at the same time of the reasons for and consequences of such a reduction?

I call Mr Normanton, deputizing for M. Cousté.

Mr Normanton. — Mr President, may I formally present the question so that we can, as a Parliament, have an opportunity of hearing the reply which Mr Davignon has obviously gone to so much trouble to prepare?

President. — I call Mr Davignon.

Mr Davignon, Member of the Commission. — (F) Mr President, this question gives me the opportunity to thank Parliament for reintroducing the appropriations which the Council had refused — at least during the first examination — to enter in the budget. Thanks to Parliament's stand, we now have 2 835 000 u.a. at our disposal to implement the second programme on data processing. I am particularly grateful to Parliament for enabling us to break out of the vicious circle so familiar during budgetary discussions with the Council. When it submits new proposals, the Commission is informed that the Council can take no decision concerning the appropriations requested until it is informed of the basic programme envisaged. We reply that it is very difficult for us to submit specific basis programmes unless we know the total amount of appropriations that will be granted to us to approach the sectors concerned. The result is that, once again, we owe the Council's decision to modify its previous decision to the conciliation procedure, thanks to which we can now get down to work.

When we come to the implementation of the various suggestions we made with regard to data processing, we obviously have to proceed rationally and take account of the Council's comments. We therefore had to enter into a long discussion with the Council over a series of points relating to our proposals and which have led us to make a number of changes. These changes are extremely technical and involve a terminology which is rather awkward to use in a Parliamentary speech since each word has to be followed by definition translation. This being the case, Mr President, I considered it preferable to send Mr Cousté and the members of his committee a technical memorandum outlining the reasons why we accepted a number of technical modifications which are based on a series of arguments we consider to be valid, but which do not affect the objectives set. Should the committee find the various technical explanations insufficiently clear, I am quite willing to forward further information in writing, but I feel it would be out of place to embark here upon a very technical discussion of these problems, which involve computer jargon rather than Parliamentary language.

Lastly, I think we should distinguish between payment appropriations and commitment appropriations. Briefly, this means that we are authorized during the current year to spend 2 835 000 u.a., which is roughly what we shall need in the light of the discussions we have held and considering the phasing of the programme and their implementation. But when we look at the programme as a whole, the amount involved is not 2 835 000 u.a., but the total appropriations made available to us for utilization in stages. So the real amount is not 2 835 000 u.a. but 9 000 000 u.a., which will enable us to get the second programme under way. Of course, in a sector such as this, or in the aerospace industry which we discussed earlier, these amounts may seem relatively small. But I would like to say quite sincerely that these 9 000 000 u.a. mean that we can make a direct and effective start on a practical and not inconsiderable programme, on whose progress we will be pleased to keep the competent committee posted.

President. — I call Mr Normanton to speak on behalf of the European Conservative Group.

Mr Normanton. — Mr President, the European Conservative Group wishes to offer once again a warm welcome to Commissioner Davignon upon his arrival as Commissioner responsible for industrial policy within the Community; we are deeply anxious to do all that we possibly can to help him in making progress in this vitally important area, indeed this key area, of European activity. Because after all, we as parliamentarians are only too frequently talking about the distribution of wealth, whereas in fact we ought to be concentrating our minds and our actions upon creating such wealth, and this is indeed what Commissioner Davignon's portfolio is all about.

Normanton

Mr Cousté's question is, of course, no substitute for a debate on industrial policy. That must, and, I hope, will, come at an early date, one not too distant, but at least giving sufficient time to Commissioner Davignon to enable him to clarify his thinking not only on data-processing but on the whole range of his remit. May I suggest to him, when he comes to make any comments at the end of this brief debate, that perhaps the March part-session may be convenient for him; if he were to suggest that, then certainly some of us would suggest to you, Mr President, and to the Bureau that an occasion be reserved specially during the March part-session to give full opportunity for such a major debate.

As far as data processing is concerned the question was, I believe, put quite clearly and precisely and answered by Commissioner Davignon with equal clarity and, I think, candour. The main point, I feel, is the fact that we are only 13 days into the new budgetary year and in a sense therefore to put the question was, if I may respectfully suggest, a little premature. But the fact that Commissioner Davignon has promised to present a more detailed answer to the appropriate committee is, I think, the best way to answer his question effectively; we look forward to receiving the information which Commissioner Davignon has offered, and there will no doubt be a comprehensive discussion on technical and major matters in the committee.

I hope that Commissioner Davignon will be studying the problems and the solutions for several major industries, including, of course, data processing. But I venture to suggest, as a contribution to this brief debate, that it makes little or no sense at this stage in the development of data-processing to plan, or indeed hope, for the establishment of an independent Community computer industry. I firmly believe that it is neither technically nor commercially nor financially nor in any other way realistic to believe that we can, as a Community, isolate ourselves into thinking of creating an exclusively European Community capacity in this field. I would like to put to Commissioner Davignon that the answer to the problems, including the major problems of data-processing, is to be found in trans-Atlantic terms, by considering this, as indeed other major industries, in broader rather than in parochial and local terms. This is the only particular point that I would like to make in this debate because I think it is a fundamental one. The detailed questions, which are more appropriate to committee, the European Conservative Group looks forward to discussing and debating in the committee concerned.

President. — I call Mr Leonardi to speak on behalf of the Communist and Allies Group.

Mr Leonardi. — (I) When I previously spoke on this subject (which we will have occasion to come back to since Mr Davignon said he would send Mr Cousté a

written reply and this will probably provide the opportunity to return to a problem which I think will keep us busy for a long time), our Group endeavoured to go beyond the technical aspects of the question, stressing that in this political assembly our Community duty was to identify new objectives in data processing, and avoid a policy of hopelessly following up technical advances generally made elsewhere for purposes which we do not wish to imitate since they represent the result of military expenditure.

We therefore demonstrated how our Community, by its very nature and the diversity of the interests of its Member States, could set new and different objectives for data processing and as a result develop a technology which, although not completely different — since we have to build on what others have achieved and cooperate with them — would nonetheless have different objectives. I should like to stress this because there is otherwise no reason for having a Community programme on data processing in the place of the national policies, which are in turn dependent on the country which leads the world in this field.

If instead the Community succeeds in giving a new social, political and human content to this major branch of technology, we will be able to develop different techniques and be in a position to cooperate with the USA and also with countries which have no data processing capacity yet but will eventually acquire it. In addition, in our dealings with those countries on which we depend for our raw materials, we can negotiate on a footing of equality and not subservience provided that — I repeat — we have given this industry, a new dimension, one in line with the interests of our Community and all our nine countries.

This is the point to which I would like to draw Mr Davignon's attention. It is obviously an ambitious undertaking but, when all is said and done, it reflects the Community's whole *raison d'être*. Later on, we can perhaps ask — as we have already done in respect of the aerospace industry — that national aid be replaced by Community aid. However, this will be possible only if the Community interest prevails over the national interests. It will also provide a basis on which — as I have already said — we can cooperate with the United States and other countries on an equal footing.

President. — I call Mr Osborn.

Mr Osborn. — Mr President, I shall intervene only briefly, because again I seek information. The four-year programme has been published; this is a large volume, which has been made available to some of us, and I am not certain, after Commissioner Davignon's intervention, whether it has been modified in any major way or not. I would like him to comment on this.

Osborn

He says he has given the Committee on Economic and Monetary Affairs a note on his talks with the Council and has outlined to us the type of discussion that the Commission has had with the Council to reduce the budget.

I am not too certain whether he is talking about an administrative programme — that is, a tool to help the Community in its day-to-day functioning — or a programme of research and development. He did say that what was discussed is too technical for this Parliament; but I think Commissioner Davignon should know that there is a Committee on Research and Technology, which would like to have some knowledge of what is being passed as an administrative tool to better the work of the Community. I even find it mysterious when analysing the figures: many of us would like to know that in fact the programme is to cost 9m u.a., having heard the comment that there is some reduction. How much of this sum is really going to be allocated to improving the facilities — the administrative tools — of the Community and aiding our work, and how much is for research — research perhaps on a wider field than within the Community as such?

Some of us, within half a mile of here, have seen the building of the Computer Centre and have seen some of the work that is carried out there. There is the whole concept of automatic draft interpretation. Is this affected in any way? Has it been cut out, or is it being developed? There was the idea, when I was in the Council of Europe, and I have referred to this in debates, of creating data-links between the member governments and the Commission so that there is a much greater availability of information to guide us in the sort of debates we have had today. Is this to be affected or not? There is the whole question of computerized typesetting and using the tapes for that typesetting to analyse and tabulate the laws and regulations that the Community is making. Perhaps we call this a tool rather than a development issue. There was the question of purchasing ICL computers. Is this order in any way being affected? There is the question of staffing. I regret that I was not here for the first two minutes of Mr Davignon's speech: I hope we are not having any reduction in the operations of our own Computer Centre in Luxembourg.

But there are three issues here that I would like clarified in due course when the new Commissioner has had time to look at them.

The first one is the sponsorship of research aiding companies within the Community, aiding industries and coordinating with other nations, including the United States of America.

The second, which other spokesmen referred to, is aid to the computer industry as such, not necessarily in the field of research.

Thirdly, there is the question of developing our own facilities. It would be helpful to have an idea in greater detail, particularly for the Research Committee's benefit, of what is now proposed and of whether there has been any modification on the proposals put forward last year.

President. — I call Mr Clerfayt.

Mr Clerfayt. — (*F*) Mr President, if we wish to promote the European data-processing industry, the question of fixing a really adequate amount of Community financial assistance is fundamental. Everybody will agree here that data processing is a really crucial industrial sector, a key sector which will probably become the third largest industry in the world by 1980, after the oil and automobile industries.

It is therefore regrettable to note the unwillingness of the Council to agree to the appropriations requested by the Commission for the first and subsequently the second Community data-processing programmes. Substantial funds are needed if we wish to implement the planned projects so as to be able to compete with the American industry and also to penetrate the American and world markets. Mr Couste's question on behalf of the Committee on Economic and Monetary Affairs was therefore very pertinent. Commissioner Davignon has just given us a rather soothing reply, saying that he had a sum of 2 835 000 u.a. available as payment appropriations and that he felt this was adequate for getting the projects under way, and adding that he also had a sum of 9 000 000 u.a. available as commitment appropriations.

I must confess, Mr President, that I no longer remember the amount which we voted recently in the budget for this issue, but what I do know, and what I do remember, is that the initial and total costs of the second programme on data-processing amounted to 23 000 000 u.a. spread over some five years. I cannot therefore but express my surprise at the rather considerable difference between the sum of 23 000 000 u.a. which seemed necessary at that time and the sum of 9 000 000 u.a. with which Mr Davignon appears satisfied today. For this reason, Mr President, I only wish to ask Mr Davignon to tell us if he sincerely believes that these 9 000 000 u.a. placed at his disposal are sufficient to enable him to go ahead and effectively implement a real Community data-processing policy.

President. — I call Mr Lange.

Mr Lange. — (*D*) Mr President, ladies and gentlemen, although I originally did not intend to say anything on this subject, I asked to speak again because with regard to both this question from the Committee on Economic and Monetary Affairs and to the previous question one point must be made quite clear once and for all.

Lange

We had requests from the Commission for a certain amount — Mr Clerfayt has just drawn this to your attention once again — but during the discussions in the Council the Commission gradually retreated.

We cannot of course call upon Mr Davignon to explain to us the motives of the old Commission, and thus we cannot in all fairness blame him for that retreat. However, what I want is to put a request to him and his colleagues — this request is now merely the polite expression of something which in my opinion is absolutely imperative — that, if during its future discussion on the various political and technical aspects of the budget requests for appropriations are included in the draft budget and these requests are then altered and reduced in the course of the discussions with the Council, the Commission should inform Parliament accordingly — i.e. in this context its competent body, the Committee on Budgets — and, where desired, also inform the appropriate specialist committees, so that when drafting the 1978 budget we do not again get into such a curious situation as the one we are in now with the 1977 budget.

I would therefore be interested first of all to have a reply from Mr Davignon on this matter, even though it may only be a personal view, and secondly to hear also if he is prepared to discuss this point with his colleagues in the way I have outlined, so that we may arrive at harmonious regulations and then such questions need no longer be put merely because there was no information from the previous period.

President. — I call Mr Davignon.

Mr Davignon, Member of the Commission. — (F) I shall attempt to answer the questions put to me and I should like to begin with Mr Clerfayt's question in order to make things perfectly clear, since my reply was in no way intended to be soothing.

The sums we are discussing represent the result of cooperation between Parliament and the Council, and I do not intend to go on about how much more satisfied I would have been with greater amounts. These were not forthcoming, so I am trying to make the best use of what I have. In reply to Mr Lange's question, I may well raise the issue again at some other time, in the context of the industrial policy which we are trying to draw up, and ask for further appropriations for specific objectives. But it would be rather pointless to do so today. Within five or six days of taking up my duties, I have a blueprint for the next four years. I am grateful that Parliament exists, for I would have nothing if it did not. Thanks to Parliament I have 2 835 000 u.a. to spend in 1977, and I can approach the data processing industry with an overall amount of 9 million u.a. behind me. In my view this is not a petty sum, but lest there be any misunderstanding about the real problem involved on the Commission's approach to it, let me add right away that this does not mean that I am satisfied.

Secondly, in answer to a question put to me, I would point out that data processing in the Commission implies three types of activity. First, there is its own use of data processing, which represents a budget item — in running the Community and the Commission's departments as efficiently as possible. This is obviously part of a data processing policy, since it enables us to buy equipment and pursue a specific policy in this context. But this aspect does not concern the appropriations mentioned in Mr Couste's question. Nor does it concern the appropriations earmarked for the research and development programme in another chapter of the budget. It concerns exclusively the action which the Commission is authorized to take *vis-à-vis* the industry itself in order to step up and improve cooperation.

Thirdly, with regard to the memorandum which I am having prepared for the committee, I did not consider it useful to go into detail during a plenary part-session, because the nature of the matters dealt with is such that they show that our objectives and those of the Council coincide despite certain differences relating to schedules and methods, and, in particular, that the Commission's proposal on the second programme has not been changed.

Generally speaking, we have succeeded — or rather the previous Commission has succeeded — in getting this programme approved by the Council with a number of technical modifications which do not change its basic content. That is why I felt there was no point going into detail, not only because of the technical aspects, but also because no modification had been made which would have justified drawing Parliament's attention yet again to this subject. I would simply like to say that the problems involved, above all, the jargon of real-time programming and software portability with this type of jargon, Heaven knows how long our debate on these questions would have lasted, which explains the reservations I made in my first speech.

As for our talks with the industry concerned, our intention is to make a quick start on these various programmes and, as Mr Lange asked, make sure that we can in future explain our needs and our problems in the committee which deals with industrial affairs and in the Committee on Budgets. The reason I indicated that, as things stand, it would not be very easy to spend more than 2 835 000 u.a. immediately, was that the schedules and studies to be carried out are such that we do not need more than that at this stage. Nothing is more depressing, to my mind, than to see the Commission make urgent requests to Parliament or to the Council for money which it will not have spent by the end of the year. This would lead to a major debate of principle and the conclusion that we are incapable of successfully implementing the policies we have envisaged.

Davignon

On the last more general question of the relative siting of these data processing problems in the broader context of industrial policy, I should like to thank Mr Normanton for his suggestion. There will certainly be — and I hope to see this reflected in the programme which the Commission will present in February — greater emphasis on the problems of our internal market, without which our external policy is meaningless. We are quite prepared to discuss the data processing and aeronautical sectors with other countries which have something to offer us in these fields and with which we can cooperate, but, if we do nothing, we shall find ourselves completely empty-handed. And what use is that? With the honourable Member's permission, I shall wait until the February part-session before giving a reply on the date. I feel it would not be advisable to wait until March, but I have not yet had the time to talk the matter over with the departments concerned or the various interested parties to find out whether it will be possible in March or April. But I can assure him that, whatever happens, it will not be later than April.

President.— The debate is closed.

8. Unemployment in Europe

President. — The next item on the agenda is a motion for a resolution (Doc 439/76) tabled by Mr Pisoni, Mr A. Bertrand, Mr van der Gun, Mr Granelli, Mrs Cassanmagnago Cerretti, Mr Bersani, Mr Fioret, Mr Härzschel, Mr Ligios, Mr Martinelli, Mr Noè, Mr Pucci, Mr Ripamonti, Mr Santer and Mr Vernaschi on unemployment in Europe.

I call Mr Pisoni.

Mr Pisoni. — (*I*) Mr President, ladies and gentlemen, unemployment is a problem which has frequently been discussed in this Parliament. The fact is that this scourge has been afflicting our countries for several years now and shows no sign whatever of abating. If anything, the situation is today worse than ever, as I shall explain briefly.

The problem is so serious and has reached such proportions that we have decided to raise it now, especially since the Commission will shortly be outlining to Parliament its programme for the coming year. Some useful guidelines will no doubt emerge from this debate and we would like these and our views on the subject to be heard before that programme is presented. We also hope that the statements which the Commission will make in February will not only reflect our anxiety but also provide suggestions as to how to solve the problem.

We have tabled a motion for a resolution on this subject, because we felt this was the only effective way — apart from an oral question with debate — to launch a debate on current problems.

As we know, the unemployment plaguing us at the moment is structural. In other words, it is no longer cyclical and related to short-term economic trends, but permanent, and it afflicts all the industrialized countries to varying degrees. There are approximately 8 million unemployed in the United States, and Japan is also effected to a certain extent, but unemployment in the Community has reached an alarming level, affecting 5 282 000 people according to the December figures from the Statistical Office.

It was thought a short time ago that the economic recovery and the overcoming of the recession which has begun in the United States would also spread to the other industrialized nations and lead to a reduction in unemployment. We were sceptical about this at the time, and today, alas, we have to recognize that we were right. Admittedly, there were signs of recovery both in the USA and in Europe, but it was not enough to rid us of unemployment, which has gained an even firmer hold. Worse still, unemployment seems not only to have risen as regards the numbers affected, but also to have moved through the ranks striking — as we shall see — categories which are becoming increasingly exposed to risk. As if this were not enough, dark clouds are looming over even this modest recovery which seemed to be the harbinger of more prosperous times, but which we have reason to believe will come to naught.

The inflation which dogs our growth and which afflicts all the Member States calls for increasingly drastic and radical measures, all of which almost invariably result in reduced domestic demand, falling consumption and also a drop in the number of job openings, which in turn means more unemployment. In short, anti-inflation measures always entail the tragic result of higher unemployment, a result which even today occurs with appalling regularity.

Unfortunately, even capital investment and the technological innovations it permits commonly cause redundancies. They do in some cases boost productivity, but almost invariably bring down the number of jobs. It is as if we were back in the early days of the industrialized era, when every machine installed threw a large number of people out of work. Sad to relate, this situation in Italy degenerates into bitter fights to safeguard jobs. Picketing and occupation of factories reflect the citizen's fundamental need for job security. But they block technological innovation, and consequently condemn the country to remain at an obsolete stage of industrialization and sometimes to keep outdated structures alive.

What is more, the ruthless competition which is the order of the day and the duty to create opportunities for the developing countries, especially in some production sectors, also give rise to disturbing situations which are often difficult to overcome.

Pisoni

Of those affected by this state of affairs, young people and women are the hardest hit. Over one and a half million under-25's have signed on at employment exchanges and there are over 2 175 000 women out of work. And we know that the situation is far more serious than these figures — mind-boggling though they may be — suggest. A substantial proportion of unemployment among the professional categories is not recorded in the present statistics. Moreover, the statistics cannot provide us with a complete and comparable picture of the situation in the Member States, as these do not all produce their statistics in the same way.

Until recently we thought that the majority of the unemployed were young, or at any rate persons with no professional qualifications, and that the problem could therefore be tackled — or at least its dimensions reduced — by means of suitable vocational training. But, unfortunately, a glance at recent statistics and studies shows that unemployment is attacking all categories and all age-groups, and that not one remains untouched.

It is easy to imagine the repercussions of this state of affairs on the population of migrant workers. We know the extent of this migration in Europe, but what we do not know fully is the scale of the reversal of this movement. No set of statistics has yet managed to tell us how many Portuguese, Spanish, Turkish or African workers have returned to their countries of origin. Nor do we know how many Italians have gone back to Italy, although some sources claim that around 150 000 Italian workers have returned home from Switzerland and even from Germany. The number of officially unemployed persons in Germany does not therefore take account of Italians and other nationalities who have returned home. So the picture the statistics give us is somewhat flatteringly out of focus in relation to the real situation.

In the present circumstances, it is impossible for us to further swell the ranks of those employed in the services sector which is what we did some time ago in order to cope with the contingents of students and graduates fresh from university. Present staffing levels in this sector preclude any further intake. We are confronted with structural unemployment, and the inevitable conclusion is that the existing structures must be modified. It is no longer a cyclical problem, so short-term and stop-gap remedies are no longer enough: we must change the structures. Today we cannot stop to ponder over whether 3 or 5 % unemployment is compatible with our present system, because this attitude is totally divorced from all humanitarian aspects and all objective economic appraisals, and, in a way, the very survival of our system is at stake.

As I have already said, we are convinced that the only radical approach to the problem is to modify the

existing structures. We find it difficult to imagine that the problem can be tackled effectively through our social policy. Assistance from the various European funds is extremely limited. It will help tens of thousands of young people every year, but not millions — which is what is needed — and not even hundreds of thousands. We have before us a Commission proposal for a medium-term policy which will be examined by the Committee on Social Affairs and by the Committee on Economic Affairs, and then by Parliament. This proposal contains some guidelines which must be studied in greater depth if we are to achieve worthwhile results. Having established that we need to act on the structures; the seriousness of the problem means that we must envisage tackling it at source, because otherwise we would merely be prolonging our action over a long period, a possibility which the urgency of the situation denies us.

Generally speaking, everyone has the right to survive, including the five million and more at present without work, and it is in the interests of society at large to broaden the production bases as far as possible and make everyone contribute towards the cost — including the social cost — of maintaining a certain number of unemployed.

In macroeconomic terms, our system would be better balanced if we distributed what we produce in a different manner. This is the point which has to be made. It would have no effect whatever on our rate of growth, but would obviously entail sacrifices by those who have jobs at the present time and are in a privileged position in relation to the rest. A Community and a Parliament like ours must also deal with general problems, including the broadening of the production bases and job opportunities for everyone, even if this solution means a slight lowering of the standard of living of the more fortunate others. Up to now, the trade unions have unfortunately preferred to stick up for those who have jobs, and fight for the improvement of the standard of living of this category rather than help the others, i.e. those who are unemployed and those who are threatened with unemployment. So we should also review this kind of approach, which the trade unions have, over the past two years, backed up with a programme of action and specific proposals.

In purely political terms, we have to face the fact that there are too many chinks in our political and economic armour since it permits this continuing high level of unemployment and is unable to reabsorb this labour force, and that our growth and labour market profile put us in a very unenviable position.

As I said a few moments ago, guidelines are somewhat thin on the ground so far. We reaffirm the need to develop a structural policy as a basis for action in this field. There are other levels on which we would like to see direct action by the Commission, which should inform us by February as to what it intends to do and

what it can do. The guidelines which have emerged so far can be summarized as follows: the elimination of illicit labour which is partly the result of the present state of affairs; action to deal with moonlighting, which involves quite a large percentage of the population; reduction of overtime; reduction of the working week; early retirement where possible; pursual of vocational retraining for vacancies which still exist; establishment of a truly transparent labour market, in which the European market is in fact European; speeding up of agricultural growth in order to absorb more young people and other age-groups; and, of course, more action by the European funds — the Social Fund and the Regional Fund — and the maintenance of measures introduced at national level.

Obviously, these provisions do nothing to boost productivity or to widen available production. Action must be taken at the centre of our present system in order to establish new balances. This, I feel, would be the realistic approach to the problem. Anything short of this would amount simply to demagogy and fine speeches and would mean putting off solving the problems which means bitter hardship for over five million European citizens until it was too late.

President. — The proceedings will now be suspended until 3 o'clock this afternoon.

The House will rise.

(The sitting was suspended at 1.05 p.m. and resumed at 3.00 p.m.)

IN THE CHAIR: MR YEATS

Vice-President

President. — The sitting is resumed.

9. Tabling of a motion for a resolution

President. — I have received a motion for a resolution tabled by all the political groups, with a request for urgent debate pursuant to Rule 14 of the Rules of Procedure, on the European Convention on the Suppression of Terrorism (Doc. 513/76).

I shall consult Parliament at the beginning of tomorrow morning's sitting on the urgency of this motion.

10. Unemployment in Europe (Resumption)

President. — We shall now continue the debate on the motion for a resolution on unemployment in Europe.

I call Mr Albers to speak on behalf of the Socialist Group.

Mr Albers. — *(NL)* Mr President, the Socialist Group regrets the fact that the important question at present before us has been tabled in this way by a number of members of the Christian-Democratic Group. For although this is of course a particularly important

problem — unemployment is the most pressing problem in the European Community — we are of the opinion that it would have been much better to put it on the agenda in February, when we can expect the new Commission and the new Commissioners with responsibility for social and economic policies to bring up this problem in a much broader context and give Parliament the opportunity of considering it then.

We feel that during the period in which this problem has gained in importance, since the beginning of the oil crisis in 1973, motions have been tabled and debates held too often in a haphazard fashion, and that too many words been wasted with too few results to show for them. On the other hand, however, since we now have the opportunity of speaking about this, I can say our Group shares the concern shown by the Members who have tabled this motion. We, too, are of the opinion that every effort must be made to reduce unemployment. We agree with them that it is to a large extent unemployment among young people which calls for attention, but in this context we should also like to draw particular attention to the problem of older workers which has developed in the past few years.

For it has become extremely clear that workers over a certain age have great difficulty in finding new jobs and that a programme for older workers will also have to be set up in order to solve this problem. It is quite clear that the statistics are not entirely accurate. It is naturally incorrect to rely on the unemployment figures alone; the number of migrants who have in the meantime returned to their own countries must also be included while — as Mr Pisoni rightly pointed out — it is, of course, also clear that far from all the women who want to take up employment are registered as unemployed. That is also true for young people. In this connection I should also like, to draw particular attention to the large number of disabled persons receiving benefits — a number which has risen incredibly quickly in the Netherlands, for example, precisely in this period of unemployment, because it is all too easy to dismiss people from the factory or the office for reasons such as this. What has particularly struck me, and my Group, is the fact that this motion calls for an increase in the funds available to the European Social Fund and the European Regional Fund. As has already been stated on various occasions in this Assembly, it is of course very important that the Commission should have more money at its disposal. It is however an indisputable fact — as the President-in-Office of the Council of Social Affairs Ministers clearly emphasized here on a previous occasion — that the national policy guidelines being developed in the Member States must be coordinated. This too will go a long way towards solving the problem. But the surprise I mentioned results from the fact that these Christian-Democratic Members have tabled a motion for a resolution which calls for more

Albers

money for the Funds, yet they include various Members from the Netherlands, Germany and Belgium who voted against our amendments last October when I, on behalf of the Socialist Group, called for more money for the Social Fund in an attempt to get an additional 130 million: 10 million for the textile sector, 18 million for measures to reduce unemployment among young people, 14 million for the disabled, 5 million for migrant workers and 82 million for modernization in sectors which have not made sufficient technical progress.

I do not understand it. How can you vote in October against an attempt to make more money available in the social sector and then in the following January put your name to a resolution asking for money? That is a complete mystery to me, especially since the whole Conservative Group voted in favour of our amendments, and all the Italians in the Christian-Democratic Group also supported us, so that last October we achieved a total of 98 votes, with 41 against. We thus almost got the necessary 100 votes. Here I would point out — and I would ask you to give special attention to this — that when I checked the official minutes of the sitting and checked who had voted for and who against in this House, I discovered to my horror that the votes had been recorded wrongly. Horror because the vote was so close — 98 to 41. What caught my attention was the fact that my fellow Member Mr Schwabe was shown as having voted against the motion.

He is not present at the moment, but I have asked around again in my own Group. I asked whether that was in fact what happened, and the others immediately confirmed my impression. This seems to be impossible, since it would naturally have aroused particular attention if he alone among the Socialists had voted against our amendments. I asked him personally whether it was in fact true that he had cast his vote *against* these amendments, and he said no. That means, then, that the voting was in fact 99 : 40. We were only one vote short.

You will agree that I now have reason to ask whether there were not perhaps still more errors and whether we could not in fact have got the necessary majority in this House. I appreciate that it is not possible to reopen this question. That would have been equally impossible two or three days after the vote, since we would then have had to repeat the whole vote on the budget. But I should like to insist that when roll-call votes are held in this House, as was the case this morning, the votes are recorded much more carefully, so that mistakes such as I have found in the minutes cannot happen again. It is very unsatisfactory, when we are busy here trying to arouse interest in a particular sector, resolve problems and reach certain goals, to have to come to the conclusion at the end of the day that because of an error the right result has perhaps not been recorded.

After what I have said, I hope that the matter will not rest there but that this question will be raised in the Bureau and that consideration will then be given to how the recording of votes can be improved.

Mr President, there is one further point in the motion which has aroused our particular attention. The authors call for investment to create new jobs. We are not happy about this, given that this paragraph was written by members of the Christian-Democratic Group. It says that an action programme worthy of the name must be drawn up which will be binding on the Member States, at least where investments that create new jobs are concerned. Just now I expressed my surprise at the tabling of this motion by Members who only in October voted against an increase in the budget. Now I must express my surprise again, since I know from experience that when we argue in the Netherlands' Parliament in favour of this policy, i.e. exerting influence on investment objectives and encouraging investment where it is necessary, where jobs need to be created, I find time and again that in our Second Chamber we are in a minority against a majority of Liberals and Christian-Democrats. It is a complete mystery to me how these Members, who also have their own national interests and obligations, can advocate something completely different here in this Assembly and then — let me put it quite bluntly, so that every worker in Europe can understand — drop us in it every time we advocate something similar in our national Parliament.

Mr President, I do not wish to attack Mr Pisoni, who spoke just now. I am sure he means what he said, but I suggest he would do well to consult my own Group once again on the way to put what is being proposed here into effect. He has our support, he can rely on that. For he is moving slightly in the direction that we Socialists want to see in Europe and which we expect to be of help in combating unemployment. But it is of course no use putting fine phrases into motions which are submitted to Parliament like this, any old how at any old time, and then going away and saying nothing more about it and indeed putting forward quite different ideas at home. This is no way to conduct European politics, this is no way to put into effect what we, from the political point of view, all ought to want with regard to unemployment. I feel it would be a good thing to get together to discuss this.

I also noted that Mr Pisoni said we needed to fight illicit work, to fight moonlighting, to achieve a reduction in overtime and a shorter working week, and that early retirement was desirable, as well as an open labour market. It is remarkable — I have a good memory — that not so long ago, two years ago unless I am mistaken, the Communist Group in this Assembly came up with precisely the same suggestion. At that time these ideas from the Communist Group met with relatively little sympathy in this Parliament. It pains me that now that two years have gone by

Albers

people are saying they want to follow this course. You will have realized by now that I have always been in favour of this and that I am of the opinion that there is an opportunity here for really doing something about the problem.

Finally, speaking now on behalf of the Socialist Group, I should like to say this. We take the view that it would be considerably better, with regard to the points I have put forward, not to vote on this motion this afternoon. I should like to make a proposal of this. I should like to propose referring this motion to the competent committees: the Social Affairs Committee and the committee concerned with economic policy. In this I hope to have the support of the majority in this House. These committees can then give the necessary attention to these interesting questions. We must then attempt at committee level to arrive at proposals which can then be debated, if possible in February.

(Applause)

President. — I must refer briefly to the point that you made, Mr Albers, on the roll-call vote. I should point out that the results of all roll-call votes are inserted in the minutes of the sitting, which are then circulated the following morning and approved by Parliament at the beginning of the next sitting. The time, therefore, to object to a roll-call vote, would be when the minutes came to be approved on the morning after. I accept, Mr Albers, that you say you are not querying the matter now, but since it has been referred to, I should point out that the roll-call as set out in the minutes was accepted by Parliament the following morning.

I call Mr Albers.

Mr Albers. — *(NL)* Yes, of course, Mr President, you are quite right. I expected no other answer. But you know as well as I do that because of the conditions under which we have to meet it happens only too often that one gets to see these things later, somewhere in Europe. You can now say — once again rightly — that it took a very long time for this to be discovered. But it was not in order to check this fact that I looked up the minutes; my only purpose was to see which of the Christian-Democrats who are now calling for more money for the Social Fund had voted against the motion. And then I discovered this. You will agree that that in no way detracts from the seriousness of the matter, and I should certainly like to insist most strongly that such things should be prevented in future.

President. — Perhaps I might also urge Members to read the minutes carefully in future, to avoid such problems arising.

I now call Mr Caro to speak on behalf of the Christian-Democratic Group.

Mr Caro. — *(F)* Mr President, on behalf of the Christian-Democratic Group I wish to express our full support for the motion for a resolution tabled by Mr Pisoni and several other Members. I intended to discuss one or two basic issues, but if I may, I shall first reply briefly to the words Mr Albers addressed to our Group a few moments ago.

I find myself in a rather odd position, since I was among those who voted for the Socialist amendment when it came up during the budget debate. If I remember rightly, one or two of my Italian colleagues did the same. Furthermore — I hope I am right in this too — I believe that the majority of my colleagues, following an exchange of views between the Commission representative and the House, approved a decision on a working method for Parliament, but not on the basic issue. This will be dealt with in a later debate. We were discussing a motion for a resolution, not a committee report.

Although I agree completely with the requests Mr Albers has made with regard to a roll-call vote, especially when such vital political matters are at stake I do wish that he would stop attacking Members of my Group, since he knows our aims and policy in the social sphere.

As for the motion for a resolution tabled by Mr Pisoni, I agree with him that the basic problem is a structural one. Mr Pisoni comes from a country which can balance its economy only by sending a vast contingent of workers abroad, and he in fact situates the problem of migrant workers in the context of measures to combat unemployment.

The problem is obviously quite different in countries where there is worker emigration on a large scale, as in Italy, and in other countries like France. We recently had a very illuminating exchange of views on this very subject during our meetings with members of the Turkish parliament. Everyone realized that there was a need to review employment policy, on account of the massive effects of the free movement of labour — a principle which no State that has signed the Treaty of Rome could go back on.

The second structural problem regards procedure. The motion for a resolution calls on the Commission to go beyond the usual recommendations and draft a real action programme. In my opinion — at least with regard to the points I have just made — if the Commission could collaborate with Parliament in drawing up an outline action programme for the majority of the Member States, we could solve the problem before us. It would be an anti-inflation policy, I agree, but it would also be an anti-unemployment policy, since the overall reduction in demand, leading to unemployment which is increasingly unsettling the economic and social balance in the Community, is making us take another look at some of our basic data.

Caro

Is not our primary aim to influence the unemployment market and thus — to adopt a commonly used expression — to implement a policy based on agreement? But what does this mean? This is the basic issue raised by this problem. First of all, we need a policy which enables the facts to be known; let us have figures on jobs and unemployment which actually mean something. On the basis of the figures I have seen, I do not think I am wrong in saying that redundancy for economic reasons accounts for only 20% — although this figure is tragic enough — of all unemployment, alongside other causes like resignation, termination of temporary contracts or casual labour, signing on of school-leavers, change of job and so on. Consequently, although the increase in unemployment is of course due to the current economic situation, it is not necessarily the result of the increases in the price of oil. The problem, without doubt, is how to regain control of the economy and, at the same time, drastically reform certain procedures for investment and economic encouragement.

I cannot stress enough the importance our Group attaches to decentralization of efforts in this respect. We must improve procedures and diversify the measures of encouragement if we want to be able to satisfy not only local economic and social needs but also the hopes of the public. A genuinely regional policy is the only way we can approach human problems. We are well aware that a labour policy cannot be pursued without an almost perfect knowledge of what might be called the economic sphere. It is here that we compile the data on the labour force's catchment areas, those regions where the majority of workers can be found for most of the time and where firms are going to hunt for workers. It is in these catchment areas — which are not necessarily the same from one country to another, or even from one region to another — that we must succeed in setting up a system which not only detects very early any fluctuation in the employment market, but can also set in motion without delay the measures drawn up at Community and national level and perfected at regional level.

This also leads us on to a policy dealing with the training of the available labour force. This policy would be not so much structural as 'horizontal'.

There is also the whole problem of productive investment which Mr Albers mentioned, and which needs to be officially encouraged, not only for the sake of 'creating employment' but also in order to inject new life into sectors which are in difficulty.

Most of those who have studied the unemployment problem since 1975 have been surprised to find that unemployment was late in hitting the capital equipment sector, whereas other sectors had been affected

earlier. This fact, along with others, must have a direct effect on how we apply an employment policy. How should we formulate this policy? On the one hand, of course, we must have a thorough knowledge of where and when investment can be made — if we are struggling against inflation, we cannot continue to pour in money, even if our aim is to prop up firms worthy of support — and on the other hand, we must satisfy public hopes and demands, with a policy of cooperation between the government, employers and the workers.

Let me close by saying that this approach naturally falls into the framework of a regional development policy which is better conceived and better adapted to the problems of development, since — and nothing is ever wholly bad — in reviewing a number of hitherto unquestioned concepts in order to combat inflation, we could also take a new look at certain facts in order to launch a vigorous attack on the problem of social inequality. In this respect, I feel that the motion tabled by our Italian colleagues situating the merit of situating the problem in a human, everyday and forward-looking context. All our efforts will have been in vain, if our battle against inflation, while bringing about a reduction in the causes of unemployment, does not also lead to the introduction of effective methods of fighting social inequality. This is why the Christian-Democratic Group, when it asked itself the same question that Mr Albers asked on behalf of his Group just now — is it preferable to wait for the Commission's report or not? — came to the conclusion that it would be better to make this general statement of principle so that the Commission, at Parliament's instigation, can be encouraged to give proper consideration to the problem. I therefore ask the House, on behalf of my Group, to vote in favour of this motion for a resolution.

(Applause)

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

Mr Meintz. — *(F)* Mr President, ladies and gentlemen, as Mr Albers has just pointed out, for nearly two years now, every time that we have been discussing social problems in this House, unemployment has been at the heart of the debate; we are thus liable to repeat ourselves both when analysing the problem and when listing the general and specific measures to be taken.

The report on employment prospects in the Community up till 1980, drawn up by a group of experts at the request of the Commission, had the value of highlighting a number of important factors relating to the problem of unemployment in Europe. Thus, structural unemployment, which already existed in an indistinct

Meintz

form before the crisis, was accentuated by it. The trends governing future developments are marked by two opposing features — a considerable increase over the next few years in the population of working age followed, according to the longer-term demographic forecasts, by a reduction in the population of working age. This gives rise, in the first place, to the prospect of an increase in social benefits expenditure and, secondly, to the difficulty — and it is considerable — of creating jobs for the short term which are not 'irreversible', particularly as it is to be expected that women and migrants — until now fringe groups providing a certain degree of flexibility on the labour market — will probably no longer fulfil this role in future.

Moreover, the trend in education and in education policy in general is having more and more effect on employment. Attempts will have to be made to gradually put an end to the present disparity between the level of qualifications obtained by young persons and the type of jobs offered by the economy. All the major measures by means of which the Community is trying to promote social development — such as those relating to equal rights for men and women, young persons and the handicapped, to the large number of migrant workers, to the encouragement of free movement of workers, etc. — are liable to fail if we do not succeed in solving the problem of structural unemployment.

The motion for a resolution submitted to us compares the figures for October 1975 and October 1976 to illustrate the adverse trend in employment. Unemployment in the Community has risen still further in the last two months, particularly due to seasonal factors but also, it is true, as a result of a certain worsening of the economic climate.

Short-time working is also on the increase in several Member States, although generally it is considerably lower than at the same time last year.

Mr President, I do not want to reiterate here all the conclusions of the report which I had the honour to present a few months ago on the development of the social situation in the Community. I should merely like to point out that even at that time, Parliament and its Committee on Social Affairs were wary of the Commission's relative optimism and asked that action be taken instead of taking refuge behind the statistics. Let me all the same list a few points which seem to me to be of vital importance; as we noted at that time, unemployment affects certain groups in particular — first of all young persons, notably those lacking qualifications or those with too many qualifications secondly women, in particular older women, and finally, migrant workers in general.

Fortunately, the European Social Fund, an important Community instrument in this time of economic

crisis, granted considerably higher loans in 1976. 'In its assessment of the course of action to be followed in 1977 and, generally speaking, in 1978 as well, the Commission assumed that unemployment would persist in 1977 in spite of the economic recovery', says the 1976 report. Accordingly, the Social Fund seems to be required to take action firstly with a view to continuing to assist measures designed to reduce unemployment and under-employment in backward or depressed areas, and secondly to coping with the persistent imbalance of employment, even if the recovery is consolidated and continues in 1977.

It is first and foremost the increase in unemployment among young workers which requires increased financial assistance from the Community; this was affirmed, moreover, by the Council at its session of 5 April 1976. Let us hope with Mr Albers that this resolve takes concrete form in the budget for the next financial year.

Furthermore, the Liberal and Democratic Group noted with satisfaction the directive which the Commission has just approved and submitted to the Council in December, and which provides for the implementation of the principle of equal treatment for men and women as regards social security. I would also mention in this connection the draft recommendation submitted by the Commission to Member States under Article 155 of the Treaty, on the vocational training of unemployed young persons or those threatened with losing their job. The implementation of the measures listed in the report presented by Mr Walkhoff would require less expenditure than the prolonged unemployment of a large number of young persons. Obviously, measures relating to employment policy alone will not enable us to overcome the present situation; an overall approach is required, comprising measures relating to both social and to economic and financial policy and, in the long run, to education and training policy as well.

Merely seeking to achieve strong growth in order to re-establish a satisfactory balance of employment would inevitably lead to another leap in inflation and, moreover, would not even be enough to create the number of jobs required.

Furthermore, the present situation may create a certain balance in the form of an under-utilization of physical and human capacities. Economic growth does not always guarantee employment because it also creates imbalances in the overall employment situation. These imbalances become apparent in the relationship between investment and employment, because investment does not automatically create jobs, and in the structure of jobs and qualifications.

Moreover, in order to create jobs without running the risk of a return to the inflationary trend — which

Meintz

would limit both the effect of the measures and the duration of the economic recovery, it will be necessary to take measures designed to stimulate employment, whilst at the same time reducing the upward pressure on prices. Direct aid by means of employment premiums is an effective anti-inflationary method of creating jobs. Although these measures may be inadequate, traditional unemployment relief should only be a last resort. The Community could make a substantial contribution towards the achievement of this objective by calling on the governments — and helping them — to organize employment and unemployment services.

It is with this in mind that my Group endorses the motion for a resolution, although we feel — as Mr Albers said a few moments ago — that, in another debate on the development of the social situation or in other fields, we could tackle this whole question in a much more comprehensive way and have a greater impact, I believe, on the Commission by submitting to it a much more clearly-defined approach or much more specific measures. Nevertheless, we feel that the originators of this resolution have brought out the human aspect of this current problem, the solving of which cannot be put off any longer. Thus, while regretting the fact that the Committee on Social Affairs was not able to discuss it at greater length, we shall vote in favour of this motion for a resolution.

(Applause)

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

Mr Terrenoire. — *(F)* Mr President, ladies and gentlemen, on behalf of the Group of European Progressive Democrats I should first of all like to thank Mr Pisoni and the proposers of the motion for a resolution which we are now debating.

It has in fact become clear to everyone that unemployment is still, at the beginning of 1977, the most serious social problem which we have to tackle.

Unfortunately there can now be no doubt that unemployment has become a standing feature of life in our countries and there are several factors which suggest that it will be difficult to eradicate. The first of these factors is the change in the growth rate which our countries have known since the end of the war. There is hardly any doubt that there will be a fairly significant reduction during the coming decade in the average growth of most of the capitalist economies and even in that of the major socialist countries. It is now becoming evident that, in the period after the war and up to 1973, full employment was a mechanical, spontaneous phenomenon, a fortunate result of rapid growth.

Another important factor seems to be the extent to which the reduction in growth will be partly a reduction in the growth of the rich countries, whether capitalist or socialist (there are some rich socialist countries). The need to maintain the cohesion of the world economy implies control of the widening gap separating growth rates in rich and poor countries, and consequently a need for transfers from the former to the latter. Insofar as these major trends will coincide with a shift in the very terms of coexistence, the next twenty years will doubtless be typified by economy in industry and economy of effort just as the period after the end of the last World War was typified by growth as such.

The main question is: what are we going to do about this problem? There are several possible strategies we could adopt to deal with the rise in unemployment in our countries. The first would be to let unemployment grow without restriction and wait for its unpleasant effects to restore equilibrium on the labour market, influence consumption and production and even to some extent act as an instrument of social selection by identifying the industrious and diligent workers. This strategy, whatever appeal it may have for some, is politically, and especially humanly, unthinkable. In fact there are not many countries which could tolerate the rise in unemployment which would result from a completely laissez-faire attitude to it.

Another strategy would be simply to pay the unemployed worker as long and as much as was necessary to keep him from protesting too loudly, either individually or especially collectively. This is the policy which we, and other countries, have adopted. However, it has several serious disadvantages. The first is that one cannot let a nation or a community of nations live with the feeling that it is rejecting one person in ten. The second is that it will seem increasingly surprising and unacceptable that advanced societies — I mean advanced in terms of growth — cannot find a way to provide employment for those of their members who wish to work.

There is also a third solution. It is quite simply to state that Western societies have a duty, especially at the level of growth already attained, to provide work for those who want it. To achieve this, it seems to us advisable to stress the importance of two main categories of measures which could solve the unemployment problem. Some would be aimed at the creation of new jobs, and not just any jobs. Others would provide guidance and coordination and would reduce working hours. It cannot be denied that an increase in the number of jobs would be a good thing but this will be even more true if the jobs are such as to satisfy the criticisms which have been levelled against rapid growth.

Terrenoire

The measure for which there seems to be the keenest group support at present is the reduction in the length of time worked and there are several methods by which this can be achieved. The first is to reduce the number of years devoted to work by deducting time either at the beginning or the end of a person's working life. Time can be deducted at the beginning of working life by extending the period devoted to study and from the end by bringing down the age of retirement. These two processes have already begun. The second method is to retain the normal working life but to reduce the number of hours worked per week. A third method by which working time can be cut down is to reduce the intensity of work over a given period, the process known as partial unemployment at the workplace, or the substitution of the idea of 'presence' for that of 'work', a trend which is now known to be common to both the Western and the socialist economies.

The problem of unemployment cannot however be tackled solely in general terms. The specific features of various categories of job-seekers must also be taken into consideration; at present we are particularly aware of the unemployment affecting young people. The figures contained in the motion for a resolution at present before us show that more than 1 500 000 young below the age of 25 were unemployed last spring and that, regrettably, there may be an increase in this figure.

Dr Hillery, who was responsible for Social Affairs in the previous Commission, proposed some measures which would have made it easier for young people to find work. He suggested that, in the Member States of the Community, there should be better coordination between vocational guidance and vocational training services and job centres and that they should be grouped together; he also defended the principle that public funds be used to finance several projects for young people and the unemployed. However, while such actions are useful and while one can hope that in the long term they will produce changes in young people's working conditions, such changes will not take place overnight. There is no miracle cure for a problem as wide-ranging as that of the unemployment of young people, but, because it is such a serious problem, even if we cannot immediately reverse the trend, we must at least take urgent countermeasures to keep it from getting worse. Firstly, we can use the existing machinery: vocational training, employment agencies such as exist for example in France, financial assistance such as grants to trainees displacement grants, unemployment allowances from public funds, etc. We must then see to it that young people are better prepared for vocational training; this will require better cohesion between school work and the training programme. Finally, the image of work must be improved by a reform of production methods.

However, whatever action we take, the problem of unemployment, particularly as it affects young people, will be solved only if there is a firm and clear political will to do so. This is no short-term economic problem, it is not a sectoral problem, it is evidence of a serious malfunction of our economic and social system. Unless we can mobilize all the resources of Europe and call for an imaginative and courageous response, the problem may endanger the very existence of our Community and of our countries.

Mr President, ladies and gentlemen, the Group of European Progressive Democrats will vote in favour of the motion for a resolution submitted for our approval. We hope that in this matter of unemployment the Community will take energetic action and that its efforts will be crowned with the success which we feel they deserve.

(Applause)

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

Mrs Kellett-Bowman. — Mr President, I am very glad indeed that the Christian-Democrats have brought forward this motion to the House today. I am very much afraid that Mr Terrenoire is only too right when he says that unemployment is by no means, as it has so often been in the past, merely a passing phenomenon.

Now, the movers of the resolution rightly draw attention to the fact that the unemployment figures in the Community have got worse rather than better over the last year. Indeed, in the last month my own country had no unemployment figures because of industrial action, but we understand that they are still getting worse from the estimates that have been made. Whereas some 18 months ago the Commission could have expressed its doubts, and indeed did, about the nature of the remedy needed, because the exact nature of the disease was not known, it is now clear that the Community, as Mr Pisoni said, is suffering from a very deep-seated malaise in which long-term structural unemployment exists alongside what we very much hope will be only short-term sectoral unemployment. Moreover, many hitherto prosperous regions in all Member States have been very hard hit — places which had not known unemployment at any time since before the war.

It has been the Parliament's habit over the past years to call on the Commission, like a good fairy, as the crisis has got worse, to evolve practical measures to improve the situation. Now, the old Commission did make a gesture in this direction in its document on the Tripartite Conference. But it made it very clear at that time that the main responsibility for producing appropriate economic and social measures remained with the Member States.

Kellett-Bowman

The movers of the motion complain in paragraph 6 that individual Member States have been pursuing their own policies with no signs of coordination. This, of course, is absolutely true. But one wonders how far the Community can act as one to check unemployment when the situation differs so much between one Member State and another. If, on the other hand, the movers of the resolution intend that there should be cooperation in the sense that the richer States should help the poorer, then we are on firmer and possibly more familiar ground. The Social Fund and the Regional Fund exist for such purposes. And to be quite blunt about it, Mr President, what we are really talking about here is in a large measure how much the richer Member States of the Community, most notably the Federal Republic of Germany, are prepared to pay out to Italy, Ireland and the United Kingdom to enable them to catch up with the rest of the Community so that we can all eventually make progress together and at the same rate. If, however, it is investment as opposed to aid which the weaker countries want, it really is up to them, Mr President, to create a climate of confidence within their own countries and within their own industries which encourages such investment and guarantees it against expropriation.

What practical measures, though, can the Community take with the funds at its disposal? The motion mentions unemployment among women and young people. It is without doubt the Community's task to ensure the implementation of equal pay and to see that women are not discriminated against in employment, education and training. But once that is done, women must take — and I cannot stress this too often — their chance with the rest. The attainment of equality should make special pleading on their behalf no longer necessary.

Youth employment, however, is a very different sort of problem. As the Parliament knows, young people now constitute 35 % of the 5½ million unemployed, and they need extra training and more employment-oriented forms of education before they are in a position to take their chance. In this connection I do not feel that we, in our country at any rate, take full advantage of the excellent, practical employment-orientated courses offered in our colleges of further education. And despite economy cuts, which my party supports to the full, I believe that these courses should be expanded, since they are of service both to the young and to the economy itself.

But the Community should, and can, play a much bigger role in the formulation and encouragement of vocational training schemes. We would like to see these implemented to a large extent as Community projects. I feel myself that the Berlin Centre is probably in danger of devoting too much time to *thinking* about vocational training schemes and too little to

providing them, which is what after all the unemployment situation demands.

But such efforts are puny in comparison with the magnitude of the unemployment problem and its most intractable causes. We must realize, for example, that large sectors of the Community's economies continue to include many industries which are labour-intensive than capital-intensive. Many of these forms have shed a great deal of labour during the economic recession and reorganized their remaining labour-force. But there is still, despite all that, a great deal of slack in the economy, and even when the upturn comes there may be a considerable increase in production without any increase in the existing workforce. So it will be a very long time before an improving economy will be reflected in lower unemployment.

Mr Pisoni mentioned the problem of moonlighting. The difficulty is that in some countries direct taxes on earnings are so high that a family man cannot support a family on the net income from one job and he is therefore forced to take a second job even to achieve the standard of living which is enjoyed by a person who is unemployed or on the sicklist. Moreover, some Member States have brought in legislation which makes it so difficult and costly to get rid of labour even when economic survival makes this imperative that employers are reluctant to engage new staff. Thus it is that legislation which was intended to improve the position of workers has actually harmed their prospects of employment or re-employment.

Much Community industry needs to re-orientate itself towards a more sophisticated base. But it is very difficult to do so, since above all there is the continuous pressure for jobs from millions of unemployed people, many of whom are non-technical and under-educated and under-trained, and prominent among whom are migrant workers from third and associated countries. Now these people are the lifeblood of our work-force, particularly, as my colleague, Mr Caro, said, in prosperous times; but in less prosperous times they may be a very difficult problem with which to deal. Indeed, at any time this floating work force may act as a brake upon technological innovation and the more efficient use of industrial capital.

The Community, until Member States change their minds, has only very limited economic resources to tackle the huge problem of unemployment. Let me therefore suggest that it would be most useful for the Community to devote itself to producing practical solutions for the social problems which stand in the way of recovery and which will probably continue to exist beyond that recovery. There are the need for an improved system of industrial relations and worker-participation on a sensible basis and the need to ensure that those who work in industry and agriculture are sufficiently trained and educated to take advan-

Kellett-Bowman

tage of the opportunities which an economic upturn can, and will, sooner or later surely offer.

In paragraph 8 of the motion, they call for action by the European Investment Bank. In a recent survey which I and my colleagues in the Conservative Party undertook in the North-West of England, we found that far more employment — we had always suspected this but we had no statistical basis for it — was provided overall by small and medium-sized firms than by large firms. Yet it is precisely these job-givers who, lacking the financial resources of the big firms, can so easily go bankrupt during a severe recession such as the present one. It would be of immense help to such firms, both in keeping going and in modernizing and expanding, if some of the money from the Regional Fund could be used, as ex-Commissioner Thomson suggested, to guarantee the exchange-rate risk of such small firms to encourage them to borrow from the European Investment Bank.

I am afraid, Mr President, that the road back to full employment will be long and hard. But at least the existence of the Common Market has prevented cut-throat protectionist measures which could only have worsened the recession. And once the upturn comes collaboration can, and must, ensure that we seize the chance of improvement with both hands and that we seize it together as a united Community.

(Applause)

President. — I call Mrs Goutmann to speak on behalf of the Communist and Allies Group.

Mrs Goutmann. — *(F)* Mr President, ladies and gentlemen, I should like to take advantage of this debate on a motion for a resolution tabled by the Christian-Democratic Group on the unemployment problem to put forward a number of observations. Despite everything that has already been said on this question, and although the majority of honourable Members have bemoaned the rise in unemployment in the Community, it seems to me that so far no one has tackled the problem of who is responsible and what is the true cause of unemployment. The seriousness and the duration of the crisis currently affecting the Community are a sad indictment of the attempts at a grand social policy for the benefit of workers provided for in the Treaty of Rome. I have several times had occasion to emphasize the bankruptcy of the Community's social policy. None of the Member States has been spared, and the basic reason for this is that the economic crisis is not the result of external causes. It is not the result of bad management, it is of a structural nature and its underlying causes are to be found in the contradiction between the fierce hunger for profits of the great multinationals and the need for harmonious development of the national economies in the Community.

The present situation is not merely disturbing, as emphasized in the motion for a resolution, it is intoler-

able and constitutes an enormous mess of muddled responsibilities and misdirected effort, a real human tragedy which has meant misery, confusion, or despair for millions of families. I do not think enough importance has been attached to the tragedy and misery engendered by unemployment in the Community. The Commission itself admits that, despite a very short-lived economic recovery in the middle of 1976, unemployment is on the increase. Officially there are 5 300 000 unemployed in the Community; I say 'officially' since every effort is made in each Member State to minimize the level of unemployment. Thus, to take only the example of my own country, France was said to have 1 025 000 unemployed at the end of November 1976. But the International Labour Office estimates the real number of unemployed in France at more than 1 400 000. Moreover — and I quote the report on employment prospects in the Community up to 1980, drawn up last July by a group of experts at the Commission's request — if we add those working part-time, workers who are not utilized to full capacity in their jobs and those who want to work but have temporarily given up looking for a job, we can put the rate of underemployment in the Community at around 7 to 8 %. Let me add that this rate of underemployment of the order of 8 % means that of the 106 million active workers in the European Economic Community nearly 9 million — i.e. one worker in 12 — are not being used to full capacity or are not being used at all.

I shall not dwell on the structure of unemployment or of the underemployment of workers' capacities in the European Economic Community. The motion stresses the particularly grim face of women, young people and migrant workers. But we must go beyond the facts and figures, and the lamentations we have already heard from a number of speakers, and remember that the crisis does not affect everybody; it is not equally hard on everyone. While it affects the workers, while it is the people who suffer, while unemployment is on the increase, more and more firms are closing down and whole regions are becoming economic deserts, those most immediately responsible for this crisis, the steel barons, the oil companies, the great multinationals in industry and finance, are not coming off too badly.

Many people here doubt this and cite the lack of investment as one of the causes of unemployment, but allow me to quote a few figures which they neglect to mention. The French Communist Party has established in an economic study that 10 of the 25 biggest French industrial concerns, such as Pechiney-Ugine-Kuhlmann, CGE or BSN, had gross profits over two years of FF 31 000 million, of which they paid only FF 4 750 million in tax and invested a total of 19 600 million. The result of this feeble investment, the result for these concerns themselves in terms of the creation of jobs, is most revealing: it resulted in the loss of 13 800 jobs.

Goutmann

The situation is particularly scandalous with regard to two of these concerns, i.e. the two giants of the French steel industry, Sacilor and Usinor, who, after making profits of FF 2 000 and FF 4 000 million respectively in 1974 and 1975, paid practically no tax for these two years and did away with 1 300 jobs, although they received FF 10 000 million of government aid in various forms over ten years; this demonstrates that government assistance, government finance for investment, results in the loss of jobs. The so-called restructuring plan for the steel industry has finally turned Lorraine into an industrial graveyard, and is costing an extra FF 3 000 million in public funds paid to the French steel industry.

Today it is primarily the unshakable thirst for profit on the part of the great industrial and financial concerns which is the essential cause of unemployment. What is the logic, what is the supposed collective interest in this scandalous policy which is extensively encouraged and financed by the European Economic Community itself and by the Member States for the sake of the so-called industrial redeployment? It is this pursuit of profit at any price, whatever the tragic consequences, which leads to the economic, social and human aberration of mass closures of factories in Europe. This concentrated destruction of production capacity, with the resultant wastage of men and materials imposed by big business, is of course being carried out at the workers' expense and calls into question the future of a strong and independent Europe. And this solely in order to increase the opportunities for profit from investment in parts of the world which are considered safer, such as Canada, the United States or Australia, or in order to go and plunder more effectively the riches of the developing countries and exploit their peoples.

You will thus appreciate by we reject the false reasoning which is used to persuade the workers in the Community that the creation of jobs depends on an investment recovery, in other words at the same time increased profitability for firms, moderation of wage demands, moderation of internal consumption, and an increase in public assistance for the accumulation of wealth by big business.

Quite frankly, it is pure political opportunism for the Christian-Democratic Group and a large proportion of the House to feign concern here in Luxembourg about the growth of unemployment, when in their national parliaments they openly support austerity measures. I was particularly struck by Mr Terrenoire's speech. He is worried here about increasing unemployment, but in France he votes for austerity plans which can only encourage unemployment. An imaginary economic recovery is being used as an excuse to depress the living and working conditions and erode the wages of the whole population, while big business continues to get more and more aid. Let us not kid

ourselves: the longer we go on like this, the worse the crisis is going to be for the Community.

But are we being unfair to the governments of the Member States and the Community institutions by imputing intentions to them which they do not have? A look at the Fourth Medium-Term Economic Policy Programme prepared by the Commission and adopted by the Council at its meeting of 22 November 1976 shows that this is not the case. The policy is deliberate. The programme states against the background of a yearly growth rate target of 4-4.5% throughout the Community between now and 1980, that, on the basis of an unemployment figure of about 4% in 1975, a particularly vigorous policy will have to be pursued in order to bring this figure below 3% by 1980. The broad outlines of this 'particularly vigorous' policy are already being followed to a great extent in the various austerity plans which are hitting the working classes and increasing unemployment in most of the Member States. The chief features of the policy are increased investment in the private sector, reduction in internal consumption, aid to exports, higher taxes on personal incomes and cutbacks in public spending.

There is thus no disparity among the national economic policies, and no lack of coordination. There is, instead, a clear alignment of austerity plans, which is totally consistent with the demands of Chancellor Schmidt at the European Council meeting in Luxembourg last April, and also with the policy of the European countries which are currently governed by Social Democrats.

We cannot, at the present time, fail to take action in the face of the present crisis. But the measures thought out in Brussels and implemented more and more energetically by the Member States offer no real solutions, but only aggravate the problem of unemployment. Every anti-inflationary policy, every policy which is supposed to encourage investments, only leads to greater unemployment. And we must express our satisfaction at seeing the increasing reluctance of the workers of Europe to accept the burden of a crisis for which they are not responsible.

The blame must not be put on the trade unions, nor on the workers. In their struggles against dismissals, against factory closures, against the surrender of various sectors of industry, and in their struggles to boost consumption and protect wages, and against the ridiculous total commitment to exports and to industrial reorganization, it is the workers who are carrying aloft the torch of Europe, and it is the workers who are the real champions of a strong, independent and democratic Community serving the people and based on an economic structure which serves the people and not, as is the case at present, the interests of the multinational concerns.

Goutmann

This is why we think that the motion for a resolution is a mere exercise in demagoguery and quite inadequate. If what we really want is an effective and coordinated policy to combat unemployment, the European Economic Community must at last make a real decision to adopt a radical change of policy and direction.

(Applause)

President. — I call Mr Tomney.

Mr Tomney. — Mr President, I hadn't expected to be called at this stage, the last speaker who made a very powerful speech, which I think was appreciated by everyone here, and which pointed at the malaise affecting Western democracies.

The present situation affecting Western democracies defies explanation by economists — classical and otherwise. The Commission must abound with economic advisers. The problems, as outlined by the honourable lady, which are affecting every nation, are issues which will not be remedied by palliatives like those proposed in the resolutions tabled by Mr Pisoni. The malaise is more deep-seated than that and, quite frankly, no one as yet knows an effective democratic remedy.

I know that, when a country has been subjected to an army of occupation it is stimulated wonderfully to make a productive effort for regeneration and recovery. This has happened, to a large extent, in that part of Europe which was occupied by foreign Forces, enemy or protective. The upsurge, particularly in the German economy, which galvanized the rest of Europe, has now run its course. I have been astonished, looking at the history of this, and being reared in Great Britain where we experienced unemployment in the 1930s, that, in certain circumstances, the demand for consumer goods by the population could be insatiable. I have wondered for a long time when this typhoon would blow itself out.

It has now blown itself out for a variety of reasons. The reasons are issues with which this Commission will have to grapple. Because they are international. This complication has been further compounded by the oil crisis. I would ask the Assembly to think for a moment or two about those years when regeneration was in full gear in Europe and the investment policies relating to that activity were not of the capital-intensive nature which sustains an economy for future eventualities. This happened in my country to a great extent. In the 1960s, we could manufacture anything and sell it anywhere in the world, but dividends of 35, 40 and 45 % were regularly declared by industry to shareholders, while, by comparison, investment by those industries was of a very low order. And eventually, when you get an oil crisis which catches up with you, you find you are short on capital equipment, and capital goods exports, and you are left, in the words of another politician, with 'a candy floss economy with no substance'.

Now this is precisely what has happened in my country and it has happened in others. So we now have a tremendous job, because the parts of the world where we can sell goods are not in a position to purchase them, because they have low consumer demand. I am talking about India and Ceylon and so on. And in the developed parts where we would like to sell capital goods, we find we are now up against the most intense competition by Iron Curtain Countries. You would be surprised if I had time to relate what is happening to capital projects where Western nations are competing with Iron Curtain countries who do not have the same wage and cost problems as the West. It is a remarkable essay in price undercutting.

When you get this situation with top-heavy taxation, especially in my own country where the rate is 83 % in the top bracket, and with investment policies and bank overdrafts of 15 % upon which the productive capacity of industry cannot register dividend, you get an outflow of capital; or it is better for the capitalist or the industrialist to put his money in government gilts or blue chips or short-term bonds. And this is precisely what has been happening and is happening to a remarkable degree.

Now how do we get out of this? That is the question. We have a situation which defies economic explanation. We have a deflationary period when you would expect unemployment to fall. It is not falling. It is rising, and it is rising in the same way as inflation. The capacity to sell our goods is so great that we have not got the capacity to manufacture them, because the system is top-heavy. This is now the fantastic and ridiculous situation in Great Britain with which I am concerned.

Now during the German recovery period, the concentration of industrial effort was tremendous. But even that in Germany is now beginning to slip, to that position that confronts us is this: has the Commission been able, either by short-term or long-term credits, to persuade the most powerful member of the Community in financial reserves — Germany — to extend long-term loans to the rest of the Community countries? These loans — I am saying this deliberately — would be for capital equipment purposes, because this is really what is required. When a country deliberately runs down its capital equipment — and ours was run down for 30 years — it runs down its power to survive. And then suddenly when it is faced with an oil crisis, which in itself forces up the price of everything and destroys the basis of its currency, the dilemma is tragic; and this is what is happening. We may be able to climb out of the morass. It is going to require a tremendous effort, because the answer to this question has got to be found within the Community.

Tomney

In Today's news — at least in British papers — we now read that for the first time inflation is affecting Iron Curtain countries. Now this is remarkable, because they have been doing the contrary thing. They have been investing very heavily in armament and rearmament and in capital intensive industries—nuclear power, space and others, to the detriment of the economic prospects of the population. As a consequence, to ward off unrest, they have been importing more and more Western consumer domestic goods, which have suddenly gone up in price against the rate of exchange of the Iron Curtain countries. And they are now facing the same problem, and what the outcome of this problem is no one really knows. So it is not all sweet honey. The honourable lady who was speaking previously put forward a good argument, but it is not quite as simple as putting all the eggs in one basket, because half of these eggs are already added. They will not produce chickens.

So what the Commission has got to do, and it is going to be a considerable job, is to try and marry the investment programme, the financial forecasts, the long and short-term credits and, above all, stabilization of the countries' currencies within the common market. We have taken certain steps in Great Britain — distasteful ones — deliberately creating unemployment. We have made efforts, some of them partial, to stabilize our currency as a reserve currency, to make sure there is no longer a drain on the currency, which puts the Bank of England into a flat spin. We have done all those things. It may not be enough. But if it is not enough and a linchpin is taken out of the Community, then we will all suffer. So the solution of this problem is, for the Commission, the most important task they have. And I would ask the Assembly to be as patient as possible and give them every possible chance to come up with a solution, partial of otherwise.

President. — I call Mr Cifarelli.

Mr Cifarelli. — (*I*) Mr President, I was very happy to see that a number of Italian Members have signed this motion for a resolution tabled by the Christian-Democratic Group. This document is certainly not just a woeful list of complaints about what is going wrong; it suggests possible solutions or at least proposes that action be taken in an attempt to find real solutions. The motion for a resolution also calls for coordination of measures implemented under the Community funds. This now comes under a separate heading following the reallocations of responsibilities in the new Commission.

Mr Meintz has already spoken on behalf of the Liberal and Democratic Group and I do not wish to add to what he said. However, I should like to offer one or two personal comments. This is only proper for any one of us who wishes to contribute the fruits of his own experience and reflection.

The problem that faces us today affects the whole Community and has a particularly severe effect on the free democracies of the West. In other countries the problem of ensuring full employment and eliminating unemployment does not exist, or at least does not exist as clearly as in the West. This problem is unknown in the self-styled socialist countries, i.e. in the communist countries of Eastern Europe, nor — so they say — in communist China.

Naturally, if 15 or 20 people are assigned to a job which could reasonably be done by 10 people, and they get a very low wage for it — just look at Poland to see what such a wage system means and where it leads — and if you apply the strict discipline of the one-party, one-union system, with the threat of labour camps, persecution by the police, strong-arm tactics used with crushing force — think of what has happened repeatedly in Poland, East Germany and in other countries from which nothing is ever heard — under those circumstances, it cannot be denied that a certain level of employment can be maintained.

But I do not believe that the communists in the West look at the problem in this manner. And since we reject the uncompromising doctrine of *laissez-faire*, which relies solely on monetary measures to revitalize the economy, and are not ready to accept the upheaval which may be the outcome of uncontrolled social conflict, it is clear that we must criticize such an approach to the problem of full employment. Full employment is achieved, yes, but at great human and social cost.

We are, and we want to remain, free countries, where the trade unions are free to operate, where political parties can express their opinions, where enterprise is possible, where profit is not a sin, where capitalistic methods — within the bounds of justice and the law of the land — are a stimulus to the economy.

Consequently, Mr President, I do not think that we can tackle this problem by saying that measures to curb inflation are of no importance, as we heard from a Member of this House a moment ago. If inflation is to be the price we have to pay for full employment and economic growth, this will not only mean opening the door to a most unfair and pernicious discrimination in the quality of life and the standard of living — it will mean running the risk of 1929-style economic collapse, resulting in situations like that of Chile and in other afflictions which mankind has experienced and which lead to the destruction of democracy.

On the other hand, when it comes to dealing with these problems, I do not think that practical solutions suffice on their own. We need to rethink the whole problem. In this respect, I was very impressed by Mr Terreroire's speech, at the beginning of which he said that after 20 years of economic reconstruction and

Cifarelli

expansion we are about to enter 20 difficult years — 20 years, I might add, which all see a redistribution of wealth.

We cannot encourage decolonization — setting new nations along the road to freedom and independence a higher standard of living, and responsibility for their own affairs and their own natural resources — and at the same time express surprise that our own standard of living is changing, that finding solutions to our problems is becoming more difficult, and that our western economy, which is based on a different attitude towards raw materials, markets and the use of labour, is entering an extremely critical period.

This is the crux of the problem, and it cannot be solved with union measures to block redundancies. We cannot react like the ship's captain who, in the face of danger, orders his crew to stay at their posts as though nothing were happening or should happen.

This is a highly topical question in Italy today. The trade unions maintain that change is long overdue, but when it comes to the point they are afraid to face the consequences of the reforms they admit are needed. They pay lip service to the principle of mobility of labour, and in practice deny it. They pay lip service to the idea that disproportionately high labour costs must be reduced in order to increase competitiveness, but when it comes to the crunch they oppose any such measures.

Of course, when this subject arises in a free democracy in the industrialized West, a basic premise for any discussion is fiscal justice, without which no sector of society can reasonably be approached; a basic premise is the fight against the monopolies and malpractices which prevent the existence of a free and democratic economy; a basic premise is the formulation of programmes and a rationalization of the economy, without which energy and resources are wasted. But all this is impossible, if, at union level, all change is opposed with regard to the non-application of factors of production — where this is essential — and the restructuring and changes which the economy requires.

Let me give just two examples, Mr President. In the industrialized West we are often content to export factories, refineries, chemical and processing plants, in order to provide jobs for workers and for industry. But it is obvious that if we export these production units we must then compete with what they produce. We cannot put ourselves on the back at our success in exporting technology and then lament the crisis which subsequently affects other sectors of our industry.

The same can be said for agriculture. We cannot hope to protect our Mediterranean agricultural produce — olive oil, fruit and vegetables, etc. — and at the same time export to the countries of the Mediterranean

basin our factories and our industrial know-how. These countries are going to want to sell us their olive oil, fruit and vegetables, their agricultural produce, in return for what we give them. And this will have a damaging effect on certain agricultural sectors in Europe.

What am I driving at, ladies and gentlemen?

If what we say here is not to be mere rhetoric, we must consider public opinion and speak out clearly, in our national parliaments and in the higher and more important assembly of the European Parliament, and take a new look at these problems in all their complexity. We cannot talk about 'full employment' just like that, while ignoring the fact that our standard of living must be affected. We have to be brutally frank and realize that our economy has to be restructured. Everything is involved in this, whether it is action under the social programme to help the weaker sectors of the economy or action to help the less privileged areas and regions in the Community.

This requires primarily cultural and intellectual rethinking. We cannot go on producing goods for the storeroom, we cannot go on producing goods that no-one wants any more, but at the same time we cannot go on blinding ourselves to the totally different situation in the world we live in. Mr President, I know that my time is up and I thank you for reminding me of it.

In Italy, for example, there has been a lot of talk about the destruction of the environment, and one of the things we want to do is limit hunting. But as soon as we start trying to restrict hunting, we are told that there are firms producing hunting rifles and ammunition and hunting equipment, and that it is not right to discriminate against these firms. In other countries — France for example — every effort is made to export vast quantities of arms. But this kind of trade not only increases the risk of war in the countries of the Third World, but involves them in unproductive expenditure.

I am well aware that the problem does not end there. I merely wanted to do my best to give you some examples and some reasons why you should consider this document, which bears the signature of so many Members of the Christian-Democratic Group, as calling attention to the extreme seriousness and urgency of this problem, which is of such importance for the future of democracy in the Community.

(Applause)

President. I call Mr Molloy.

Mr Molloy. — Mr President, I will endeavour to follow what I am sure is in your mind, that I shouldn't take up quite as much time as some other people have taken, to give everyone a fair crack of the whip in this debate.

Molloy

May I say, Sir, at the beginning that it does seem to me that so far some of the well prepared and well read briefs from the hard Conservative Right to the Communist Left have at least something in common, namely that they now both deplore the existence of unemployment, because there was a time when that wasn't quite the case. I am young enough — or old enough — to remember when the traditional Conservative *laissez-faire* economies of Great Britain almost demanded that there was a degree of unemployment, that there should always be 10 men chasing 8 or 9 jobs. Therefore, from the speeches that I have heard today, I am bound to say that this House can take a degree of comfort now from the fact that at least it would appear that we are all united in condemning unemployment, and that we shall not have to face a situation as we did in my country when I was a young man, when the people that came to the rescue of the unemployed were not the bankers or the big businessmen of Britain or France — it was rather the dictators that existed at the time, that compelled us to gird our loins to make sure that there was no wastage, to see that our democratic form of government was defended.

I don't believe that that sort of policy is going to do us any good in the future. I wish to say quite frankly that those who have put this motion down deserve our thanks for the opportunity to express our views. To the individual, of course, unemployment is a savage thing, and while, people debate whether the percentage of unemployment ought to be 10 % or 8 % or 6 %, for the individual, the family man, who is unemployed, it is very clearly 100 %. And this is what we have to take into consideration. We must also acknowledge that there still exist in this Community of ours some forms and terms of employment which have a large element of vulgar exploitation, and that in some instances this form of exploitation can be more reprehensible than unemployment itself. Therefore, I believe that we have got to acknowledge that outside the economic arguments there are great moral and social arguments which have to be understood.

But what the ordinary man is primarily thinking about when he wants to get a job, when he is willing to train, when he is willing to give his skills to his fellow-men, is that he wants to build a home for himself and his family in society. He wants to make his contribution to do that. Perhaps the most important thing that I want to say this afternoon is this. Unemployment is certainly a great challenge to us all, but I would like to pose it in this context: free men can use free institutions to solve social and economic problems of the day if they are given a chance to do so. So it is our job as parliamentarians, as holders of the principle of free men and free institutions, to see that these great freedoms are used in such a way that none of our fellow-Europeans is in any way degraded by being out of work.

This is the challenge which faces us: The freedoms which we, as free men, with our free institutions, value so highly can solve these problems. If they cannot, then it is a very serious situation. I am one of those who happen to believe that preventable unemployment, like preventable pain, is a blot on any society. We have to look at unemployment a little differently from the economists and all those people that work out charts and figures and percentages. What unemployment means to the family man, who might in the middle of his working life suddenly lose his job, is that it is a collapse of his little world. You can't expect him to accept that by being on the dole for a year or two he is somehow or other making a contribution to the needs of his country or the needs of this Community. That is a stupid and dangerous attitude for any of us to adopt. Because unemployment begets frustration, it causes a loss of living-standards; what is perhaps important too, it causes a loss of dignity; and, from an economic point of view, it causes a loss of skills. Many of the men and women who are out of work in this Community of ours today are skilled men and women, with great talents which they have been trained to use and which are now not being used in a sensible and intelligent way. Then, of course, it is inevitable that unemployment, when it reaches a high figure, causes social tensions. We have seen it in Great Britain. We have seen some unspeakable people cash in on the misery of unemployment, for we have tried in Britain to adopt the principles of the Sermon on the Mount and help those who are out of work by reasonable, sensible social benefits and of course, it may be true that there is a tiny minority which does become slothful and would rather have the social benefits than go out and do an honest day's work.

But there are even more dangerous and vulgar people who try to represent this tiny minority as a replica of all those who are unemployed. That is equally dangerous and disgraceful.

We have to face the problem, as we said earlier on, of how we can, on the one hand, say that there are dangerous inflationary trends in the economies of our member countries which will call for certain cuts in certain great areas of the economy and then say we are against unemployment on the other. This is a terrible dilemma for all of us.

May I, as I draw to a close, Mr President, make one or two, as I think, reasonable propositions? I hope that the Community institutions now will get together to see how we can improve training programmes and apprenticeship schemes. I believe that if all the nations in the Community were prepared to exchange ideas and examine together what could be done to train new skills, this would help.

There is another important aspect we have to examine. There are many skilled men and women who, because of technological and scientific changes, still have their skills but find these particular skills no

Molloy

longer required, with the result that they are thrown out on the scrap-heap together with their skills. This is not only a terrible thing for the people concerned but it must be an enormous waste for all our Community countries. For these people who are threatened with unemployment, we should be able to devise a formula whereby, before we lose their skills, they can, with some additional training, be transferred to other branches of industry where they can earn their own living and continue to make their contribution.

I readily understand that no Commission has any wand to wave to work a miracle — either on unemployment or any other problem we have discussed — but I do believe — and it is so stated in the motion for a resolution — that there is a lack of mutual coordination between our Member States. This is a very serious accusation if it is true. It is worth repeating that on this problem of unemployment, the scourge of unemployment, we in the EEC have been charged with a lack of mutual coordination. Whether it is true or not, this charge has to be examined and then we must make certain that it cannot be made in the future.

In conclusion, let me say that we have had a number of debates on this very serious problem; but, if the words are not followed by deeds, then the words turn sour. If unemployment goes on, it will not merely mean degradation for those who are out of work, it will sap the vitality of the very democratic structure of this Community. If we put an end to this degradation which unemployment means for those who are unemployed, we shall remove a grave threat to the principles of freedom and democracy and enrich the whole principle of this European Community.

(Applause)

President. — I call Mr Lange.

Mr Lange. — *(D)* Mr President, I asked to speak because at the beginning of the debate a proposal was made to which I should like to give my full support. Eloquent words have been spoken here about the scourge of unemployment. All this is quite correct. However, we must realize that when we consider our overall economic situation and its social implications and then look at these in the context of world politics and economics, then there are a few more problems in store for us than have been indicated here. We are in no position at all to solve these problems as a Community — the solution must be brought about by the Member States, who must introduce coordinated and agreed measures. We should not therefore create the impression that the Community can perform miracles here. I hope that the Member of the Commission will also make this plain.

A good deal of truth has been spoken here, and I do not need to repeat it. My main point is that the elimination of unemployment is primarily an economic problem, involving short-term, i.e. cyclical measures;

however, in order to eliminate unemployment in the long run, medium- and long-term measures are necessary, which mean structural policy, i.e. on the one hand sectoral structural policy and, on the other, regional structural policy. This also means, however, that the Member States and workers' and employers' leaders must be prepared to accept an international division of labour, if we are to fulfil our duty towards the Third and Fourth World. We thus cannot wish to isolate ourselves economically from the rest of the world and then expect it to buy our products. This is the crux of the matter.

I only mention this in order to make it clear that this question of unemployment is not an isolated question and that there is also no isolated solution to it. As long as it is not clear, for example, what form the extensive economic and other relations between the various parts of the world are to take, we shall not solve this problem. There is a lot of talk nowadays about a 'new world economic order', although nobody knows yet what form this is to take. We ourselves must endeavour — in this respect I agree with all those who have spoken here — to give this concept appropriate substance. To achieve this, however, we must have the courage to give up certain products which we can no longer manufacture in such a way as to compete with the rest of the world, in favour of those countries which are able to manufacture them more economically, and at the same time to create opportunities for them to increase their purchasing power, as this would be of mutual benefit. In my view this is the crux of the matter.

Since, however, the whole question of unemployment seems to be chiefly a problem to be solved in the medium term and, in my view, in the longer terms as well, I consider the proposal made at the beginning of this debate to be correct, namely that this resolution be referred to the Committee on Social Affairs, Employment and Education and the Committee on Economic and Monetary Affairs. Why? That was not mentioned just now. As you know, both these committees are dealing with the Fourth programme for Medium-Term Economic Policy, and we must — I believe — put everything that has been said in this resolution in this context and examine it in conjunction with the medium-term programme, so that we can arrive at suitable proposals. The proposal to refer this resolution to the committees thus does not mean that we want to postpone it indefinitely, but that we want to apply it to the questions which we have to resolve tomorrow and the day after, i.e. in the short and medium term. This is our main concern. I would therefore be grateful if Mr Pisoni and his colleagues who signed the resolution with him could agree to such a step. The Medium-Term Programme — and hence the approaches to the questions which have been mentioned in this motion for a resolution — will be on our agenda in February or March. However, I must add one point and come back once again to

Lange

the duties of the Member States. It is so easy for us in this House to say constantly that we must promote vocational training and vocational education properly; however, since one type of vocational training is probably no longer adequate for a whole working life, meaning that retraining is necessary, we must promote this properly as well. Before this can be done, however, ladies and gentlemen, it is essential for Member States to harmonize their training systems and for us to have comparable training for all in each of the Member States, so that 'freedom of movement within the Community' can be ensured for workers as well. There are thus lots of questions to be taken into consideration in this connection, all of which have already been touched on in this debate. I will not bother myself with who is being hypocritical or who is not, or who genuinely believes something or who does not; all that is nonsense.

We should focus our attention on the problems, but after that we should make a serious attempt not merely to carry a resolution but, as I have already mentioned, to discuss this resolution in conjunction with the Fourth Programme for Medium-Term Economic Policy and then re-submit it to this House accordingly. I think this would be more productive than merely adopting this resolution now. I hope that you, Mr Pisoni, and your colleagues who signed with you, can agree to such a proposal, because I think it would be most unfortunate if the resolution were merely adopted now and we had no further opportunity to discuss it in another context. I would therefore be grateful if we could proceed in this way.

President. — I call Sir Brandon Rhys Williams.

Sir Brandon Rhys Williams. — Mr President, I would like to congratulate Mr Pisoni and his colleagues for their introduction of this motion just at this time; it has given rise to one of our most serious and thought-provoking debates. The Commission has a tremendous responsibility to prove to the world that the democratic countries by working together can transform our human and economic approaches to the planning of production and the provision of services.

I would like to deal with two angles. First the human angle. We have to create, surely, a new attitude to work as a part of civilized living. I often think we have not in industry yet caught up with the implications of universal suffrage. We have got to work towards earlier retirement, shorter hours, protection of the environment and greater safety and job satisfaction. These things can only be had at a price — the end of the two-sides mentality in industry can bring greater dignity and higher rewards, but, of course, at a price. And the price must be higher productivity. That is the price; but it is also the prize. If we have full employment, it must be of a richer and more satisfying kind

than the full employment which we have had in the past, which often neglected the dignity of labour and the essential character of work — which has to give job satisfaction and certainty and security to all concerned.

It is easy of course to say that restrictive practices and the rejection of technical innovation bring industrial decline and lower standards. They do; but change has to be guided if it is not to bring human sacrifice at the same time. In the Community I feel that we have something to learn from the Japanese in their attitude to the planning of careers and job security. I do not want us to imitate them, but we do have to realize that we cannot allow a submerged tenth to appear in the Community, or in neighbouring States, with migrant labourers having to go back home when they have lost their jobs, as the price of full employment for the nine-tenths who gain. So here is one particular area of work for the Commission.

Secondly, we really have to study how we can recreate our approach to the problems of economic policy. A higher rate of activity cannot be achieved by tinkering with availability of credit, particularly on a national scale. We have seen the central banks at work in the last two or three years, trying to cope with the oil crisis and the uncertainties of floating rates and so on, by restricting credit and reducing economic activity. Surely that must be the wrong approach. We have to break through to higher levels of activity, not lower, if we are going to achieve economic stability.

Businesses, large and small, must be provided with a stable economic environment. They need continuity of official policy in regard to taxation, the treatment of capital; these things must be predictable and rational. We need confidence in the markets for the goods produced for sale at home and also abroad. That is to say, stable future markets for prices and currencies. I think that the Community should give far more attention to commodity price support. We have got the nucleus of it in the STABEX scheme which is built into the Lomé Convention. We must do much more to enable businesses to count on the certainty that rational, well-studied investment decisions will prove right with the passage of time. Our economy will never be invigorated while businessmen are fearful about the future and are unable to predict what the consequences of their decisions are likely to be.

A higher degree of certainty in our interlocked economies in the Community can only be attained by mutual concern in the management of our national economies, not by competitive devaluation, subsidized export credit, the imposition of import controls or discriminatory taxation. The Commission now has to launch the second Western European economic miracle. There is no reason why it should not succeed. We have nothing to overcome or to fear except our

Brandon Rhys Williams

own obsolete habits of thought and inhibitions about the future.

President. — I call Mr Pistillo.

Mr Pistillo. — *(I)* Mr President, ladies and gentlemen, during his speech the President-in-Office of the Council made several references to unemployment in the Community as being one of the basic problems to be tackled. He said, perhaps rather optimistically, that it ought to be possible to find an early solution to the problem. We should like to be able to share his optimism, and in any case we appreciate his stated willingness to devote a great deal of his own efforts and those of the whole Community to tackling this problem.

As things stand at the moment, however, the unemployment picture in the Member States of the EEC is quite dramatic, as previous speakers have already pointed out. Let me remind you again that in October 1976 there were more than 5 250 000 unemployed. My own country, Italy, unfortunately accounts for a large proportion of this frightening total. What is really alarming, however, is that the situation seems to be getting worse in comparison with last year and previous years. This means, firstly, that the economic crisis is hitting this part of Europe on a frightening scale and, secondly, that the measures introduced by the individual Member States and by the Community as a whole have done nothing to alleviate the problem — indeed, in many respects, they have only made things worse.

Is this just accidental? Inevitable? These are the first questions which have to be answered. In our opinion it is not inevitable. The chief cause is that in every Community country, to a greater or lesser extent, the problems of inflation and industrial reorganization are very often tackled with deflationary measures which push up unemployment and reduce the number of jobs. The tendency is to tackle serious economic problems with short-sighted measures which recall the traditional approach adopted in the dramatic years between 1929 and 1932. But — and this is the view of the trade unions in Italy — this is the time to tackle the crisis by bringing in reform and making changes in particular structures and features of the economy, in industrial organization, and in the organization, mobility and use of labour. In our opinion, we cannot overcome this crisis without changes, and this should be the chief criterion for Community action and intervention, because even now we have still not seriously worked out and coordinated any modern-style policies; we still do not have any policies on economic development, employment, freedom of movement for workers, and vocational training. It is for these policies that the political and trade union forces of Europe are fighting.

Take, for example, the European Social Fund, which I should have liked earlier speakers to mention more. The Italian Communists' position on this — and it

has been stated several times — is that the European Social Fund must not be relegated to the function of a charity; it must not be the long arm of the Community reaching out in paternal, protective or preferential fashion to save — if only temporarily — some firm from the threat of impending collapse. Finally, it is impossible to think of the available funds, which are in any case fairly limited, being shared out more or less equally among the various Member States. In spite of the 1972 assurances that the European Social Fund would be overhauled, things have not got any better. We believe that the Fund can become an important part of Community machinery, an aid to a more coordinated approach to the problem of vocational training, the labour market, employment policy and, to a certain extent, regional development. I should like here to give what I feel is an apposite quotation from the Treaty of Rome: the European Social Fund 'shall have the task of rendering the employment of workers easier and of increasing their geographical and occupational mobility within the Community'. And the Council Resolution of 21 January 1974 stated, with regard to the Community Social Action Programme, that 'vigorous action must be undertaken in successive stages with a view to realizing the social aims of European union, in order to attain the following broad objectives: full and better employment at Community, national and regional levels'.

It is clear that a number of problems arise here concerning the structure of the European Social Fund, the means at its disposal, and the policy to be pursued in its application. But this is not the time and place to go into these aspects of the problem, even though we feel that the time is ripe for a thorough and wide-ranging study of the whole issue.

The critical state of the employment market, ladies and gentlemen, directly affects the emigration of Italian workers to other countries. We have always maintained that a worker must be free to emigrate, but not forced to do so as has been the case for decades. The extent to which Europe's current economic crisis is hitting emigration is shown by the fact that in 1975 the number of Italians abroad dropped by 82 797, of whom 75 679 were in Europe.

On the basis of this information and other data which we have but which I shall omit here in order to save time, it can be calculated that the total number of Italians living abroad has dropped in two years by about 200 — 250 000, including more than 150 000 in Europe. This is not because these workers prefer to return to Italy, or because they have found work there, but basically because unemployment has increased in countries where there was more or less full employment until a couple of years ago. Take Belgium, for example: in 1976 there were 250 000 unemployed, a figure equivalent to 8.7% of the working population and an increase of 16% over the previous year. This has an obvious effect on migrant workers in Belgium, beginning with the Italians.

Pistillo

These are only some of the facts in a generally tense and difficult situation. In view of the gravity of the problem, we are extremely critical, and decidedly so, of what has been done, and our opinion would seem to coincide with that expressed in the motion for a resolution tabled by Mr Pisoni and his colleagues. Consequently, the reaction of the Italian Communists in the House is to support this motion for a resolution, which we consider far from being a mere exercise in demagogy.

In closing, Mr President, may I call on the Commission and the Council — and I feel that my appeal is echoed by others in the House — to submit at an early date an integrated programme of short and long-term action?

Without such a programme we shall simply go on talking about the problem of unemployment while it continues to get worse, with the serious and very real risk that it may get completely out of hand in all the Member States of the Community.

(Applause)

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — *(NL)* Mr President, I too should like to associate myself with all those who have spoken before me and who have expressed their concern about the rising unemployment and about the present level of unemployment in the European Community. Since the middle of 1975 the number of registered unemployed has been about 5 million, and I agree with those who have said that to this must be added the invisible unemployment. There are signs that the rise in unemployment has come to a stop, but there have not yet really been any clear signs that it is falling. Extreme care must be exercised with regard to forecasts, since expressing certain expectations may raise false hopes which cannot subsequently be met. We are naturally all concerned about the present situation, but I would have thought that we ought to refrain from making such unjustified criticisms as I feel were made by one particular Member, who was then justifiably accused by another Member of a certain amount of bias in her remarks. It is true that the forecasts have turned out to be too optimistic in the past, but we know that it is difficult to make forecasts in times such as these. And although the efforts to combat the rising unemployment have been unsuccessful — I think one can say that — the increase in unemployment certainly cannot be ascribed to lack of action. Over the last two years the governments of our Member States have taken important steps to stimulate their economies and have introduced special measures designed to create employment. We now know that these measures and these stimuli have proved inadequate. At the very most, it can be said that they were sufficient to check the rise in unemployment, but they were not enough to reduce unemployment. And

although the Commission is not satisfied with what has been achieved in the Community in the fight against both unemployment and inflation, we must nevertheless not forget that a great many measures have been taken which should not be ignored. Inflation rates in the double figures — this is in fact the case in some countries — undoubtedly do not make it easier for the Community to control or improve the unemployment situation. The fact is that we are currently facing the worst recession since the Community came into existence.

As regards unemployment among young people and women — and this is something to which the motion rightly draws particular attention — it cannot be denied that these groups are relatively hard hit. A further factor, Mr President, is that if a young person is shown the door the first time he comes into contact with the labour market, this may have extremely serious social consequences. This happens when he notices that his training is inadequate or unsuited to the work, but even more so when he comes to realize that despite having the right training there is not yet sufficient work for that training. The problem is similar for women who are looking for work at a time when they have rising hopes of achieving equal opportunities and their rightful place in the labour process — as was rightly pointed out in this House this afternoon. Nor should we forget that, to some extent, the burden is not equally spread, since certain industries and certain sectors have been and still are much harder hit than others.

I need only mention the textiles industry, shipbuilding and — as was pointed out in the debate this morning — the aircraft industry. Many sectors have been particularly badly hit not only by the general consequences of the recession, but also by keen competition from outside as well as inside the Community. And as long as there is no economic recovery we shall continue to have the phenomenon that certain regions of the Community are harder hit than others.

As far as joint coordination of economic and social policy is concerned, it is clear that this has remained far behind what ought to have in fact been done. The need for greater coordination and harmonization within the Community is stressed both in the annual report on the general economic situation and in the Commission's report to the summit conference of November 1976. The communiqué issued at the end of the summit conference specifically mentioned the need for a policy adapted to the special circumstances of each Member State, but also stressed that there should be joint consultations on these policies at Community level with a view to achieving a greater measure of harmonization within the Community. And that, Mr President, is essential if we are finally to have a common economic, social and monetary policy. I agree with what Mr Tomney said in this context.

Vredeling

In this connection, it should also be noted that, although the Member States have been somewhat more cautious as regards conducting a policy aimed at economic expansion — with particular reference to the high and in some cases still rising inflation rates — it is nevertheless untrue to say, as does the motion for a resolution, that present national economic policies are almost exclusively deflationary. I do not entirely agree with that. For instance, countries with a balance of payments in surplus or in equilibrium — I am thinking in particular of West Germany — have taken major steps to stimulate growth and employment. Unfortunately, these measures have proved largely inadequate because of the unfavourable economic situation. All they really have managed to do is to check the increase in unemployment and reduce the amount of occasional short-time working.

Mr President, with regard to the position of migrant workers, to which various speakers have drawn attention, I must agree that it is in fact true that if fewer migrants had returned to their country of origin the unemployment situation in our Community would have been even worse. Thus one could say that the Community has exported part of its unemployment problem.

As to the statistics concerning migrant workers, you will recall that at the end of 1976 the Council of Ministers approved the proposed a directive on the harmonization of statistics on migrant workers, but it will be some time yet before this directive can be put into effect. In the meantime, the Commission still has to make do with unharmonized statistics, which are made available to the various working parties. Copies of these recent statistics have been supplied to the Parliament secretariat, and in future a regular supply will be guaranteed to keep Parliament and Parliament's specialist committees informed. The data we have available indicate that in the past three years rather less than half a million migrant workers from third countries have returned to their country of origin — which in itself is perhaps less than some people would have expected. As to the follow-up to the Tripartite Conference, I should like to point out first of all that we have had many discussions with both sides of industry and with the representatives of the governments of the Member States, particularly on the subject of the fourth programme for medium-term economic policy. As you know, this covers the period up to 1980. The main objectives approved at the Tripartite Conference are included in this fourth programme. The discussions currently in progress concern the ways and means of achieving the objectives that were formulated at that time.

I must in all honesty add that the achievement of these objectives seems to me now to be more difficult than in June 1976 when the Tripartite Conference was held, in view of the fact that the economic recovery that was then still expected has unfortunately

not taken place. But I can assure you that one of my most important tasks, if not the most important task, in the coming months will be the mapping out in the Commission of a strategy — in close consultation, of course, with the governments and the two sides of industry and with this Parliament — a strategy which will be aimed at reducing unemployment and restoring full employment as quickly as possible.

As to the use made of the financial resources at the Commission's disposal, I can assure you that it is my intention to make as much use as possible of these funds and to take every opportunity of increasing them, so that we can tackle the structural and cyclical problems — and particularly the unemployment with which we have to contend — as vigorously as possible.

I think you will have been particularly appreciative of the fact that the new Commission has already undertaken to improve the coordination between the activities of the various funds — the Social Fund, the Guidance Section of the Agricultural fund, the Regional Fund and the other financial instruments at its disposal — so that they can together make as effective a contribution as possible to solving the most pressing problems in the worst affected areas.

I should like to take this opportunity of commenting on the fact that it has been said that in distributing the portfolios the Commission has withdrawn the Social Fund from the Commissioner specially responsible for Social Affairs and Employment. So far none of the honourable Members has commented on the fact that the title of the portfolio for which I am responsible has been changed from 'Social Affairs' to 'Employment and Social Affairs'. I can assure you that this is more than a mere change in wording. This reflects an adjustment and a change in policy, since in the coming period the Commissioner with responsibility for Social Affairs will have a say in all matters and all policy sectors which affect employment. It is thus wrong to imagine, for example, that the Social Fund has been withdrawn from the portfolio of the Member of the Commission responsible for Social Affairs. The part to be played by Mr Giolitti, who is in particular responsible for Regional Policy, is that of a coordinator. In general one should not talk about the deliberations within the Commission, but Mr Giliotti's coordinating role was brought about partly on my initiative. I think there is no harm in my revealing that. I fully recognize the importance, with regard to the various funds, of the coordinating role given to the commissioner responsible for regional Policy. I think that, for the aspects of the Social Fund which affect Regional Policy, responsibility, for coordination will necessarily have to rest particularly on the Commissioner responsible for Regional Policy itself. As far as this is concerned I can only endorse what Mr Caro and Mr Pistillo said. But let there be no misunderstanding, the Social Fund as such continues to be wholly my responsibility.

Vredeling

We must not underestimate the difficulties we shall have to face, particularly in the frequent cases where the instruments and actions of the governments themselves are inadequately coordinated, and where we shall have to try to give a European dimension to our national activities. We must not be afraid to tackle this problem, but on the other hand we cannot expect to be successful in all respects since these national measures do not always work in the same direction, and national policies have often failed in spite of the fact that in many cases considerably greater funds have been available at the national level. The motion for a resolution stresses the problems of unemployment among young people and women. Actually, most people are unfamiliar with part of our policy in this area. At the end of 1976 the Commission set up a Bureau for women and provided appropriations for the combatting of unemployment among young people under Article 4 of the Social Fund. At its meeting of December 1976, the Council approved a number of conclusions regarding the training of young people. The Council has also recommended that Parliament should do more in this matter and we are now considering what action would be most useful.

I must, however, point out that we should exercise a certain amount of caution regarding such Community actions and measures, since in reality the effect is often far less than was anticipated. Community actions and measures are useful for those who benefit from them directly and by virtue of their effects on the Member States who are sometimes encouraged to take national measures, provided of course that these are in line with the policy at Community level. I go along with what Mrs Kellett-Bowman said on this point.

We also need a general economic recovery in view of the great structural problems currently affecting both trade and industry and the labour market. We will need larger-scale economic and social measures, complementary to national measures but with a much stronger emphasis on employment than in the past. This brings me to the question regarding the economic action programme, particularly investments for the creation of new jobs. This is something we can develop under the fourth programme for medium-term economic policy which I have already mentioned. This is at present before the Council, and, as Mr Lange has pointed out, an opinion has already been sent to the competent parliamentary committees. I should like to say how pleased I am in particular with the role allocated to Parliament's Committee on Social Affairs. The Commission will also have to stress continually that the national authorities should take far more account of the Community dimension in their national economic policies than hitherto, particularly in the case of crucial problems of economic and social policy, such as the safeguarding of existing jobs

and the creation of new ones. We look forward with great interest, therefore, to suggestions and proposals from Parliament for the solution of these major problems.

Finally, I would like to say this. Apart from specific actions or measures the restoration of full employment requires the creation of a framework for general economic recovery such that employment policy is not simply regarded as the sum of the policies in other areas. We must work within the context of the programme for medium-term economic policy and of the Tripartite Conference, but we shall have at the same time to revise and adapt certain of our ideas. Actions taken in individual cases to protect, support, stimulate or hold back various types of employment are having an increasingly disturbing and confusing effect in the various Member States.

We shall have to re-examine the existing policy and the current measures, to see how we can once again achieve, by means of a more rational integration of the economic and social objectives and the associated policy, a strong and stable European economy in which full employment and a dynamic social policy are assured. This is important not only for the internal situation in our Community but also for Europe's influence in world affairs. To this end, we shall produce a substantial and wide-ranging policy document within the next six months which will indicate the guidelines for further action. This document will be submitted to the Council and discussed with the Standing Committee on Employment, and also in a forthcoming tripartite conference. Naturally I am willing to take steps to ensure that the competent committees of the European Parliament are kept informed of what is going on.

In conclusion, I would remark that I am delighted that at the first session of the European Parliament that I have attended as a Member of the Commission, there has been a debate on a subject which, as I have already said, I consider to be the most important in my portfolio. I see this a harbinger of fruitful cooperation with this Parliament, and I give you my assurance that I shall do all in my power to promote and where necessary improve good relations between your Institution and the Commission.

(Applause)

President. — I call Mr Albers.

Mr Albers. — *(NL)* I should just like to make use of the possibility offered by Rule 26 (2) of the Rules of Procedure to request that the proposal which I have already put forward, and which Mr Lange has reiterated, be put to the vote. It proposes that the motion for a resolution should now not be dealt with any further but should be referred to the Committee on Social Affairs and the Committee on Economic Affairs on the understanding that the results of its

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closer examination should be dealt with in the March plenary part-session at the latest. I should like you first of all to put this proposal to the vote.

President. — Mr Albers has moved that this motion for a resolution should be referred back to the Committee on Social Affairs as the committee responsible and to the Committee on Economic and Monetary Affairs for its opinion.

Under Rule 32 I can hear one speaker against this motion and one speaker for.

Does any one wish to speak against this motion?

I call Mr Pisoni.

Mr Pisoni. — (I) Mr President, I am very surprised at the Socialist Group's proposal that this resolution should be referred back to the competent committees. When I was introducing the motion, I made it clear that we had called this debate this month, January, because the Commission was going to present its programme to Parliament next month, February. We wanted to inform the Commission of Parliament's thinking, and at the same time submit some requests so that the Commission could bear them in mind when drawing up its programme. When we came to discuss the programme, we would then have been able to judge to what extent our proposals had been accepted.

There is, however, another reason for my surprise at the Socialist Group's request. Not one of the Members who have spoken — and may I take this opportunity of thanking them for their contributions to the debate and also for the kind words addressed to me — not one of them suggested that the resolution might be inconsistent with the medium-term plan. One or two of the speakers perhaps commented that it was not a panacea for all our ills, but this we already knew. In any case, we do not think that this is the last time the problem is going to be discussed here ...

Mr Prescott. — There is interference from another interpreter's booth which is making it very difficult to listen to the arguments of the speaker. Perhaps this could be corrected.

President. — I think under the circumstances, it would be better to adjourn to see if we can fix this problem.

(The sitting was suspended at 5:35 p.m. and resumed at 5:55 p.m.)

President. — The sitting is resumed.

I understand that it will be at least one hour before it is possible to trace the fault.

If Members agree, I would suggest that we try and finish this matter of the vote on the reference back of the motion for a resolution by Mr Pisoni to the committee. When that is finished with we should the adjourn until, say 7 p.m., in the hope that the technical problems will have been resolved.

I call Mr Pisoni to resume his speech.

Mr Pisoni. — (I) Mr President, I shall try to speak as slowly as possible so that the House may understand me.

I was saying that our aim was, and still is, to let the Commission know what Parliament thinks and to submit a number of requests which the Commission can bear in mind when drawing up the programme it is going to present to the House next month.

Everyone here, including Mr Albers, has acknowledged that this motion for a resolution follows the line which has been called for by everyone for a long time. I do not wish to enter into argument with Mr Albers, in spite of his tone towards me, but would merely ask him to reread the speeches I have made over the last two years. If he can find any inconsistency, I shall be ready to reconsider my views. If anything, it is my concern which has grown in these two years, since things have steadily got worse instead of better.

The resolution before us is straightforward. It calls for things which are possible and on which everyone agrees. It calls for action on structural problems, on economic and financial policy, and on the problem of unemployment. It stresses the need for the trade unions to be involved in this task. The resolution is based on the assumption that at the Tripartite Conference the trade unions also expressed a view which must be considered in searching for a solution to our problems. It calls for joint action with the unions in the search for solutions. The resolution in no way prejudices other action which the parliamentary committees may wish to take. Discussion of the medium-term programme — both by the Social Affairs Committee, which is the committee responsible for an opinion, and by the other competent committee — can continue and produce all the possible proposals. But we fail to see why this text should be referred back to committee when the pressure Parliament could exert at this time would, we feel, be very useful indeed.

I ask the Members of the Socialist Group to think again so that it does not seem that they are simply postponing the problem, in spite of their good intentions. I know that they are as eager as we are to find a solution to these problems, and we can only benefit from acting in consent.

President. — I call Mr Prescott.

Mr Prescott. — Mr President, I do not wish to delay the House, particularly in view of the technical difficulties, except to say that my group is still convinced that we should refer the matter to committee. It has been proposed that it should be referred to the Social Affairs Committee and the Economic and Monetary Affairs Committee. We would like to add to that the Regional Committee, because the Commissioner has made clear that he would like to use the Regional Fund particularly to deal with the unemployment problem.

Prescott

Secondly, Mr Pisoni said himself that the motion was somewhat contradictory. These were his own words and I think that in itself may well be a reason why further reflection may be required on this motion. Thirdly, and equally important, is that we have had this week the introduction of a new Commission, and the Commissioner, in a speech that is greatly welcomed since it showed concern about unemployment, has said that they wish to tackle the problem considerably more perhaps than we have witnessed in the past. This may mean new policies. There has been reorganization in the Commission to give a different priority to unemployment, and in those circumstances we cannot ask for a commitment, as the motion does, to those policies determined by the Tripartite Conference. It may well be that this Commission have new ideas and new influence to bring to bear, and the place to ask questions about those is in the committee. And if we were to do that and find out what the new ideas were, the three committees could then come back with a very solid report and then we as a Parliament could discuss all the aspects of unemployment and its consequences. We think these are good reasons why this should go to committee, so that this Parliament can give proper consideration to the matter of unemployment rather than just passing a resolution, which, in the words of the speaker, is somewhat contradictory and has been formulated before the new policy and new ideas have come from the Commission.

(Applause)

President. — Mr Albers are you willing to adopt Mr Prescott's suggestion as part of your proposal?

De heer Albers. — Yes.

President. — It is proposed that the Pisoni motion for a resolution be referred to the Committee on Social Affairs, Employment and Education as the Committee responsible and to the Committee on Economic and Monetary Affairs and the Committee on Regional Policy, Regional Planning and Transport for their opinions.

I put this proposal to the vote.

The proposal is rejected.

We shall now consider the motion for a resolution.

I put the first six indents to the vote.

The first six indents are adopted.

On the seventh indent, I have Amendment No 1, tabled by Mr Pisoni:

This indent to read as follows:

— recognizes the vital importance of the fight against inflation, but asks that the same attention be given to the equally important objective of achieving full employment.

I call Mr Pisoni.

Mr Pisoni. — *(I)* Mr President, my reason for tabling this amendment is that the original text seemed to reduce the emphasis on the fight against inflation and relegate this problem to second place. I feel that this amendment is needed if we are to tackle simultaneously the problems of curbing inflation and countering unemployment, as the trade unions and the political parties demand.

President. — I call Mr Albers.

Mr Albers. — *(NL)* Mr President, thank you for allowing me to speak. This amendment was submitted very late and Mr Pisoni now states that he still has the same aims. I do not doubt it, but these aims can be expressed in rather different ways. The text which is now to be replaced reflects a completely different objective. It states clearly that the policy is actually too deflationary and thus reduces job opportunities. The new text before us is in fact considerably better. We should have had to raise objections to the old text, and that is what Mr Vredeling in fact did. This was the reason why we would have liked to have the opportunity to discuss the details a little more. I am glad that Mr Pisoni, even without consulting the committees, has come to the conclusion that the seventh indent of his text was far from perfect. What he is now proposing is considerably better. I therefore propose to the members of my Group, whom I have not yet been able to consult, that they should vote for the amendment.

President. — I put amendment No 1 to the vote. The amendment is adopted.

After the seventh indent, I have amendment No 2, tabled by Mr Glinne, on behalf of the Socialist Group, proposing the insertion of the following new indent:

— points out that the current level of unemployment is due not only to the structural and conjunctural crisis but also the fact that employers in certain Member States still persist in the unacceptable practice of systematically dismissing and burdening the social security system with men and women workers who have reached a certain age;

I call Mr Albers.

Mr Albers. — *(NL)* Mr President, this shows once again that there is really a great deal more to be said about the whole phenomenon of unemployment. This amendment states that the widespread unemployment is not exclusively the result of the structural and economic crisis, but that unacceptable practices are partly to blame. Fortunately I have heard nothing of the sort in this afternoon's debate, although I understand that Mr Pisoni objects to the practice of the trade unions, which in his view do too much to achieve higher wages for workers and pay too little attention to increasing job opportunities. This amendment, however, is simply concerned with employers'

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practices. We have observed in recent years that employers are rather too ready to dismiss people with a handicap or people who have reached a certain age. With this amendment we wish to draw particular attention to this.

President. — I call Mr Pisoni.

Mr Pisoni. — *(I)* Mr President, I fully understand the thinking behind this amendment. However, I have some doubts about it since it is not altogether relevant to the issue in question. We are talking about achieving full employment. I cannot deny that some employers have attempted to lay off older employees in order to recruit younger and more active workers. But this is really a social security problem, since jobs are neither being created nor suppressed. If anything, this policy helps young people find employment and offers in a sense a solution to the problem of youth unemployment, by making early retirement a possibility. We realize that older workers have greater difficulties in finding new employment, but I nevertheless feel that the amendment must be rejected, since it is not consistent with the idea behind this resolution, the aim of which is quite different.

President. — I call Mr Albers.

Mr Albers. — *(NL)* I particularly regret this discussion. We have tried by means of this amendment to improve the resolution which Mr Pisoni and his Group are so keen to retain. I note from his words that he does not understand this. There is a misunderstanding, and I should therefore like to invoke Rule 29 (5) of the Rules of Procedure by proposing that this amendment be referred to the Committee on Social Affairs.

President. — I call Mr Caro.

Mr Caro. — *(F)* The proposed amendment is very important: Mr Albers is well aware of this, since he himself has proposed that it be referred to committee for further discussion. With regard to the main point, many of us of course recognize that there are unacceptable practices with regard to dismissal; but the employers are not the only ones to blame, since we know that in certain countries systems in operation take advantage of the benefits granted in cases of dismissal for economic reasons. Thus the debate covers a vast area. However, one thing at least is certain, whatever else one believes. Until the contrary is proved, in our economy it is the undertaking which provides jobs, whether it is a national or a private undertaking. To blame the undertakings is to call the whole system into question.

I therefore ask our Socialist colleagues to be good enough to think again about the wording of this amendment, which several of us would be willing to

support on condition that there is no move to eliminate the participation of undertakings in improving the employment situation.

As things stand, I cannot accept such an amendment.

President. — I call Mr Albers.

Mr Albers. — *(NL)* Mr President, I wish to take advantage of the possibility offered by the Rules of Procedure to prevent a vote being taken on the amendment. I have proposed that it be referred to the Committee on Social Affairs, since I can see clearly from the reactions that the purpose of this amendment has not been understood. The question must be more closely examined. If Parliament agrees to my proposal, there is naturally no further point in voting on the resolution. After all, it involves an amendment to the resolution.

President. — Mr Albers has proposed that Mr Glinne's Amendment No 2 be referred to committee. I put this proposal to the vote.

The proposal is rejected.

I put Amendment No 2 to the vote.

Amendment No 2 is rejected.

I put the eighth, ninth and tenth indents to the vote.

The eighth, ninth and tenth indents are adopted.

I put the motion for a resolution as a whole to the vote.

The resolution is adopted.

It would now appear that there has been a certain improvement in our technical problems, and I would therefore suggest that we should proceed with the business so long as this happy state of affairs lasts.

I call Mr Schwabe on a point of order.

Mr Schwabe. — *(D)* Mr President, forgive me if I once again bring up a point concerning this vote, since I feel that it has again become pressing. In my view, Mr President, we should really think again about whether there is still any point in using such indents in documents of this kind — indent or no indent, it is the quality of the content which matters. We have Arabic numerals and Roman numerals. We have an alphabet of small letters and an alphabet of capital letters, and if the Greeks join us before long we shall have alpha, beta, gamma and delta, too. I really find it unnecessarily complicated when something is amended after the seventh indent, and then comes the tenth indent. I should like to see that noted in the minutes and dealt with by those responsible.

President. — Mr Schwabe, I fully agree with you. I had already indeed made this point myself and I think that we must take steps to ensure that in future all resolutions are adequately numbered. The system of indents without numbers is clearly not convenient.

11. *Recommendation on the extension of social protection*

President. — The next item is the report (Doc. 444/76) by Mr Creed, on behalf of the Committee on Social Affairs, Employment and Education, on the recommendation of the Commission concerning

the progressive extension of social protection to categories of persons not covered by existing schemes or inadequately protected

I call Mr Creed.

Mr Creed, rapporteur. — Mr President, we have spent approximately 3½ hours discussing unemployment, and I think that has been very worthwhile. The report which I wish to introduce to the House is also one dealing in part with some of those people who have lost their employment.

The recommendation from the Commission on which the Committee on Social Affairs, Employment and Education has elaborated a report originates from the Social Action Programme for 1974, which is concerned with gradually extending social protection to categories of persons not covered or inadequately provided for under existing schemes. It is however disappointing that these measures are merely the subject of a recommendation. This has no binding force, and, in view of the fact that this proposal is of primary importance to those groups at the bottom of the social scale in every country, a directive requiring the Member States to pursue certain objectives would, in our committee's opinion, have been the correct legal form.

As you will know, the European Parliament has for a long time taken an unfavourable attitude towards non-binding communications and recommendations. I shall only mention one example from a debate in this House last year where Parliament, in connection with the Commission's communication concerning pilot schemes and studies to combat poverty, regretted this form. The result was that the Commission did amend its proposal to make it a proposal for a Council Decision. And it is my hope today that support from Members for our reasonable demand for a binding measure, instead of a recommendation, will have the same effect on the Commission in this very important matter.

However I do not wish these more critical observations to overshadow the fact that the Commission's initiative is a very important one, and an expression of the Community's solidarity with the underprivileged. It is only my hope that in future this solidarity will be manifested even more frequently.

The measures proposed by the Commission concern, in the first instance, an extension to the entire working population of the protection which most of the active population is already accorded, as regards health care, old age, invalidity and family benefits.

The Social Affairs committee has supported this wholeheartedly, since there can be no argument for excluding these social groups, which include the self-employed home workers and temporaries from social protection arrangements, of which they, as often socially disadvantaged groups, have particular need. Moreover it ought to be stated in precise terms that this protection is to continue also in cases where employment is terminated on legitimate grounds.

There is one point in particular where our committee is rather disappointed with the Commission, and that is where it proposed that groups of persons who are not part of the active population should only progressively be granted coverage as regards sickness and old age, and family benefits. The Commission's argument for this, namely that it is only by stages that the present social security systems of the member States have been developed, convinces neither me nor the Social Affairs Committee. We can only regret that the Commission has in this way declined its responsibility for taking the lead.

The Commission recommends that in the implementation of these proposals no discrimination should be made between men and women. Our committee is in complete agreement with this, but points out that it should be stated in more unambiguous terms that the proposals refer not only to housewives but to all those engaged in unpaid household duties, and that the group of self-employed also covers any wife who works in her husband's business ...

President. — I am afraid I must interrupt you for a moment. I understand there are some technical difficulties with the interpretation. I am afraid, since we have no way of knowing when this technical problem can be solved, that we must adjourn the rest of the proceedings till the morning. I am sorry, Mr Creed. I think we have no alternative. We cannot carry on under the circumstances.

I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) I am sorry to have to make one comment. I understand, Mr President, that you propose to deal with this question tomorrow but I cannot be here tomorrow and there were a number of comments I wanted to make on this motion. Unfortunately, tomorrow I have to be back in Brussels to keep appointments which cannot be changed. In making them I had allowed for the fact that the discussion of this proposal was on today's agenda, not tomorrow's.

President. — Mr Vredeling, I now understand that the technicians expect to be able to arrange this matter within five minutes. I suggest that we give them a little longer, and adjourn until a quarter to seven.

I call Mrs Sqaucialupi.

Mrs Squarcialupi. — (I) The amplification through the earphones is enough to hear all speeches including those in one's own language and I therefore do not see why the debate has to be adjourned. If you do not have headphones you cannot hear, but with them you can hear perfectly well.

President. — The problem is that there are those who say that, even with headphones, they cannot hear. We have been assured that this matter will now be fixed, so I am suspending the sitting for 20 minutes.

(The proceedings were suspended at 6.25 p.m. and resumed at 6.45 p.m.)

12. Agenda

President. — The sitting is resumed.

I call Mr Deschamps.

Mr Deschamps. — (F) Mr President, we are about to resume the debate and I hope that this can be done without any technical problems. Nevertheless, several of our colleagues are interested in the report Mr Sandri is to present on the creation of a European agency for exports from the developing countries. We would like to ask you, Mr President, if it could not be decided here and now, in view of the interest in both Mr Creed's report and the following report regarding excise duties on wine, that Mr Sandri's report — the last item on today's agenda — be put at the top of tomorrow's agenda. I believe that Mr Sandri would not object. The purpose of my proposal, Mr President, is to dispel the uncertainty about having to wait until the end of the other debates.

President. — I think that is a proposal which Members may well find acceptable, but I would suggest that we ought to wait before taking a decision until after Mr Creed's report. It will be possible then to ask Mr Sandri for his views, and there may then be more Members present to take a decision.

13. Recommendation on the extension of social protection (Resumption)

President. — We shall now resume the debate on the report by Mr Creed.

I call Mr Creed.

Mr Creed, rapporteur. — Mr President, I will take on just where I left off. I would like to refer to the fact that the recommendation deals with the period ending on 31 december 1980 and that not all social groups are covered by it. In consideration of this the Committee on Social Affairs calls upon the Commission to report every two years on which groups will continue to be excluded from social protection, and what measures are contemplated for bringing them

within the scope of social security. Unfortunately the Commission does not give any exact figures on the size of the groups still excluded from social protection in the various Member States. Since there are certainly large differences between one Member State and another, it would have been valuable to know the precise situation in order to have a fuller picture of the scope of the action contemplated, and to be able to foresee what this recommendations is likely to achieve.

I want to say, Mr President, that I see the extension of social insurance to the self-employed members of our work force as a priority, and some study of the difficulties and implications of a scheme like this should be undertaken. You will recognize that the extreme variety of categories of persons in the self-employed sector of the work force gives rise to many problems. These categories include professional and quasi-professional people, small traders, workers in independent crafts and services, many persons engaged in catering, and the great bulk of those engaged in agriculture and the fishing industry. The self-employed group covers an extremely wide range, from people with incomes at or even below subsistence level, to professional people in the highest income bracket. To produce a scheme capable of catering for so diverse a group is a very difficult task indeed. The difficulties include, for example, financing a scheme in the context of the tripartite contributions system. In the self-employed category the employer is missing as a contributor. Extensive examination of this problem is necessary. And the very real issue of the relative poverty of many persons classified as self-employed is also a difficulty.

One of the things I see as deserving major priority is that the considerable numbers of our young people who are registered as unemployed must be absorbed into gainful employment once they leave school and college; those who are not successful in getting employment should have adequate social security benefits. All this must be examined of course against a background of economic growth.

I should like to conclude, Mr President, by informing the House that the Committee on Social Affairs unanimously adopted the motion for a resolution and I call upon Members of this Parliament to do likewise. I am sorry that my report appears to be a bit disjointed because of the breakdown in the interpretation system. I would recommend it to the House and ask for their support.

(Applause)

President. — I call Lord Murray of Gravesend to speak on behalf of the Socialist Group.

Lord Murray. — There is some regret that this is only a recommendation and is not going to have binding force. It always seems regrettable that in European affairs we anxiously push forward directives on

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things like road haulage, and transport, and pre-packaging, yet when we come to some of the issues where human beings are involved, we don't give the same sort of force to what we say and do. Earlier this week, when the new President of the Commission spoke in this House, he said he wanted Europe to have a human face. In some matters, particularly on social security, if we don't do the right thing, it will look like the unacceptable face of Europeanism.

I am one of those who regret very much that it is only a recommendation, because when the heads of government met in Paris in 1972, their communiqué stated that they wanted to widen the range of social options for people and raise the standard of living and the quality of life of the people of Europe. Perhaps on that sort of basis, this House should emphasize to the Commission the feeling that there should be directives on some aspects of social affairs, rather than recommendations.

Throughout Europe, in every Member country, there are pockets of people living in different areas, who are just about existing and are certainly not enjoying life to the full. In very many cases, they are the people who are the least articulate and the least able to look after themselves and fight their own case for a better standard of life. They need this Parliament to speak for them and make sure that their case is put across.

One of the things we ought to have is more accurate figures. In Britain, a report was published yesterday by the Department of the Environment stating that it is believed that there are something like four million people in our major cities suffering deprivation and poverty, and we do need, not only in Britain, but throughout the Community, to know the figures as exactly as we can. And it is also believed in the United Kingdom that half of the people living on or below the poverty line are unaware of the benefits that they can claim and of the facilities provided by various agencies that cater for their problems.

The Commission are fully aware, as they stated in their report, that governments have got to move at their own pace. Well, we know, Mr President, that if it's a question of spending money, particularly in the field of social welfare, all governments, whatever their political complexion, always feel that it's not quite the right time. They set their eyes on a target, and never do things as quickly as they might do. This is one of the reasons why the Commission ought to go further into this and work harder on getting some solutions. I for one would have liked firmer target dates on the basis of directives rather than recommendations. Because if we're not careful, the Community is going to become a club, not of the haves and the have-nots, but of the haves and the haves-mores, and certain people, if they're outside of these groups, will really always be the ones that suffer through lack of social welfare.

In my country a campaign has been conducted against some of those people who are receiving social

welfare of one sort or another; they have become, at the moment, the scapegoats for some of Britain's difficulties. We must not be deflected in the Community by that sort of approach, but must always make sure that the people who are in most need get all the help that we can possibly give them. There is no doubt that within any system there will always be a minority who are quite prepared and quite able to abuse that system. That does not just apply to people who are receiving social security benefits: if you look throughout the range of professions and activities, you will find that there will always be somebody who is attempting to beat the system.

One thing we must remember — this is highly relevant, in view of the debate we've just had on unemployment — is that most people want to work. They want to work for themselves and for their families and to enjoy a decent standard of living. This obviously relates to social benefits and social welfare. If we don't obtain full employment once again throughout the Community, then more and more people will be faced with poverty will have difficulty in maintaining their standards of living. If we eliminate unemployment — or go a long way towards eliminating it — then, of course, we will not have so many problems of social welfare.

Two of the categories included in the first phase are the handicapped and those engaged in household duties. The Commission stated that was because of the numbers — I'm not quite certain why they should have chosen these as a priority, and I would have hoped that young people would have been included in this first phase. There is nothing worse — whether in Britain or any other Member nation — than young people finding that when they leave school, they are unable to get a job, and as a consequence feel that society has no obligations towards them, and therefore they have no obligations towards society.

We are obviously not entirely happy with the report. We would hope that the Commission would think further along the lines of making directives on these things rather than recommendations so that we can, as a Community, eliminate poverty from our Member nations.

(Applause)

*IN THE CHAIR: MR MARTENS**Vice-President*

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

Mr Caro. — *(F)* Mr President, on behalf of the Christian-Democratic Group, I would also like to join in the praise for Mr Creed's report. In my view, apart from the specific points it contains, particularly as regards the categories of persons concerned, the recommendation prepared by the Commission, which

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is the subject of the report by Parliament's Committee on Social Affairs, raises the basic problem of the right to social protection.

To some extent it is in that connection that I am inclined to interpret the disappointment felt by the Committee on Social Affairs and other Members at seeing the problem of social protection treated once again in terms of gradually increasing assistance.

The fact is that social protection is an inalienable right contained in all the constitutions of the Member States. A person has a right to social protection because he is a citizen of his country — not because he pays contributions. The present system grants social protection on the basis of a job/pay relationship. This is the basis on which it is financed. It could be said to be the condition for access to this acknowledged right of every citizen. So the citizen cannot exercise it unless he pays, which is no doubt normal, in view of the constraints of the system, but it is a fact.

Conversely, all those who cannot have a job/pay relationship come into what might be called an assisted persons category. They are given aid and are protected by others — not by right. It is here that we find considerable distortions, not only within a given country but, of course, between the differing situations in the Community countries. This is an odious situation at the present day, particularly when we consider the exemplary nature of our policies towards the Third and Fourth Worlds. Will it always be possible — as our Communities extend — to relegate to social ghettos the people who do not have access to the same rights as others because they are unable to meet the conditions of the social contract that our society offers them?

The fact is that, fortunately, the Commission has raised this problem via its executive responsibility. It cannot solve the basic problem that I have just outlined, but it faces up to its responsibilities, and it is in these terms that the Committee and Parliament are invited to lend it their full support. In that context, I think that it is not just a matter of drawing up as detailed an inventory as possible of the categories that are deprived — 'society's outcasts' — but also in one of systematizing the concrete measures to be brought in in order to enable these categories to be covered by social security. Basically, however, I am inclined to see in this recommendation of the Commission the launching of society's great debate on the changeover from the insurance/assistance principle to that of protection for every citizen as a right; in fact, if the Commission's proposals were put into practical application, the vast problem would at last have been solved. But of course this is part of a whole and, in social matters, the law of the whole possibly has more effect than elsewhere. Who could solve the problem this raises without reference to the various systems of social protection? Should not control of social security by the people's elected representatives (since we are talking from the standpoint of fellowship between

all citizens) and control of social security budgets and therefore of the application of the protection afforded in this way, be the responsibility of the national parliaments? You know that in many countries, including France, the social security budget totals an amount which is equal to the country's national budget, and yet the members of the French parliament have no right of control over it. Should social security be budgetized so as to ensure that every citizen has an equal share in the protection provided for him or should it not? The problem is that of equality with regard to a right. We should no longer have citizens without any protection. This is why, underlying the question of how social protection is financed in the various existing systems and that of harmonization, there is the question of taxation. The fact is that the citizen, taxpayer, and future sick or retired person always works things out by adding together his income tax, social security contributions and possibly, if he can, what he pays in indirect taxation, particularly for the simplest things like petrol.

Is there not a need to review the whole of the individual citizen's taxpaying system, and is this not the vast problem that we have to face through that of the social protection to which all citizens have a right? I realize that the Commission's recommendation has a goal — that of bringing governments to use more practical methods and above all to report back. But I would like to ask the Commission when the progressive extension is to be complete, because Member States are asked to report every two years and because the first report, if I am not mistaken, is to be ready for 31 December 1980, in other words in two years time. Does this mean that, in 1980, we could have reports from Member States saying they are making efforts to have all citizens covered but that, unfortunately, some are not yet covered? In that case, I believe that the Commission should depart from its executive role and make the citizens' right its rallying-call — what would it risk? — in order to force governments to decide what their policies are.

The real problem, in fact, is a policy problem — we can tell it is. The Commission says that Member States must be left some flexibility in applying its recommendations. I do not disagree, but what would the Commission do if it did not leave that flexibility to governments or if governments refused to act on the recommendation? So the policy problem has to be put just as it is, particularly in our national parliaments. In this debate we shall be able to consider the categories that are not listed in the recommendation. It refers to the young, it refers to the old, but I would like to raise once more the difficult problem of mothers, whether married or not, who have no way of doing a job and therefore fall into this category of assisted persons — not the rightfully entitled. The Commission is also concerned about this problem, and I would like to assure it of the support of my group. I therefore invite all members, Mr President, to approve Mr Creed's report.

(*Applause*)

14. *Change in the agenda*

President. — When the plenary sitting was resumed this evening, Mr Deschamps asked for the last item on the agenda, the report by Mr Sandri, to be postponed until tomorrow morning. I therefore ask Mr Sandri if he will agree to his report being taken as the first item on tomorrow's agenda — provided the Commission can also agree to that.

Mr Sandri. — (I) Mr President, if the President and the Assembly prefer, I am prepared to present my report tomorrow, but I would like it to be the first item on the agenda.

President. — I must of course consult the Assembly on this. Does the House agree to the report by Mr Sandri being taken as the item on tomorrow's agenda?

I call Lord Castle.

Lord Castle. — I am rather surprised at that suggestion, Mr President, because, as I understood it, a decision was to be taken first thing tomorrow on the adoption of urgent procedure for a motion for a resolution involving every group in the House.

President. — I shall put the matter to the House on the understanding, Lord Castle, that the report by Mr Sandri will be taken after the decision on the adoption of urgent procedure.

Are there any objections?

I call Mr Deschamps.

Mr Deschamps. — (F) Mr President, if this proposal involves the slightest risk that Mr Sandri's report might not be taken tomorrow morning, I shall not insist, because I am as anxious as he is to have a full debate on it. I am afraid that if we have another debate under urgent procedure tomorrow morning, Lord Castle might be right and there might be a risk that Mr Sandri's report would be before I knew. In these circumstances, I shall not insist on the proposal I made a little while ago before I knew what Lord Castle has just told us.

President. — Mr Deschamps, the position is that the decision on the adoption of urgent procedure must be taken first thing tomorrow. We certainly cannot go back on that. Any other items that could not be taken today might be taken after that.

I call Lord Castle.

Lord Castle. — Surely this question of urgent procedure has not yet been before the House, and we shall be voting on that first thing. Now I am all in favour of that, but I would have thought that some of your difficulties could be overcome if we had a proposal about

a timetable on this matter — perhaps that the debate should last only a certain time, or should consist only of the representatives of each of the groups — and that then we should not run into the difficulties that I anticipate we may run into on the resolution by Mr Sandri and his associates.

President. — It often happens that we do not get through all of Thursday's agenda. The usual practice has been for the outstanding items to be taken first thing at the following sitting. But I must accept that the decision on urgent procedure will have to be the first item tomorrow. I propose that the House consider the report by Mr Sandri immediately thereafter.

Are there any objections?

That is agreed.

15. *Recommendation on the extension of social protection (Resumption)*

President. — We shall now resume the debate on the report by Mr Creed. I call Mrs Kellett-Bowman to speak on behalf of the European Conservative Group.

Mrs Kellett-Bowman. — Mr President, may I begin commiserating with Mr Creed for the very unhappy start he got after all the hard work that he has put in on this report. Like him, I very much regret that this proposal has come before us in that very weak form of a recommendation. I really would very much like to know, in fact, why the Commission have not chosen a directive. I hope that it is not because they were rather discouraged by the Council's unfavourable attitude towards their earlier initiative on social security, namely the harmonization of the system of paying family benefits, because this matter before us today is very important and is worthy of a directive, rather than a recommendation.

Having said that and being fully in favour of Mr Creed's work, I feel that this Commission document itself is both superficial and vague. Its aims are entirely laudable, and I am in no way disagreeing with any of it — indeed I voted for the report on the committee — but there is very little solid matter in the Commission document. Indeed, the report on the Commission document is actually longer than the Commission document itself — something I have never encountered before. In fact the Commission document is really largely a collection of expressions of opinion with which very few would disagree, but it does not seem to me to provide a sufficiently solid base for action of any sort, shape or kind.

There can be little doubt that the committee would have been in a far better position to consider this recommendation, if it had been provided with compar-

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ative tables showing in which categories, and by how much, social security provision in the Member States is deficient or non-existent, because we all know that there is a tremendous patchwork and we do want more facts on the matter. Although, for example, the recommendation is designed to extend social protection to the physically and mentally handicapped, we are not told on what basis this will be done. For example, will a national security scheme which gives a physically handicapped person a disability allowance but no allowance to cover the cost of nursing or attention be considered deficient or sufficient? The rapporteur, in paragraph 13 of his explanatory statement, points out that under the Commission's proposal the third group of invalids and unemployed would not receive family benefits; he referred to this and so indeed did the other speaker. I feel sure that the Commission will remedy this omission in the face of the very strong feeling of all Members who have so far spoken and, I have no doubt, of those who are about to speak.

Now I do not agree wholly with point 7 of the motion for a resolution. Self-employed people cling tenaciously to their independence and in a time of economic difficulty they often incur business debts for materials etc., in expectation of a revival of activity which, alas, all too often in these past two years, has come too late to save them. They therefore are in an even worse position than an employed person who loses his job, since the latter has no trade debts to handicap his recovery when times improve. Moreover, insurance contributions are often disproportionately heavy on the self-employed and a very high proportion of bankruptcies among the self-employed and small business in the United Kingdom is at the instance of government departments claiming insurance contributions or back tax, frequently VAT, which is payable *even on bad debts* — a quite outrageous iniquity which should be remedied in our country. I understand it does not exist in any other Member State.

But the reference to the self-employed shows the minefield which the recommendation attempts to skirt. As in some other Member States, in the United Kingdom entitlement to some benefits is dependent on contributions — a point raised by my colleague, Mr Caro. With other benefits it is not. The complaint of the self-employed in my country is not that they are completely left out of the Social Security system, but that they have to pay disproportionately high contributions, covering both the employer's and the employee's element. Therefore to what deficiencies in coverage for the self-employed is the Commission document here referring? Again, if a self-employed person in the United Kingdom has omitted to pay all contributions and has then gone bankrupt, he would in fact, subject to certain fairly stringent rules and

conditions, still be able to claim supplementary benefit, on grounds of need.

Now Lord Murray mentioned that there had been an attack on some people receiving social security in my country. I would like to correct him on that point. The attack has been on the injustice of low-wage earners entering the tax net at far too low a figure, so that in fact they pay tax despite a lower income than those who are drawing unemployment or sickness benefit, and the attempt has been so to raise the tax threshold that this no longer occurs. That argument is *for* the low-income groups, not *against* them.

Now I turn to the Commission's proposal on the extension of the cover for sickness. I must point out that in the United Kingdom we already have a non-contributory invalid benefit and a contributory sickness benefit. I mention the United Kingdom because there the contributory and non-contributory benefit system is a very intricate one indeed. In fact it is a net designed to catch all in need but failing all too often to do so. In this forum I would have liked to be able to compare this system with that in other member countries, but owing to the inadequacy of the document and the non-provision of statistical annexes I cannot do so. Since the document must have been based on such information, I cannot see why these up-to-date figures could not have been provided for the Parliament in this document before us today. And I would ask the new Commission, when they are bringing documents before us, to include all the relevant information, to give us the documents in good time so that we can make a detailed and careful study of the proposals they bring before us...

Mr Vredeling, Vice-President of the Commission. — I promise immediately to do it if the right honourable lady would see to it that the figures she is asking for are also known for her own country, because that is not the case.

(Laughter)

Mrs Kellett-Bowman. — Blame the British Government, not me!

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — *(NL)* Mr President, I shall begin with a word of apology. You will understand that I now have to take over from my predecessor and I had the impression of being reproved by the last speaker as if I had taken the responsibility for the whole world on myself, which may be true in some cases but, as it happens, not in this one. I have noted Mr Creed's report on behalf of the Committee on Social Affairs with interest. The subject at issue is the gradual extension of social protection to categories of persons which are not covered and which, in our society, are at the

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'bottom end' as we say in Dutch. Let me now thank the Committee on Social Affairs and particularly Mr Creed, the rapporteur, who has set out these extremely important social problems in this report.

The origin of the recommendation under consideration is the Commission's Social Action programme and the Council Resolution of 21 January 1974. Various consultations on the subject took place between April 1974 and December 1975 with government experts and also with the social partners. Apart from some finer points, everyone was in general agreement on the content of the recommendation. The draft recommendation was also given a favourable verdict by the Economic and Social Committee on 25 November last. In the report itself, the Commission is complimented on its initiative. In general, too, the principles of the recommendation were approved but the report is critical on two points — which I have noted carefully. The first relates to the legal instrument: why did the Commission choose the recommendation rather than the directive? The second point is the progressive nature of the proposed measures.

As regards the first point — the legal instrument — I can promise Parliament that I shall look into this thoroughly once more. There are plenty of arguments for a directive and there are also plenty — I must point this out — for a recommendation. The social, economic and financial aspects are not the only ones involved, there are also legal arguments which I would like to study in rather greater depth before deciding on my final position. The previous Commission — as can be seen from their proposal — opted for a draft recommendation and I shall not hide the fact that this was discussed in detail among the Commission officials. In various Member States the financing of social security is now being discussed. We should not overlook the fact that the economic situation in general, and the financial side of social security in particular, do not lend themselves so well to the promulgation of a directive. What is more, the Commission is free in the way it drafts a recommendation to Member States; this falls within its own powers. If we had to convert the present content of the recommendation into a directive we would have to see whether this would get through the Council of Ministers without amendment. I could not guarantee anything in that case.

It should also be considered that this recommendation sets a precedent for future activities in the social field and in the field of social security in particular. This in itself, I believe, is a point of some importance and in spite of all the criticism — which, to some extent, I can well understand — a step forward. Parliament has also expressed its dislike on various occasions for the non-binding character of communications and recommendations and not long ago this happened again in relation to the programme of

model projects for combatting poverty. That, too, is known to me. In other words there are plenty of arguments both for and against in the recommendation versus directive area.

I wonder whether there is no way of finding an intermediate solution. It might be feasible to convert all the recommendations — or certain parts of them — into a directive at a later stage. In particular, I would draw the attention of the Assembly to the latter suggestion; it is an idea that was also put forward by the Economic and Social Committee.

At the end of the recommendation it is stated that the Commission is to be informed every two years on measures taken in order to put the recommendation into effect. It will then be possible to see whether sufficient progress is being made and whether the economic and financial situation has improved in the meantime.

Mr President, summing all this up, I can promise Parliament that I shall make a thorough study of this matter once again. I have now been a member of the Commission for precisely one week and so I feel that I have a right to have another thorough look at the question before deciding finally on my position. In any case, I shall report to you again at another part-session on the conclusion reached by the Commission.

The second point that was criticized is the progressive nature of the introduction of the various measures recommended. I feel I must stress that this progressive nature was expressly requested in the mandate that the Council gave the Commission. I feel that the gradual approach that has been chosen, on the basis of the Council's mandate, is right because, intrinsically, there are three possible progressive approaches. A Community system can be organized in the nine countries of the European Community for the medium term. In that case Member States cannot be expected to postpone all or part of the projects that they want to implement in the short term. We could also opt for a progressive approach in which all categories involved would be covered against one or more risks. A third approach would be to cover a specific group or some groups against all the risks there are.

The Commission chose a combination of these three approaches which I thought to be tenable because, in this way, the whole of the active population would, by the end of 1980, be covered against the risks of sickness, old age and incapacity. That is the choice that was made. In addition a certain group of persons with no occupational activity would also be covered against practically the same risks, again by the end of 1980. They should be assured an income and benefits analogous to those provided by social security in the case of incapacity and unemployment.

The real argument, therefore, is not the reference to the usual practice in the Member States — a phrase that — this I can also tell you — will be deleted from

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the final text. But I believe that everyone will agree with me when I say that this gradual approach is dictated by the present economic and financial situation and probable trends in the financial and economic field in the next few years.

Finally I would point out that the Commission is free to come forward with new proposals at any time with the object of bringing in progressive measures whereby practically the whole of the population would be covered against the risks concerned.

Before I proceed to make a number of comments on the text of the motion for a resolution I would like just to deal with the comments made by certain Members. Once again the lack of statistics and facts and figures in the documents has been raised. I have already had occasion, in an interruption, to point out to Mrs Kellett-Bowman that I cannot do better than the Member States themselves. She is free to level criticism at the Commission but she should also consider that the relevant figures for the various categories are just as little known in her own country. So what can the poor Commission do if the Member States themselves do not have the figures available. I freely admit that there is a lack. I also think that it is much better, when we are talking about certain subjects, that we should know the figures that are involved. But here, generally speaking, the categories involved are vague and it is difficult to give definite totals for them because very little is known about them in the Member States.

To take an example, how many people in a country like France fall into the income group of under FF 2 000 a month? The figures range from 2 000 000 to 6 000 000. The Commission is not in a position to say which totals are correct and which are not — we are not that clever. To take another example, in England various figures, ranging from 1.2 to 1.6 or 1.7 million are given for the number of people with incomes below a certain minimum, and this also relates to old people. There are countless other examples (but I am just giving these two) making it difficult for the Commission to give reliable facts and figures — because it would be even worse to give incorrect figures; that would introduce a degree of exactitude that could not be confirmed. I do not think that would be good policy.

Now my comments on the text of the motion itself. In paragraph 2 it regrets that the Commission has

chosen the recommendation form for its proposal. I felt that this — in the light of what I said earlier — could have a certain importance for you. I now wonder whether you still regret it after my promise. At the next part-session, or the one after, I shall report to you on my conclusions with regard to the question of whether a directive for certain parts might not be a better procedure than a recommendation. In itself, therefore, I agree with a critical view that Parliament, or at least the Committee on Social Affairs, has taken on this point.

With the third paragraph of the motion I have already dealt. I feel that the reference to usual practice in the Member States should be dropped from the text of the recommendation.

I have no objection to paragraph 4 of the motion with which I am in complete agreement.

As regards paragraph 5, I would draw your attention to the fact on page 4 of the recommendation, sub-paragraph (a), it is explicitly stated that this also relates to the periods when the activity considered is involuntarily interrupted and so I believe that heed has already been paid to Parliament's wishes, or at least those of the Committee on Social Affairs, on this point.

I am full agreement with paragraph 6 of the motion.

With regard to paragraph 7 I would like to make a few comments. I believe that a misunderstanding has arisen. Perhaps we ourselves are responsible for it. This paragraph refers to the self-employed obliged to abandon their occupation for economic reasons. What is wanted is that benefit should be paid to them analogues to that paid to the unemployed, because these people must naturally and self-evidently be covered against the four basic risks that I have just listed, whether they are still active or if there is an interruption in their activity. This is proposed because they belong to the active population, referred to in item (a) of the relevant paragraph in the recommendation. Perhaps it would be better to word the text under (c) as follows: *to guarantee... incomes and benefits that are analogues to those which are provided by social security in the case of incapacity (this refers to the handicapped) or, as the case may be, unemployment (this refers to young people looking for work and the self-employed that have to abandon their occupation for economic reasons).* I can promise Parliament that I shall make the wording more specific in this way.

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As regards paragraph 8 in the motion, I believe that there is some confusion here because, as I see it, two categories are being mixed up. What the Commission means is this. If form and content is given to the extensions proposed in the recommendation then this will apply equally to (a), (b) and (c). This means that the Member States must not create any further discrimination between men and women. In this connection I would like you to know that, on 22 December last, the Commission approved a first directive regarding the removal of existing discrimination which will shortly be submitted to you for your opinion.

In it, Member States are invited not to create any new discrimination between men and women in implementing the proposals made in this recommendation.

I come now to paragraph 9, Mr President. The Commission is to be informed every two years about measures taken with a view to implementing this recommendation. This gives me an opportunity to clear up a misunderstanding that I felt had arisen in Mr Caro's case. It is not true that nothing at all can happen until that time and that there is nothing we can do — as he said — until after 31 December 1980. It is true that the reports about what has happened in the Member States have to be made at a specific date. So every two years we shall be informed about the measures that are taken to implement this recommendation and a report will then be prepared, on the basis of this information, that will be sent not only to the Council but also and at the same time — this I can promise — to the European Parliament and the Economic and Social Committee.

President. — I call Mr Creed.

Mr Creed, rapporteur — Mr President, I would very briefly like to thank the Commissioner and everybody who contributed to this debate. I should have said at the outset that I certainly was not in any way critical of the Commissioner — in fact, quite the contrary. I would like to take this opportunity of wishing him every success and happiness in his new post. I would in no way hold him responsible for the current deficiencies in the social programme.

I would also like to thank him, very sincerely, for the detailed reply which he has given, I think is an indication of his concern for what we are discussing here — the areas of poverty within the Community. In connection with the reference to the figures in Mrs Kellett-Bowman's speech. I would like to say that, whilst I agree it is difficult to have any statistical information on what the problem is, it is also impossible to assess the size of the problem until such time as there is an effort made to know exactly what the figures are. I think I would like to ask the Commissioner to do everything in his power to assess the situation and to get the statistical information from the Member States.

I should also like to deal very briefly with his reference to the gradual and progressive introduction of protection. I think here again we have had an indication of the concern felt by Members. It is true to say that continued poverty within the EEC is completely incompatible with the realization of the objectives stated by the EEC. I think for that reason the Commission will understand the concern expressed by Members here this evening.

Finally, I would again like to thank the Commissioner and the Members very sincerely.

President. — I call Mr Caro.

Mr Caro. — (F) Mr President, I asked to speak merely to reply to the Commissioner whom I would like to thank for raising my question about the timetable. The point is that there is one thing I fail to understand in the Commission's recommendation. On the last page of the report the Commission recommends Member States to achieve their objectives — those listed in the recommendation — by 31 December 1980. This is the date I referred to a short while ago and the thought crossed my mind that the period between now and 1980 came to roughly two years. However, the last paragraph in the recommendation reads: 'The Commission considers it desirable to be informed every two years on the measures adopted for the application of the present recommendation.'

In a way, the last paragraph makes the first one and the one that I have read out less forceful since it implies that we may possibly not achieve the objectives in the recommendation by 31 December 1980 once we accept the principle of a report in 1982 informing us, say, that further progress has been possible. What I wanted to say in my question to the Commission was that its attitude towards Member States must be far more forceful, because unfortunately, in accordance with our agreement, it all depends on Member States' willingness, and because the Commission can do no more than exert pressure.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, I can promise you that we shall do everything we can to obtain the available data. But I would point out that it is not as easy to collect information about categories outside the social security systems as it is to obtain statistics about people that are covered. It is very difficult to put an exact figure to the somewhat difficult intermediate groups that there often are. Nevertheless, Mr President, I promise that we will once again consider carefully to what extent we can provide other figures, and that we shall also urge all Member States to cooperate in the best way possible.

Regarding Mr Caro's question which, if I understand him rightly, comes back again to the difference

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between a recommendation and a directive, I would like to tell him that I cannot help it either, if a recommendation is not binding. I have promised you that we will consider whether a directive would not be better. But as things now stand it is a recommendation. This does not alter the fact, Mr President, that, every two years, we are to be informed about the situation and the progress made towards the objectives of bringing the categories that I have outlined into the systems. It is therefore an interim position, and an interim report to which reference is made in the last paragraph. The paragraph referring to the date of 31 December 1980 is intended, as it were, to give a final date for implementation of the objectives of this recommendation.

President. Does anyone else wish to speak? I put the motion for a resolution to the vote. The resolution is adopted.

16. *Oral question with debate:*
Excise duties and other taxes on wine

President. — The next item is the oral question with debate (Doc. 501/76) tabled by Mr Pisoni, Mr Ligios, Mr Liogier, Mr Früh, Mr Pucci, Mr Fioret, Mr Bersani, Mr Vernaschi, Mr Ripamonti, Mr Brugger, Mrs Cassanmagnago Cerretti, Mr Colombo, Mr Granelli, Mr Martignelli, Mr Noè, Mr Riz, Mr Scelba and Mr Mursch to the Commission of the European Communities on excise duties and other taxes on wine:

- In view of the fact that
- some Member States have recently introduced a substantial increase in consumption taxes on wine;
- in consequence, the excise duty on a litre of normal table wine of an alcoholic strength of about 12° is now 7.50 kroner in Denmark, £ 0.65 in the United Kingdom, Bfrs 12 in Belgium and the Netherlands and £ 0.38 in Ireland;
- in recently increasing the excise duties on wine, Denmark, the United Kingdom, Belgium and the Netherlands have disregarded the recommendation addressed to them by the Commission on 5 December 1975,¹ asking them to reduce appreciable the rate of excise duties levied by them and to forego any planned or recently introduced increase in the rate of these duties;
- at its sitting of 3 April 1974, the European Parliament, in delivering its opinion on the Commission proposal for a directive on a harmonized excise duty on wine had considered the introduction of such a duty to be unjustified and invited the Commission to submit fresh proposals for abolishing the duty in Member States where it exists;²
- the EEC Commission itself has repeatedly declared³ its strong opposition to the extremely high duties levied on wine in some countries which create a distinction between this product and beer and flavoured non-alcoholic beverages;

- the loss of revenue to the exchequer resulting from any reduction in the excise duties on wine would be very small overall, given the very low per capita consumption of this product in States imposing these excessive rates;
- even a modest increase in the per capita consumption of wine in these countries, helped by a reduction in the rate of the excise duties and other taxes, would promote trade in this important area of Community production and therefore make it easier to resolve a crisis which threatens the economy of vast regions in the Community;

would the Commission answer the following questions:

1. What measures does it intend to take in respect of those countries which have disregarded its recommendation of 5 December 1975?
2. What proposals does it envisage submitting in order to abolish excise duties on wine in the Community or at least to harmonize them by reducing them to a reasonable level?
3. What measures does it intend to propose to reduce the excessive discrepancy between the taxes currently applied in non-wine producing countries to beer produced nationally and wine imported from other Community countries?

I call Mr Pisoni

Mr Pisoni. — (I) Mr President, ladies and gentlemen, the Commission and the European Parliament have discussed excise duties on wine on a number of occasions in recent years in relation to those on beer and on alcoholic beverages in general. The statements on action and opinion concerning this subject include Mr Lagorce's written question and the reply to it, Mr Lardinois' statement of July 1975, and the reply to the written questions by Mr Scott-Hopkins and Mr Cousté (2 July and 30 July 1976 respectively). Then there is the Commission's recommendation of 5 December 1975. I shall not read out the whole of the recommendation but only the conclusion which ran as follows:

In the light of the foregoing, and pursuant to Article 155 of the Treaty establishing the EEC, the Commission recommends that the Member States concerned should:

1. reduce appreciably the rate of excise duties levied by them on products falling within subheadings 22.05 C I and II of the Common Customs Tariff;
2. forgo any planned or recently introduced increase in the rate of these excise duties;
3. inform the Commission of the measures taken pursuant to this recommendation.

¹ OJ L 2 of 7. 1. 1976, p. 13.

² OJ C 48 of 25. 4. 1974, p. 7, and Debates of the European Parliament, No 174, April 1974.

³ See, for example, the statements made by Commissioner Lardinois at the European Parliament's July 1975 part-session — Debates of the European Parliament, No 193, July 1975.

Pisoni

This recommendation had no result. On the contrary not only did Member States continue in the same way as before but, even after the recommendation was issued, some Member States increased their excise duties still further. What are the reasons that impell these countries to maintain or introduce excise duties on wine and on all alcoholic beverages in general — those coming from other countries of course, not those they produce themselves? The reasons given are of two or three kinds. The first is a tax reason — they say that, to finance their general expenditure, they have to include a tax on alcoholic beverages and therefore cannot give up the yield from it.

According to the data provided by the Commission, customs duties correspond to the following percentages of the total tax yield in each case :

Italy and Germany : nil, because no excise duties are levied, France : 0.14 %, Netherlands : 0.15 %, Belgium : 0.02 %, Luxembourg : 0.03 %, United Kingdom : 0.64 %, Ireland : 0.35 %, and Denmark : 0.35 %. Anyone can see that these excise duties are not likely to fill the coffers of the States concerned or to balance budgets, so that the reason of tax yield or financing other activities is not very valid.

The second reason they give is the fight against alcoholism — an unquestionably laudable argument since we know the harmful effects that alcoholism generally has on health and how it may even affect genetic characteristics. But we shall see later, when we deal with consumption, how laughably low is the level of wine consumption — so low that it cannot possibly be blamed for this scourge — in the countries with the highest rates of excise duties. On the contrary, the causes of alcoholism can be traced back to other products and we shall see how.

A third reason advanced to justify high rates of excise duties is that wine is a luxury beverage. Our reply, however, is that it is a luxury beverage only because these countries make it so by pushing the price of wine up to prohibitive levels as the result of excise duties and thus restricting consumption. For the last few years, the wine sector has been in grave crisis not so much through overproduction as because consumption in the individual countries has not increased as it seemed it ought. We know how much this crisis on the market has cost the Community I would just remind you briefly of the bitter dispute between Italy and France reported in the press and as the result of which the Community had to intervene, deciding that appreciable quantities of wine should be distilled, thus adding a heavy burden to its budget.

The problem arises, therefore, not only from the viewpoint of individual Member States but also from that of the task of the Community as a whole which cannot afford to spend money in a sector capable, after all, of finding its own equilibrium.

Average wine production in Community Europe is around 150 — 180 million hectolitres a year. Apart from the internal market there is also a market outside Europe, and here we are thinking of the United States and other countries where an appreciable quantity of the wine consumed comes from our countries. In addition, a very large number of producers are involved in producing this wine. According to the statistics in the 1975/76 Annual Report of the General Directorate for Agriculture we have over 2 000 000 producers to which have to be added the family-type growers and all those people engaged in wine-making, trade and so on. So the problem does not relate to a very small number of people but to those tens of millions involved in wine-growing, wine production proper, storage and trade.—

I have given these facts in order to show how impossible it is to make any comparison with beer. Beer also has an agricultural origin — being made from malt, hops, corn and barley — but this agricultural basis is far smaller and does not relate to such a large number of growers.

I would have liked to propose ways of solving the problem but the time allowed me is too short. In any case, the main points of my reasoning are clearly expressed in the wording of the question.

We ask the Commission, hoping that Member States will pay more heed to it than they did to the previous one, what measures it intends to take to reduce the discrepancies in the European market between the taxes applied to beer and those on wine and in general the discrimination against all alcoholic drinks.

We know that the organizations are prepared to deal with the whole of the problem and to find common ground. In that case, is the Commission willing — possibly through the agency of these partners, the big cooperative centres — to find a solution that takes everyone's requirements into account in such a way as to avoid the loss of this market which provides a living for such a large number of citizens and one which sacrifices no-one on national altars or to individual egoisms but reflects an overall Community policy?

Present. — I call Mr Burke.

Mr Burke, Member of the Commission. — Mr President, by virtue of Article 189 of the Treaty establishing the European Economic Community, recommendations of the Commission are not binding on the Member States. The Commission, therefore, cannot oblige the latter to respect its recommendations.

The second point, and in answer to the second part of the question : on 7 March 1972 the Commission submitted to the Council of Ministers draft directives on excise duties and similar taxes which provided, amongst other provisions, for the creation of a

Burke

harmonized excise on wine, with a minimum tax rate fixed at a very moderate level. The Economic and Social Committee and the Parliament gave their opinions on these proposals on 22 February 1973 and 3 April 1974 respectively. During the discussions and debates which took place on this question in the Parliament, and contrary to the conclusions reached by the parliamentary committee which studied the proposals, the Commission, whilst fully appreciating the comments made by certain Members, stated that it was unwilling to change its position on an excise on wine. The Commission still maintains that position, which is based on the following two essential aspects: one, the general application of a harmonized excise on wine; two, fixing the excise rate at a moderate level. When these proposals were examined at working group level in the Council, no agreement could be reached amongst the delegations even on the principle of an excise on wine. The Committee of Permanent Representatives therefore felt it desirable in December 1974 to submit this question to the Council. However, the Council has not as yet examined the question. The Commission has taken the view, Mr President, that absolute priority should be given to work on the Sixth Directive on VAT. Now that all outstanding points of principle on this directive have been resolved, the Commission will insist that consideration of the excise proposals should recommence and should be carried forward with all possible speed.

In answer to the third part of the question posed: the problem of disparities in the tax treatment of domestically produced beer and wine originating in other countries of the Community has to be studied in the light of the provisions of the second paragraph of Article 95 of the Treaty, whereby *no Member State shall impose on the products of other Member States any internal taxation of such a nature as to afford indirect protection to other products.*

These provisions have led the Commission to open a procedure under Article 169 of the Treaty against the United Kingdom, where the relationship between the taxation of beer and of wine appears to be in conflict with this principle. No other breach of the Treaty of similar kind has yet been established by the Commission, which will continue to follow this problem very closely.

President. — I call Mr Frehsee to speak on behalf of the Socialist Group.

Mr Frehsee. — (D) Mr President, Mr Pisoni has very speedily — I felt a little sorry for the interpreters — outlined all the available facts and figures so that five minutes will perhaps be all I need, although Mr Laban has asked me to represent his minority viewpoint as well. I am speaking, however, on behalf of the Socialist Group. The group welcomes the question, it welcomes the initiative of this Member, and it

welcomes the parliamentary moves that the question has triggered off today. It agrees with the criticism of those Member States which have not complied with the Commission's Recommendation of 5 December 1975.

The Socialist Group differs slightly in its reasons. It is not exclusively concerned with sales promotion — as would appear to emerge from Mr Pisoni's statement. The Socialist Group sees primarily social reasons on both sides — winegrowers or producers and wine consumers.

As regards wine consumers, we would like to repeat what we already said in the big wine tax debate on 3 April 1974 and what several of our speakers said — including Mr Spénale, then just a Member of Parliament but now its President — or what my friend Horst Gerlach then said. We are still of the opinion that it is slightly unsocial to put a tax on wine — here I am speaking for wine consumers.

Wine is always discussed as though it were a luxury drink or beverage. Our viewpoint is that table wine, at last, is an article of food for the general population and a healthy article of food at that, and we believe that socially it is not really justifiable to put a heavy — very heavy — tax on this healthy general article of food. We have already heard some figures; perhaps I may be allowed to add some more. The least that ought to be done, Mr Burke — we asked you at the time, on 3 April 1974, to make new proposals; the request has not yet been met. Perhaps you will take this as a reminder — if you make new proposals, is to leave table wine out as regards taxation and harmonizing wine tax.

Let me say this at once, Mr President. As always, my group takes the standpoint that there is no question of harmonizing. In other words it considers that wine tax should not be introduced — as the Commission proposed at the time — where there is no wine tax at present, that is to say in Italy and in the Federal Republic of Germany, there being practically no tax in France either. All this concerns the consumer. We would also like to point out, however, that wine tax is really nonsensical when we think of the considerable amounts we have to provide for intervention to cope with wine surpluses.

I have just worked out a little sum, Mr President. About half of the yield from the wine tax in the United Kingdom we would be giving back to take wine surpluses off the market and for distillation. That accounts for about half the yield. There is something absurd in the vicious circle this sets up, raising taxes on the one hand and then using the money for subsidies. Now, perhaps these subsidies are not paid to the same people who pay the tax. That is possible. From the fiscal policy viewpoint the whole thing is somewhat questionable and the parallel with the skimmed milk powder venture or the margarine tax affair is inescapable.

Frehsee

Mr President, apart from these comments I would like to say that these taxes are really bagatelles. Mr Pisoni has given the percentages and I would like just to refer to them again. The United Kingdom is the only country in which the wine tax accounts for as much as $\frac{2}{3}$ of 1 % of total tax yield. It is therefore at the top of the league. In the other countries the yield is trifling but for wine consumers the tax is by no means a bagatelle. The wine tax that has to be paid for one litre of wine is over 1 u.a. in the United Kingdom, 0.68 u.a. in Ireland and 0.77 u.a. in Denmark. This is doubtless no small matter for the wine consumer but the total yield — compared with the overall tax yield in countries which have a tax on wine — is slight.

I have nearly finished, Mr President. The majority in the Socialist Group continues to take the same view as on 3 April 1974. Today, we would stress once again paragraph 6 of the resolution which was then adopted and in which the European Parliament :

Invites the Commission to submit fresh proposals for the abolition of excise duty on wine in the Member States where it exists.

We were very interested to hear what Mr Burke had to say but we refer him to paragraph 6 of that resolution which we again stand by today. The Commission should not leave it at this recommendation but should submit new proposals in accordance with that paragraph.

On behalf of Mr Laban, who belongs to a minority in my Group, I have to say that he asks the wine producing countries and the members representing those countries in this House to leave beer to the beer drinkers and wine to the drinkers and producers of wine. I agree with him. Further, he asks that the Dutch, British and Danes be exculpated. That is what I had to say on his behalf. But we stick to paragraph 6 of that resolution. No question of harmonization — the wine tax should be abolished even if only by stages.

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

Mr Cifarelli. — (1) Mr President, my task has been made much easier by the extreme clarity with which Mr Pisoni has dealt with the subject and by what was said by Mr Burke. I would however like to say that, like my colleagues in the group, I share the thinking behind the question that has been tabled.

We consider that this problem should be brought up again and for that we would ask the Commissioner to realize that formal reference to Article 189 of the EEC Treaty is not sufficient. It is true that recommendations are not binding but neither are they, in the words of the proverb, 'cold water', to the extent that they imply a political assessment of the Community situation which the Commission submitted to Parliament and which was given its approval in this House.

I therefore consider that the question that has been put — what measures does the Commission intend to take in respect of those countries which have disregarded the recommendation? — cannot be given a purely and simply legal and formal answer.

I have to point out that, in this case, not only has the recommendation been disregarded but certain countries have acted in contempt of the Commission and Parliament to the extent that they have done exactly the opposite: they have increased the excise duties that, instead, should have been abolished or harmonized.

In addition — as the Commissioner has pointed out — this taxation implies a form of indirect protection and as such is grounds for legal action in the Court of Justice. I would remind you that proceedings were taken out against my country at the Court of Justice for failure to comply with the Directive of 31 December 1976 calling for the abolition of a tax on whisky. It therefore seems to me that, in this case, recourse may be had to the same legal instrument.

I support, Mr President, what Mr Frehsee said, and he is to be commended — and I am particularly happy to do so — for having analysed the problem as problems should be analysed in the Community, that is by comparing the products of one area with those of another. I agree with what he said about producers and consumers and I consider that it would be truly insane for the Community on the one hand to finance the storage and distillation of wine and on the other to bring about a fall in consumption of the same product which, instead, ought to be consumed in the normal way.

We are not out to launch a propaganda campaign for wine, but we are not going to discriminate against it either. In this connection I would like to recall that Mr Lardinois himself, during the course of a debate in this House, was amazed that these countries should put a tax on wine and not on Coca-Cola.

Sometimes I am admonished for being critical of the East. In this case I would not like to be criticised for looking critically towards the West. Coca-Cola is unquestionably an American drink of our time. Well, if tax you must, then tax Coca-Cola which is also a general consumer product. Though this may sound like a *boutade*, there is nevertheless an element of seriousness in my words.

I shall conclude by saying to the Commissioner that if he intends to harmonize excise duties then let this be done, at the most, in respect of recognized and guaranteed quality wines with restricted markets and not for general use; it can certainly not be done for wines for general consumption which — as Mr Frehsee put it so well — come under the heading of foodstuffs and are one of these general products, the consumption of which is far from being discouraged.

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

Mr Liogier. — (*F*) Mr President, ladies and gentlemen, speaking on behalf of the Group of European Progressive Democrats and as co-author of the question now under discussion, I cannot but join with Mr Pisoni and the other Members signing the question in deploring the situation we are in. This oral question is very clearly worded and contains the necessary information and I need not, therefore, go into any lengthy comment.

Already in 1974, when considering the proposals for harmonization submitted by the Commission, our Parliament did not beat about the bush. It simply felt that there was no justification for introducing any excise duty on wine. We have also reaffirmed on many occasions our blunt opposition to the very high excise duties on wine in certain countries. In these circumstances, we are very surprised that certain Member States, not wine producers incidentally, are today looking for further revenue by appreciable increases in the excise duties on wine with no concern, moreover, for its effect on internal wine consumption. By increasing the rate of duty, Denmark, Great Britain, Belgium and the Netherlands have not only gone against the Commission's recommendations but, in addition, have aggravated the distortion that was already bad enough in the terms of competition between wine and beer, by placing a very heavy tax on imported wine. That is involved — to see things as they really are — is nothing more nor less than an import duty dressed up as a consumption tax, a procedure that we cannot accept since it is contrary to the very principles governing the Common Market.

And yet the terms of competition between wine and beer ought not to be overestimated by those Member States where beer is the main drink, since beer production and sales would be more or less unchanged whatever rate of excise duty was levied on wine. It could well be different, however, for wine, consumption of which could go down considerably as tax barriers are increased — whereas lowering these barriers could help to reverse the trend and raise consumption.

As regards the tax yield, moreover, the specialists have for long been agreed that many excise duties no longer have any justification because of their relatively low yield and high cost of collection compared with the revenue they produce, to say nothing, of course, regarding the possibilities of tax evasion and the injustice they cause. In these circumstances, it is extremely important for us to facilitate sales within the Community, of one of the Community's basic agricultural products and not to make its consumption impossible in various places by stupefying rates of taxation. The

point is that any increase in consumption, however small, in this field will contribute to the absorption of surpluses, the problem that has been plaguing us for so many years.

The abolition of excise duties, therefore, is not only a measure that is necessary in the short term, it is also a counsel of wisdom for the long term. We therefore urge most strongly, firstly, those Member States that have not complied with the Recommendation of 5 December 1975 to abolish any fiscal discrimination against wine during the next few weeks and, secondly, the Commission to submit proposals as quickly as possible aimed at the abolition of excise duty on wine in the Community — which can be facilitated, as was pointed out a few minutes ago, by the compulsory introduction of VAT — and harmonizing these excise duties in the meantime by reducing them to a reasonable level.

President. — I call Mr Vitale to speak on behalf of the Communist and Allies Group.

Mr Vitale. — (*I*) Mr President, ladies and gentlemen, I believe that Mr Frehsee is right to have highlighted the basic contradiction that once again characterises our actions in this field — a contradiction that runs counter to the very principles of the Community.

On the one hand, last May we introduced rules restricting the planting of vines (Regulation No 1162 of 17 May 1976) and made provision for imposing heavy fines on winegrowers extending their production and for allocating huge sums from the Community — from all of us, that is — either to assist the conversion of vineyards or to facilitate the distilling of wine. On the other hand, we feel that the Commission is powerless to solve the problem of excise duties on wine which affect not only winegrowers but also the consumers themselves in the countries operating these systems and lastly the Community as a whole, which has to finance the artificial surpluses — in this case I hope no one will be tempted to call them structural — to which they give rise.

At the present time, a litre of French or Italian wine costs the consumer, in the United Kingdom for example, an amount equal to 3 times the price at which it was imported because the fiscal charge on it is about 300 % of its price; in Denmark the selling price comes to as much as 5 times the starting price.

If, let us say, the winegrowing countries replied with similarly heavy taxation on other beverages such as beer and spirit distilled from grain, we would be faced with a real trade war in the Community in which the European unity, which is the basic reason for our meeting here, would lose much of its credibility. Hence our proposal that the Commission, without waiting for the ruling of the Court of Justice, should immediately take the initiative of a serious and definitive negotiation in order to reach an agreed correla-

Vitale

tion between the taxed levied on the various alcoholic products. We are perfectly aware that there is a problem of proportion, because no-one wants to cancel all taxation on all products. We are not in the kingdom of Utopia! But the problem is one of scale and correlation between the various tax systems.

I believe that serious negotiations should aim at stabilizing the various levels of taxation in which the distinction should be drawn not so much between beer countries and wine countries (that is to say between national interests or the interests of groups of countries) as between 'popular' products (as some speakers have said) — whether in relation to the producers or present or potential consumers — and non-popular products.

For the less-popular, or luxury, products like certain sparkling or liqueur wines or certain types of whisky, by all means let taxation be heavier, but let us safeguard those products, whether they be wine, beer or other products, which — because of their price and characteristics — are intended for the great working masses. A yardstick of this type would certainly bring into conflict the progressive and conservative forces in each country and help to enlarge to the European level the struggle on taxation policy between these forces. This would really help to establish the features of Europe's political image and to make this question a vital one. It would finish with the acceptance of discrimination between popular and luxury consumer goods.

In conclusion — the clarity of Mr Pisoni's statement makes my task much easier and allows me to be very brief — we consider that the correlation between tax charges on the various alcoholic beverages should be harmonized through the Community, and as an extremely urgent matter, on the basis of three common principles: firstly, the safeguarding of mass consumer goods which can be done, for example, by laying down that the tax must not exceed a certain percentage of the import price; secondly, the use of taxation to promote regional policies for correcting imbalances in ill-favoured areas and sectors (once again we are face to face with the problem of agriculture, and products intended mainly for agricultural purposes, and it is therefore necessary to bring in this principle because otherwise we would once again be faced with a problem of charges and costs for the Community's general budget), and thirdly the control of inflation which is the principle danger in many of the Community countries although it also has repercussions on those countries less subject to it. For these reasons our group supports the viewpoint expressed by the Members tabling the question.

President. — I call Mr Schwabe.

Mr Schwabe. — (1) Mr President, ladies and gentlemen, for a Member who comes from a typical

winegrowing area it would plainly be a sin if he did not make a brief statement even at so late an hour and in a very empty Parliament. I come from Hochheim am Main. My British colleagues in particular will be familiar with the name of this town because all the Rhine wine that is sold in the United Kingdom is marketed as 'hock'.

Ladies and gentlemen, earlier we were speaking about unemployment. If some of the Members who have been speaking for or against the wine tax had occasion to work in the vineyards at Hochheim am Main or in Heppenheim (my present home town) on the Bergstraße, or were obliged to work there, then they would certainly be more convinced than they are now of how large a proportion of employment it really represents.

There are, however — and with this second thought I am already at the end of what I have to say — opportunities, not only in our country but also elsewhere, to levy higher taxes than before. I refer to the truly extortionate prices charged for bottled wine and champagne in bars and nightclubs where the price from the producer is often blown up tenfold or more, not to pay for the drink, but, through this device of an inflated price, to purchase highly questionable pleasures. Anyone who can and wants to do that by paying a certain price for wine or champagne can, heaven help us, pay these prices, and the owners of such places cannot be taxed high enough, but otherwise our noble, agricultural, national product should be dealt with in the way that no-one has better described than my friend Mr Frehsee.

President. — I call Mr Burke.

Mr Burke, member of the Commission. — Mr President, I would first of all like to thank the six speakers who have contributed to the debate. For me this is the first experience I have of oral questions with debate, and I shall endeavour to answer the salient points of each contribution.

Mr Pisoni invited the Commission to do something which I think it is not able to do. The Commission is not in fact to be put in the position of defending Member States' tax policies. The Commission favours a tax on wine but at a moderate level for reasons of competition.

The second point which might be made in reply to Mr Pisoni is that, where the Commission believes tax discrimination against wine exists, it has taken — as I have already indicated — appropriate action under Article 169. But I would like to emphasize this to the House: the mere existence of an excise on wine in Member States which are not producers is not accepted by the Commission as being, in itself, discriminatory within the meaning of Article 95 of the Treaty.

Burke

Mr Frehsee spoke eloquently about the problem and, in reply to him, I would like to say that the tax on wine has to be seen in context. The Commission has proposed harmonized excises on all alcoholic drinks — alcohol, beer and wine. If wine were not to be taxed, it would be difficult, Mr President, to imagine that revenue from beer and spirit could be maintained. Revenue would be eroded by a tax-free wine situation.

Now, we were invited to introduce or submit new proposals. I would like to draw the House's attention to paragraph 6 of the resolution of April 1974:

the European Parliament invites the Commission to submit fresh proposals for the abolition of excise duty on wine in the Member States where it exists.

Speaking in this House at the sitting of 13 May 1974 Mr Scarascia Mugnozza, Vice-President of the Commission, said that the Commission was not in a position — or could not accept — Parliament's opinion and stood by its original proposal. That is still the Commission's position.

In reply to Mr Cifarelli, the Commission recommendation of 5 December 1975 to reduce existing high excise rates, to which I referred in my opening answer, shows that the Commission shares Mr Cifarelli's concern, but that being said, the Commissioner cannot subscribe to the view that high taxes on wine are at the root of the problem. The Community is faced with declining consumption in the two Member States, Italy and France, which account for more than four-fifths of total consumption. Consumption in both these countries is 100 litres per head or more per year. By contrast, as has already been pointed out, countries such as Denmark and the United Kingdom consume 10 and 5 litres respectively. The Commission therefore sees some reduction in the high excises as being of some value. But such measures have to be seen in proper perspective.

May I reply to Mr Liogier that, during the debate on Parliament's report on the proposed wine excise directive, the Commission made it clear that the only proper approach was to look at the Community as a whole. If, then, it is decided to levy an excise on alcoholic beverages, as the Commission proposes, considerations of whether or not there is local production of one or another alcoholic drink simply do not apply. Mr Simonet made this clear in his contribution here on 3 April 1974.

In reply to Mr Vitale, may I say that discussions on tax levels require as a pre-condition that the same taxes exist in all our Member States and are levied in the same way. This is precisely what the Commission's proposals of March 1972 are designed to achieve. When these proposals have been adopted by the Council, studies of appropriate tax levels may

commence. But I must say to the House that I consider that Mr Vitale's suggestions ignore the basic problems. If we take the Community as a whole, what are popular and what are luxury products? If the Council cannot agree on whether or not to tax wine, can they be more easily persuaded to agree on a definition of what is 'popular' and what is 'luxurious', in this context?

I would put it to the House that the draft directive of 1972, in fact represents a coherent Community-wide policy, and that the *ad hoc* type of policy and proposal — which has now been suggested to us — is in fact not the proper way to proceed. I would therefore say, reluctantly, that the Commission must maintain its position in this regard while reiterating, as it has already done, that it has shown its concern for the wine problem as put by the various speakers in its recommendation of December 1975.

President. — Mr Burke, I congratulate you on your first appearance before the European Parliament, where you have had to reply to a question on a very controversial matter.

I call Mr Pisoni.

Mr Pisoni. — (1) Mr President, please allow me a very brief reply. In his answer, the Commissioner said that the Commission is more or less unable to take more energetic action. We believe that it can.

There is a proposal for a directive made by the Commission in 1972 on which it could work. We consider that it would be possible to bring out a directive which, incorporating the arguments developed in this House, would define wine as a product of general consumption and not a luxury and stating that, as such, its price should be accessible to all.

The taxation of wine should be compared with that of beer. If one country decides to put a tax on alcoholic beverages ranging from 1 to 100 it should not be permitted to decide on a tax equal to 1 for beer and equal to 100 for wine or vice versa.

By reconciling the various requirements we can find a way out of this situation. The Commission should issue a directive which, as such, will be binding on individual countries. The fact is that a recommendation will make no difference, because it is not binding on the countries concerned.

With a binding instrument, this problem which — as we have seen — concerns not only producers but also consumers, will be solved once for all.

If the annual consumption of wine in Denmark is 3.5 litres a head this is due to the fact that wine has been turned into a luxury product since the tax on it — as Mr Vitale has said — is equivalent to 5 times the price of the wine itself and this is patently going too far.

Pisoni

I trust that Parliament will be ready to consider the whole of this subject again. The Committee on Agriculture, for its part, could do the preparatory work with a view to an agreement between the various partners and the individual countries which, by reconciling the views of the different parties, would finally settle the problem.

President. — The debate is closed.

17. Agenda of the next sitting

President. — The next sitting will be held tomorrow, Friday, 14 January 1977 at 9.00 a.m. with the following agenda :

- Procedure without report
- Vote on the adoption of urgent procedure for the motion for a resolution on the suppression of terrorism

- Sandri report on cooperation with developing countries
- Ney report on plant protection products
- W. Müller report on toxic wastes
- Fisher report on prepackaged products
- Fisher report on dangerous substances
- Kruchow report on waters capable of supporting freshwater fish
- Vandewiele report on the footwear sector

The sitting is closed.

(The sitting was closed at 8.45 p.m.)

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IN THE CHAIR : MR SANTER

Vice-President

(The sitting was opened at 9 a.m.)

President. — The sitting is open.

1. *Approval of the 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 :

— from the Council, a request for an opinion on the proposal from the Commission to the Council for a directive on bird conservation (Doc. 512/76).

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

— from Mr Caro and Mr Emile Muller, a motion for a resolution on regional planning at European level, polycentric distribution of the institutions and modern means of transport and communication (Doc. 511/76).

This document has been referred to the Political Affairs Committee.

3. *Procedure without report*

President. — During the sitting of Monday, 10 January 1977, I announced a Commission proposal to

which it was proposed to apply the *procedure without report* laid down in Rule 27 A of the Rules of Procedure :

— Proposal from the Commission to the Council for a regulation on the common organization of the markets in products processed from fruit and vegetables (Doc. 458/76).

Since no Member has asked leave to speak and no amendments have been tabled, I declare this document approved.

4. *Authorization of a report*

President. — Pursuant to Rule 38 of the Rules of Procedure, I have authorized the Political Affairs Committee to draw up a report on the Community's information policy.

5. *Decision on urgent procedure : Suppression of terrorism*

President. — I now consult Parliament on the request for urgent procedure concerning the motion for a resolution on the European Convention on the Suppression of Terrorism (Doc. 513/76).

Are there any objections to the adoption of urgent procedure ?

The adoption of urgent procedure is agreed.

I propose that this motion for a resolution be placed on the agenda for the present sitting and considered after the Willi Müller report on toxic wastes.

President

Are there any objections?

That is agreed.

6. *Change in the agenda*

President. — I call Mr Vandewiele on a point of order.

Mr Vandewiele. — (NL) Mr President, having reached an agreement with Mr Ney, who is staying in Luxembourg while I have a long journey to make, I should like to ask Parliament's permission to change our places over on the agenda. I will not press this if there are difficulties, but I hope that Parliament will understand that some of us have easier travelling arrangements than others.

President. — I call Mr Prescott.

Mr Prescott. — I understand the request that has been made and I have no particular objection to it, but the logic of this argument is that those who are here at the end are those who don't have far to travel. I can assure you that the British delegation have a considerable distance to go, not to mention the difficulties of the weather. Whatever the order in which we deal with the agenda, we hope that the concentration of the mind will be particularly acute this morning and that there will not be any delays at whatever stage the resolution is presented.

President. — I must point out that Rule 12 of the Rules of Procedure lays down that, once adopted, the agenda shall not be amended except in application of Rules 14 and 32 or on a proposal from the President. Having received Mr Ney's agreement to an exchange of the items in question, I am therefore in a position, as President of this sitting, to propose that we modify the agenda.

Are there any objections?

That is agreed.

7. *Regulation on trade cooperation with developing countries*

President. — The next item is the report (Doc. 445/76) by Mr Sandri, on behalf of the Committee on Development and Cooperation, on

the proposal from the Commission to the Council for a regulation establishing a European agency for trade cooperation with the developing countries.

I call Mr Veronesi.

Mr Veronesi. — (I) Mr President, I should like to explain Mr Sandri's absence by pointing out that last night — if I remember correctly — it was decided to begin this morning's proceedings by taking another resolution before coming on to the report on an Agency for trade cooperation with the developing

countries. However, my colleague Mr Sandri will be here in a little while.

President. — Only the vote on urgent procedure was to precede the debate on Mr Sandri's report. Moreover, the Rules of Procedure do not call for the oral presentation of a report if it has been distributed within the prescribed time-limit and no new circumstances make an oral presentation necessary. Since Mr Sandri's report fulfils these conditions, we may immediately proceed to debate it.

I call Mr Tugendhat.

Mr Tugendhat, member of the Commission. — There is a tradition, Mr President, in the House of Commons from which I come, that when one makes one's first speech, one's maiden speech, one isn't interrupted. I cannot of course expect the same facility here because of the position which I hold, but I hope that the House will find what I have to say on this issue, as well as on others this morning, sufficiently pleasing to enable the progress of business to move as rapidly as the Honourable Gentleman asked a moment ago.

It gives me particular pleasure that the first proposal about which I have to speak is one with which my predecessor, Sir Christopher Soames, was so very closely associated, as indeed was my predecessor in another capacity, my budgetary capacity, Mr Claude Cheysson. Both of them have been very much involved in this particular matter. I am sure that the Parliament has often heard Sir Christopher speak of the importance he attached to the generalized system of preferences. He worked very hard as Commissioner to put proposals before this House and to implement them.

I would also like to thank the rapporteur, Mr Sandri, and the Committee on Development and Cooperation, not only for their report but also for the very full and solid support that they have for some while now been giving to this proposal. The idea of an agency has been welcomed by the beneficiaries and by the national administrations of the Member States. It has also been approved and pressed for by Parliament, most recently in the resolution of 14 October last year about the application of the GSP in 1977. The resolution now before the House reflects this support. Your rapporteur adds two points in the last two paragraphs of the resolution, and the Commission, I am happy to say, considers these points to be entirely welcome and acceptable. I hope therefore that the way is now open for Parliament to adopt this draft resolution. It will thus take another important step towards providing practical and effective help for developing countries — a great task, of which this Parliament has always been most conscious, and an area of activity in which the Commission and the Community, I think, have a

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very good record. I therefore commend the proposals to the House.

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

Mr Deschamps. — (*F*) Mr President, the Christian-Democratic Group will vote in favour of the resolution on the creation of an agency for trade cooperation with developing countries. We feel that the creation of this agency is justified by a desire, an assessment and an analysis.

The *desire* is that of the Community as a whole to make its cooperation policy *vis-à-vis* the developing countries tangible and pragmatic, and to increase its credibility in the eyes not only of the leaders and peoples of developing countries but also of all who in Europe and throughout the world are watching what we are doing in this area. This desire is general throughout the Community, for, as Mr Tugendhat has just mentioned, this proposal, submitted by the Commission, was given a positive and favourable opinion by the Economic and Social Committee and a unanimously favourable opinion by Parliament's Committee on Development and Cooperation. I therefore hope that it will now be approved by this Assembly.

This desire finds expression in two different ways. On the one hand, there is a determination to strengthen trade relations with developing countries, and in particular to implement concretely, in the case of the countries associated under the Lomé Convention, that part of the Convention regarding trade cooperation, and, on the other hand — and this is the second way of expressing our will to see this agency operate effectively — in keeping with our time-honoured policy, to extend to the non-associated countries the benefits of generalizing access for the products from developing countries to international markets and to our own in particular.

The *assessment* on the basis of which this European trade cooperation agency should be established is that the level of trade cooperation is far too low. As the resolution states, the use made of the generalized preferences scheme by the developing countries in 1974 and 1975 was no higher than 65 % and 67 % respectively. It is expected to be between 59 % and 64 % in 1976, and between 46 % and 54 % in 1977, although these are still only estimates.

These figures show that even if we are increasing our technical, financial and technological aid, the developing countries themselves are far from making full use of all the available marketing facilities for their own products, particularly in Europe.

The *analysis* of the reasons for this low level of cooperation and how it can be corrected provides a third justification for establishing the agency. The three basic reasons for this paradoxical situation are, first,

the lack of information in the developing countries about the opportunities and terms available to them; secondly, the difficulty of reconciling — and, as Christian-Democrats, we find it particularly satisfying that the report makes this assessment, for it is what we have always maintained — of reconciling the procedures of a public administration with trade promotion activities that require greater speed and flexibility; and, thirdly, the inadequacy of the generalized preferences system itself and the need to improve it. Our group feels that the lack of complete information alone cannot entirely account for the failure of developing countries to make full use of such valuable opportunities to make lasting improvements in their economic situation.

I wish to thank Mr Sandri for having spelt out so clearly in his report the committee's firm wishes in this regard. We, the Christian-Democrats, were particularly gratified to find in this report the expression of an idea which we have always supported and which we have repeated over and over again — namely, that a governmental agency is not necessarily the most appropriate means of promoting aid, which requires more than can legitimately be expected of officials in the way of flexibility and speed in reacting to new situations and in adjusting to them.

I should like to remark further, on behalf of the Christian-Democratic Group, that the setting up of this agency is not a startling innovation. Other international institutions have already accepted the principle of an active body responsible for promoting industrial approval for the products of developing countries. Something of this kind is in operation both in the United Nations Organization and in the OECD. We therefore hope that the agency which we are about to set up, the European Agency, will not act in isolation and constitute, as some have suggested, one more body in addition to the others already in existence, but will, as far as possible, work hand in hand towards the same goals.

By so doing, we shall, I believe, be going a long way to meet the wishes of the developing countries and the ACP countries in particular. One has only to look at recent events in Dakar, where the ACP countries held a symposium to promote and increase trade within the ACP. It is clear that if, as I hope, the conclusions reached by certain committees taking part in this symposium are put into practice in the near future — in particular, those aimed at improving the quality of products, at a diversification of production and at adopting identical standards — this will certainly improve relations within the ACP; but at the same time it cannot fail to increase sales of better-quality, better-selected and more diversified products on our own and on the world markets.

Therefore, Mr President, with the reservations expressed in the two comments I have made on

Deschamps

behalf of the Christian-Democratic Group, we unanimously approve this motion for a resolution.

(Applause)

President. — I call Lord Reay to speak on behalf of the European Conservative Group.

Lord Reay. — Mr President, perhaps I could begin by congratulating Mr Tugendhat on his maiden speech to this Assembly and welcoming him to his new post in the Commission. I can assure him that if past experience is anything to go by, he is most unlikely to be interrupted when ever he speaks before us. He may have been pitchforked into speaking rather earlier than he expected but certainly he has not been pitchforked into dealing with a subject with which he is unfamiliar, and another reason — which he did not give — why it was suitable for him to be speaking to us on this question is, of course, that he has himself taken a most enlightened interest in this matter in the past, and has written in a most distinguished manner upon it.

We, in this group, support strongly this particular Commission proposal and the report of Mr Sandri. We have often complained in Parliament, as the Commission has itself complained, about the poor utilization of the GSP by developing countries. Incidentally, I am surprised to see that the estimate of the utilization in the Sandri report is now put as high as some 65 %. I imagine that this is a result of some revisions of estimates made by the Commission. It used to be put at something as low as 50 %, but in any case this utilization is still fairly low, and obviously there is no point in the Community's offering these particular trading advantages to developing countries if, in practice, they are not going to be taken up. We might, perhaps, also hope that when the Community, as a result of the establishment of this agency, does start to involve itself more closely in promoting the exports of developing countries into the Community, it will learn itself how a very complicated system may be simplified in the future, and also, perhaps, may learn how to correct a further disadvantage of the scheme as it operates at present, which is that far too high a proportion of the benefits are taken up by the more developed of the developing countries. Let us hope that these are advantages that may accrue in the future from the establishment of this agency. In the meantime, we certainly very much support its establishment, for we believe, like Mr Deschamps and others and indeed as Mr Tugendhat said, that the GSP scheme is a very important element in relations between the Community and developing countries, and that there can be no turning back from a policy of doing all that we can to stimulate trade between us and those parts of the world.

(Applause)

President. — I call Mr Lange.

Mr Lange, Chairman of the Committee on Budgets. — *(D)* Mr President, I do not wish to speak on the subject of this item, but to make a couple of observations concerning procedure.

It says at the beginning of the report that the opinion of the Committee on Budgets will be published separately. Now this House knows that in October, November and December the budget had to be dealt with and the Committee on Budgets had no time for other matters. Our colleagues in the Committee on Development and Cooperation have, however, insisted that this matter be debated here without the opinion of the Committee on Budgets. I consider this to be inadmissible. What sort of consultation is this, especially in view of the possible implications? This question, of course, also concerns Mr Tugendhat, to whom I extend my best wishes in the tasks he is to assume in the new Commission, and hope that things go well.

There is something else that needs to be said in this connection. The Commission has a propensity for setting up agencies or similar bodies for all possible matters. We must finally make up our minds as to what the Commission's idea really is — by which I mean the Commission as a permanent institution, the Commission pure and simple, not the new Commission.

I do not, therefore, consider that I am in a position at the moment to give either a positive or negative opinion on this question of the agency. I should be grateful if those Members of this House who belong to the responsible committee could agree to hold this matter over until February. By that time, the opinion on the Committee on Budgets will be available and we shall be able to include the possible financial implications in our discussion.

As we know, in the specialized committees no account is taken of the financial implications of given ideas where it is thought that they can be justified on political grounds — in other words, exactly the same sort of thing as when it was said here that this agency was a useful thing and would be able to achieve this, that or the other. It seems to me that one cannot make such a bald statement without taking the financial implications into account. For this reason, then, I should like once more to ask my colleagues — I do not want to table a formal motion — to hold the matter over until the February part-session. These four — or rather, three — weeks are not really vital here.

President. — What is the rapporteur's view?

Mr Sandri, rapporteur. — *(I)* Mr President, I should like to begin by apologizing for being late, owing to the fact that I thought that there was another item on the agenda to be taken before my report.

Sandri

I do not, of course, intend to intervene at this stage of the debate as rapporteur: I should merely like to reply, with your premission, Mr President, to the request made by Mr Lange to postpone the report until February. I do not think there are any fundamental objections to this report. Nevertheless, I should like, in my turn, to ask Mr Lange to consider the reasons for which, over the past month, we have urged that this proposal for a regulation should be considered by Parliament and which today lead us to seek the approval of the House for this motion for a resolution. The reasons, of course, are not academic. The Commission asked for this report in October, because the problems it wants to tackle by setting up this Agency are — as Lord Reay has already pointed out — both acute and urgent.

The data supplied by the Commission are, in my view, astonishing: they show that in 1976 utilization of the generalized preferences scheme was between 59 and 65 %, and for 1977 this figure is expected to drop to between 46 and 54 %. If one looks at the available data somewhat more closely, one can see that the beneficiary countries record a utilization rate of 72 % of the total generalized preferences due to them, five countries show a 50 % utilization rate, a further five use only 22 % of their entitlement whilst all the other developing countries make virtually no use of the scheme at all.

What does this mean? First, that the majority of developing countries do not succeed in exporting to the European market; secondly — and I would ask you, Mr Lange, to note this point particularly — that utilization of GSP is dropping, i.e., trade with the developing countries is falling; and thirdly, that there is a growing gap between developing countries and underdeveloped countries. It is because we are confronted with these problems that we should recognize how important it is to give our consideration to this proposal from the Commission. The Agency is intended to facilitate utilization of the generalized preferences and help promote trade in general.

Mr President, I should therefore like to ask Mr Lange to withdraw his request, which has not yet been made in formal terms, and invite him at the same time to support this motion. Basically, it is intended to bring into being, through this Agency, an instrument with the flexibility and speed in operation which the Community bodies do not at present possess, with a view to introducing a new dynamism into trade promotion, documentation and information. This would make it possible, in 1977, to get to grips with the problem of the downward trend in developing countries' exports to Europe.

As representative of the Communist Group, I should also like to say that we approve this proposal, because it fits into the policy of opening up the Community towards the Third World, a policy actively pursued by

the previous Commission and by Mr Cheysson in particular.

We should not forget that last December the developing countries, meeting in Dakar, took note of the fact that trade between the African, Caribbean and Pacific countries already represented a serious problem and was running into major difficulties (this is a point already made by Mr Deschamps). But the representatives of the ACP countries who, at the conclusion of their meeting, proposed setting up a data bank, in a sense anticipated the idea of the Agency now being proposed by the Commission.

I would therefore ask you to agree to the motion put down by the Committee on Development and Cooperation, which the Communist Group wholeheartedly supports.

(Applause)

President. — I call Lord Reay.

Lord Reay. — I just wish to say something on the proposal by Mr Lange that this matter should be deferred until February. He may have been making — as Mr Sandri suggested — only an informal proposal, but it may very well turn into a formal one on which Parliament will have to vote. I can understand Mr Lange's point that the House should, when it is debating a question of establishing a new agency, have the opinion of the Committee on Budgets on what are the budgetary implications for the Community of establishing such an agency. But Mr Lange is surely making his proposal at the wrong time. We have, in fact, already had the debate on this matter. If he had made the proposal on Monday, or indeed anytime before we discussed the matter in this House, then I think there might have been stronger argument for agreeing with him. But to propose that the matter should be deferred after we have had the discussion seems to be out of place, and I would counsel the House to reject his suggestion.

President. — I call Mr Lange.

Mr Lange, chairman of the Committee on Budgets. — *(D)* Again I should be tempted, after the remarks of my colleague, Mr Sandri, to discuss the subject of this item, but I could only do that in my own name, and this I shall not do since my only intention is to make the observations which are called for on behalf of the Committee on Budgets, in my capacity as chairman of that Committee.

The question was referred to Parliament on 28 October and the Commission also knew that the Committee on Budgets, as a committee asked for its opinion, would hardly be in a position to deal with it before January. In this respect, the Commission too is not entirely free from blame as far as the timing of the debates in this House is concerned. That is one point.

Lange

I don't want to overdramatize and this will be my only observation on the subject in hand: we must examine very carefully whether an agency is able to open the market of the European Communities to imports if the Member States do not create the conditions for this. This is the crucial point: it is quite simply a question of the Member States' devising a coordinated external economic policy. We talked here yesterday about unemployment and several other matters and we had to consider them on a worldwide scale. We must also do that here. From this standpoint, then, I think we must once again very carefully consider whether such an institution is in a position to accomplish for the Communities what the Member States themselves are not willing to do. I merely ask the question: I am not attempting to answer it. Indeed, this question has not been discussed at all; it is not even raised in the report.

I turn now to the remarks of my colleague Lord Reay. Naturally, he is right. I — or someone else from the Committee on Budgets, but the remarks were addressed to me — should have made these points at the time when the agenda was being discussed. Unfortunately, however, I was not here on either Monday or Tuesday morning, because of other commitments, and could not, therefore, do so; and if no other members of the Committee on Budgets felt authorized to act, they can in no way be criticized for that. So, Lord Reay, I had — and still have — no other option but to make my request now. Contrary to your expectation, I shall table no official motion, but if you take a decision today — which I would very much regret — then that would naturally have further implications for the procedures of this House.

What sort of sense is there to consultation if a responsible committee is not prepared to wait until it has the opinions of the committee or committees consulted? This matter has already been discussed by the committee chairmen with the Bureau. Basically, we obtained approval of the principle that no responsible committee should adopt a report until all the opinions of the committees consulted were available; naturally, the committees consulted should not use delaying tactics. That is obvious; we even said that the committee responsible could, where necessary, set the committees being consulted deadlines, which would then have to be respected. This is the concession we made.

Now, you should take into account the special situation of the Committee on Budgets, which was fully occupied with the discussions on the budget, and that is why I am making this request. I stress once again that I will not table an official motion. I leave it to the wisdom of my colleagues to adopt or refuse this request from the chairman of the Committee on Budgets, but, either way, the matter will have to be discussed further so that we can devise a procedure in

this House which is reasonable and acceptable to all committees.

I turn now to my colleague Mr Sandri. He himself said there could be no basic objection to this request, so now he should consider in all conscience whether a postponement for three-and-a-half weeks would really give rise to such a dramatic situation that relations with the countries to whom we have granted preferences would break down. That, surely, can scarcely be the case.

President. — I call Mr Sandri.

Mr Sandri, rapporteur. — (I) Mr President, since Mr Lange has renewed his request, the Committee on Development and Cooperation must, I think, take account of it.

This does not, of course, bode particularly well for the initiative itself, even though the objection does not concern the proposal but is more of a procedural nature and is made by such an important committee, Mr Lange's Committee on Budgets. However, if my colleagues on the Development Committee who asked me to be rapporteur are in agreement, I think we can accept Mr Lange's request. In that event I would myself propose that this debate be wound up by a vote during the February part-session.

I would, of course, urge Mr Lange to ensure that this committee's opinion arrives in good time. Basically, then, I accept Mr Lange's proposal and am sure that my colleagues on the Committee on Development and Cooperation will agree with me.

President. — We accordingly have a formal motion by Mr Lange that the debate on Mr Sandri's report be deferred to the February part-session.

I call Mr Tugendhat.

Mr Tugendhat, member of the Commission. — Mr President, I am delighted that the proposal has received such widespread support in the House. I think it is very important that we should try to implement this proposal as effectively as possible. I hope we shall be able, jointly, to get the agency under way as quickly as possible. But it is always better to be right than to be fast, and therefore I would not wish to press for immediacy if that would not be to the convenience of the House. I think it is very important that we get the thing set up correctly and that everybody is satisfied. I would like it to be done as quickly as possible, but I think certain important considerations and the interests of certain important committees should be taken into account. I therefore would be happy to leave it to the House to decide.

Perhaps I could also deal with one other point which was raised by Mr Lange, concerning the establishment of this body as an autonomous agency. I entirely take the point which he made about the underlying principles of agencies. I would only say on this particular

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matter — and I speak here, of course, without great experience of the Commission's practices — that the agency will be responsible to and under the control of the Commission; and as it will be responsible to and under the control of the Commission, it will be as much under the aegis and the control of this House as the Commission itself.

I think too that there is a functional point here. Where one is dealing with an essentially commercial matter — a commercial matter with political overtones, but an essentially commercial matter of trade promotion — there is a lot to be said for having it conducted in a commercial atmosphere. Certainly in the country from which I have so recently come, I think experience has often shown that where one is dealing with commercial matters it is better to do so in a commercial atmosphere and not to get it too muddled up with civil-service considerations.

I think in addition it should be pointed out that this agency is a self-contained unit; it will publish an annual report, which I can assure the House will be a very full one, on the operation of the GSP. The collection of statistics on the use of the GSP can, I think, better be done within this self-contained unit than in any other way. I would therefore commend to the House the proposal to set up the agency in this way, and I hope that the two points that I have made will commend themselves, not only to those who were kind enough to welcome the substance of the report, but also those who raised quite legitimate and understandable doubts.

President. — I call Lord Reay.

Lord Reay. — Mr Lange has acknowledged that he did not make his proposal at the best of times and has offered his excuses as to why this was not done earlier in the week. In view of what Mr Sandri, the rapporteur, has said and the willingness he expressed to have a decision on this matter postponed until February — a position which was supported by the Commissioner — I would be willing to go along with that proposal and not insist that it should be taken now.

President. — I consult the House on the request for deferment. Are there any objections?

That is agreed.

8. *Decision on technological research in the footwear sector*

President. — The next item is the report (Doc. 466/76) by Mr Vandewiele, on behalf of the Committee on Energy and Research, on the

proposal from the Commission to the Council for a decision adopting the technological research programme for the footwear sector.

I call Mr Vandewiele.

Mr Vandewiele, rapporteur. — (NL) Mr President, first I would like to express my thanks to Mr Ney for being so kind in allowing my report to have priority.

The Commission has submitted to the Council a technological research programme for the footwear sector with a view to collective improvement in this sector similar to that which the Community has already adopted for the textile sector. This collective research programme covers a period of 4 years from 1 January 1977. It involves three projects, to be implemented by the various specialized European research institutes, and the total cost will be 1 355 million u.a. The Community will provide 235 000 u.a. for the first two projects, which it is estimated will cost a total of 505 000 u.a. As for the actual content of the programme, I refer you to my report.

The Community will participate in the research programme through a contract with the European Footwear Confederation, which embraces virtually the whole sector. This organization will be responsible for financing and directing the programme. The draft Commission decision also provides for the setting up of management and advisory bodies composed of delegates from the various national federations of employers and also representatives of the national research institutes. I should like to point out that the opinion from the Economic and Social Committee on this matter emphasizes that worker representatives must also be included.

Approximately 355 000 persons are employed in the Community's footwear industry. About 900 million pairs of shoes were produced in 1975. At the moment this accounts for a third of world production. These figures leave out a further 150 000 workers employed in related sectors such as tanning, textiles, plastics, the chemical industry and so on.

Imports of cheap shoes from some European countries, Asia, Africa, the Middle East and South America are continuing to increase, because of the low cost of labour and public aid given to exports, and in the long term they will threaten our footwear market. The decline may also be attributed to several other factors such as the slow rate of increase in consumption, the effect of currency fluctuations and, finally, competition from shoes made of plastic. This explains why our whole European footwear industry should be aiming to decrease production costs in order to maintain competitiveness with imported products.

Almost 80 % of production costs are accounted for by the purchase of raw materials and the manufacture of uppers; the projects proposed by the Commission are therefore concentrated on these two aspects. Provision is made for this research to be followed, if necessary, by the development of new machinery. Research will be concerned not only with improving productivity but also with working conditions in this sector.

Vandewiele

It is clear that technical progress alone is not sufficient to guide the footwear industry towards a more reassuring future. I should like to refer once again to the opinions of the Economic and Social Committee and of our own Committee on Economic and Monetary Affairs, which underline this point. Without a genuine common industrial policy, the difficulties of this important sector will become even greater. Finally, I should like to point out that research in the footwear sector will occupy approximately 400 persons spread over 5 research establishments in France, Great Britain, Germany, the Netherlands and also some people in Belgium.

Mr President, the Committee on Energy and Research attaches great importance to this Community research programme. It testifies to the will of the footwear industry to overcome its present economic and commercial difficulties by means of collective research projects. This position is fully supported by our Committee on Economic and Monetary Affairs and by the Committee on the Environment, Public Health and Consumer Protection, which approved this draft report unanimously. At the same time, our committee expresses the hope that, when the period of implementation of the project has expired, the Commission will submit further programmes to the European Parliament, pursuant to Article 235 of the EEC Treaty, for research in the footwear sector. I therefore request Parliament to adopt this motion for a resolution.

(Applause)

President. — I call Mr Mitchell to speak on behalf of the Socialist Group.

Mr Mitchell. — Mr President, we agree that these proposals are a contribution towards the problems of the footwear industry but, like Mr Vandewiele, we are of the opinion that you cannot solve the problems of the footwear industry purely by technological research. The problems are much wider than that.

The real problem, of course, is to sell more shoes which are made in EEC countries. At the moment the market is being flooded with cheaper imports from many non-EEC countries, with the result that we have quite considerable unemployment in the footwear industry, both in my own and in other EEC countries. I am not putting forward a solution to that problem at the moment, but I hope that the Commission will have a very serious look at it, and produce another report at an early date which goes much further than this existing one. We welcome the existing one; it is a valuable contribution, but we would like a report on the wider problem.

May I end by making a personal plea, on behalf of certain sections of all groups in this House, to the footwear industry? I would like to appeal to the industry to remember that quite a number of people in this

Community have larger than average feet. They may be Socialists, Communists, Conservatives, Christian Democrats or anybody else. Please remember us — I speak here very personally as one who has had a pair of shoes on order for six months now because I happen to take a size which is rather larger than normal. I don't expect the new Commissioner to have any great technical answers to that particular problem, but I would address it to the footwear industry.

President. — I call Mr Veronesi to speak on behalf of the Communist and Allies Group.

Mr Veronesi. — *(I)* Mr President, honourable members, we have already approved the motion for a resolution and the explanatory statement in committee. We can therefore give our approval here as well.

We fully endorsed Commission document No 268 to the Council: it is a rational and methodologically correct proposal, and the time-scale for implementation laid down is extremely reasonable. It does seem to me, however, that the need for this initiative is not adequately explained in the report. This proposal was provoked by a crisis situation in the footwear industries of many Community countries, although certainly not in Italy, where this sector at present plays a very positive rôle in our trade balance. The crisis arose from the refusal by consumers in Europe and elsewhere to purchase shoes made of synthetic materials rather than leather. After a brief period of success due to their novelty and also, of course, to the low prices which resulted from low production costs, the market rejected this type of footwear, mainly on hygienic and physiological grounds; nevertheless, it is still possible today to find such low-cost shoes on the market. One sector where synthetic materials have had some success is that of sports footwear (ski-boots, football-boots, tennis-shoes), where the materials in fact appear to be most suitable. The crisis is therefore gravest in those countries which underwent an extensive conversion from leather to synthetics production. Those who stuck to tradition — in this case, Italy — encountered no difficulties and, on the contrary, discovered a growing market. These points are brought out in the report, but not very explicitly.

That said, I would point out that, if we were to take a narrowly nationalist approach, we could also discover — if we were speaking only as Italians — a danger in this proposal; but we reject such an approach. In our view it has no validity and we would prefer not to take it into account. We should however, like to make one or two other points as regards the report.

It strikes me as odd that in a research plan for the footwear industry no Italian institute is named, particularly in view of the fact that this sector is at present one of the most successful industries in our country and enables us to maintain a trade balance in this field with the rest of the Community.

Veronesi

Secondly, it lays down neither time-limits nor control procedures. This is a general question of principle, because what will happen if, after we have allotted a certain amount of money for these proposals, it disappears down some bottomless pit and Parliament has no idea of what has become of it? How can we keep an eye on the conclusions of the research? What sort of information are we likely to be given? How are we to justify to the electorate the point of the proposal if we have no opportunity to check its effectiveness? I believe that, as a matter of general principle, these are questions we should ask whenever we are faced with new proposals.

A third question I should like to raise is that in this report, particularly in the explanatory statement, there are some points which, in my view, can only result, I will not say in self contradiction, but are at least not very consistent with all we have said on relations with the Third World, the Lomé Convention, etc. Two days ago, we had a major argument on paragraph 4 of a certain resolution which concerned the countries of the Third World; this morning we have also discussed a certain aspect of relations with the developing countries. However, when we get down to a practical level there always seems to be some kind of mental block which prevents us from expressing our opinion clearly.

We cannot always say that we have to defend ourselves against the developing countries, because this would imply a perpetuation of their state of subservience, it would imply diffidence, and might smack of — if I may use the term, which may seem rather strong and is not intended polemically — neo-colonialism. We should have the courage to look far more frankly at the question of relations with countries of the Third World and not always talk about the ever-threatening danger.

That said, we reconfirm our support for the proposal, whilst calling for some means of periodically checking the results of the work, the research and development and receiving information on how the Community funds are being used and whether they are having the desired effect.

President. — I call Mr Normanton. to speak on behalf of the European Conservative Group.

Mr Normanton. — Speaking on behalf of the European Conservative Group, may I make three points? Firstly, to offer a very warm welcome to the report standing in the name of Mr Vandewiele, for a number of reasons. I believe it forms a very good example of the way in which the Community should develop in the field of aiding research and development in the industrial sector. It may indeed appear to be a very simple exercise, but I think we should recognize that it is the result of the closest possible collaboration between the representative voice of the particular

industry and the Commission. It is the product of a collective effort, in which the industry will subscribe the major share of the cost, and this is going to be supplemented by the Community. That is the kind of principle which I think is highly appropriate for industrial research, especially of this particular kind.

The second point I would like to make is that I think in this case the Commission and the Council have been somewhat niggardly, because I understand that there has been a certain amount of haggling as far as the sum is concerned. When we look at the enormous amount of money which the industry itself is paying, and has been paying, not only in what I call 'central' research establishments but throughout the whole of the Community to make itself more efficient, I think this really is cheeseparing, and will probably prove to be counter-productive. We should have been much more open-handed in making a contribution, bearing in mind that the industry itself is going to pay very much more than we are to the individual projects.

My third point is that, if those who are promoting this aid to the shoe industry think that exclusively by doing this we are going to make the industry able to compete with trade from state-trading countries, we really are deceiving ourselves. There is no basis upon which one can build up an effective competitive capability in the open market economy when facing competition from state trading. The two economies operate under quite different rules and disciplines, and I hope that the Commission will not feel that making this particular contribution to this very small sector of industry and trying to help make it more efficient technologically is a substitute for the right kind of commercial policy in the world.

Subject to those three comments, we in the European Conservative Group have no hesitation in giving this report our support.

President. — I call Mr Tomney.

Mr Tomney — A small point, Mr President, but I think an important one following on what Mr Mitchell said. There is a very great demand for standardizing quality and sizes throughout the Community. Not every woman is young and slim, but the mass market is producing shoes for the young and the slim women, and as a consequence, when women — as all of us do — get older, there is a demand for a smaller shoe, with a smaller heel and much broader fitting. Now this is a real problem, especially in Great Britain, where the shoe industry is a virtual monopoly, and I would ask the Commission to look into this problem of standardization of sizes and styles for the elderly or the older woman. It is a real problem for women to find shoes at the age of 45 to 65. Most of them have put on a little weight, as nature allows, and it is a real problem for women of that age to find shoes with a broader fitting, a smaller heel and with style.

President. — I call Mrs Kellett-Bowman.

Mrs Kellett-Bowman. — Mr President, I back up all that has been said by Mr Vandewiele and my colleague, Mr Normanton. The footwear industry throughout the Community has been in desperate straits over the last 18 months, and nowhere has it had a worse crisis than in my own country. In the north-west of England, in particular, where I come from, it is a very, very important industry and it is now fighting for its life with a great deal of short time and many redundancies. This report itself will be a contribution towards their future prosperity. I support the point Mr Normanton has made, that it is quite impossible for free democracies such as our own to compete with the State-trading nations of eastern Europe, and I would therefore like to urge most strongly that, although this is a step in the right direction, a much larger enquiry into the difficulties of the footwear industry *vis-à-vis* the State-trading nations should be set up forthwith.

I very much welcome this report because it will enable us to keep in the van of experimentation and innovation. And because of the difficulties of the footwear industry at the moment, money is short for this sort of thing. I would therefore emphasize again the point made by Mr Normanton, that more money should be invested by the Community to help this very, very hard-up industry to get back on its feet and play the part in the Community economy that it is so well able to do.

(Applause)

President. — I call Mr Deschamps.

Mr Deschamps. — *(F)* Mr President, because of the excellent report presented by Mr Vandewiele, I did not intend to speak in this debate. However, I feel I must say a few words in the light of the speech by the Member from the Communist Group.

As I have already said, I share his point of view: we cannot go on saying that we wish to make concessions to developing countries and then, when the time comes to grant them, plead numerous difficulties — both labour and management — in certain sectors and find various reasons for not implementing them fully. Today, we are discussing the footwear sector in particular, but it is a more general problem.

I would like to take this opportunity to draw the attention of our colleagues to the fact that in the Lomé Convention we have made arrangements to deal with the whole of this problem by consultations with the principal interested parties, including both the industrial managers and trade union representatives. It should be possible to cooperate with them in finding a way to reconcile the compelling need of developing countries to export certain goods and the need to promote the retraining of workers in our own enter-

prises. In this way we should be able to protect the interests of both parties.

We have always believed that an effective cooperation policy with developing countries which would open wide our markets to the products of the ACP countries in particular and of other developing countries was impossible without consultation in depth with the most threatened sectors in Europe. I therefore ask all our colleagues to take an active part next June in this consultation agreed on in Lomé and for which we are now in the process of drawing up the procedures with Parliament's President. At the next meeting of the Joint Committee of the Consultative Assembly, we shall probably hold a one-day meeting, and I take this opportunity of inviting those of our colleagues who are concerned with these problems to take an active part in these discussions.

President. — I call Mr Tugendhat.

Mr Tugendhat, member of the Commission. — Mr President, we have had a far-reaching and interesting debate on a serious subject with some lighter moments and I must say I am glad to feel that the fact that I have always bought shoes made of a conventional material within Community countries is helping an industry that is in such serious straits. I am particularly glad to follow Mr Deschamps, because I thought that he drew attention to the very difficult dilemma which faces us when we are faced with very serious problems in our own industries. And this I felt was a point which, since this debate comes after the one about the GSP, was a particularly appropriate one. I was also very struck by the remarks of Mr Normanton about the great difficulties that arise when an industry in an area such as ours, which is based on free-enterprise principles and which is highly diversified, meets a challenge from State-trading companies, and this I think is a point which we should keep constantly in our minds.

Reverting to the point made by Mr Deschamps, that we say, on the one hand, we want to help developing countries while, on the other, we are worried about our own industry, I feel that the proposal by Mr Vandewiele is a serious attempt to tackle the underlying issue.

The problems of the footwear industry in all Community countries are certainly extremely serious, and there is no doubt at all that action must be taken. I therefore would like to thank Mr Vandewiele for his report and also his committee, as well as the draftsmen of the other committees which have given opinions and which have helped in drawing up the material we have before us. It is a more wide-ranging report involving more communal action than simply the work of one committee. I am happy to say that, with parties with such diverse views as have spoken in this debate agreeing on the proposal, the Commission

Tugendhat

too is able to welcome the firm recommendations in the motion for a resolution : we add our voice to those which have already been raised and call upon the Council to adopt it quickly. We accept entirely that, faced with increasing competition from low-cost producers, the need for a technological research programme is absolutely vital, and only through a thorough and radical innovation of its production techniques can the footwear industry match the competition which it is facing, and thus in the medium and long term retain its vigour.

I noted particularly the points made by the honourable gentleman from the Communist Group, who was perhaps speaking more in an Italian capacity than in a party capacity. Italy, of course, does have a very special ...

(Protest from Mr Veronesi)

... I am so sorry if I misjudged what he said, but at any rate the point which he raised is one that we do take extremely seriously. Italy is, of course, a country that has made a massive contribution to the footwear industry, but it is also true that other Community countries, some of which are not often thought of in this connection, such as Denmark and Ireland, have a stake in the industry and it is difficult to pick out one rather than another.

The Commission and Parliament, as I have made clear, thus agree on the main substance. On more detailed points I think it is important to emphasize that small and medium-sized firms will indeed benefit as much as larger ones, and perhaps more so, from a common research programme. But we are not convinced at this stage that a research institution is needed. I say : at this stage. We feel that it would be best to concentrate our efforts first on the substance and then judge by the results as to whether a new organization is needed. I would like to make one other point. I am, of course, as the House will know, charged with certain budgetary responsibilities and I am interested to note the points of principle mentioned in the opinion of the Committee on Budgets. I look forward to discussing these, in general terms, with that committee.

Finally, I would like to make it quite clear that the Commission entirely agrees that a research programme is no substitute — no substitute at all — for other Community actions to help in this sector. We will do all we can and the Commission has made efforts to regularize international trade in footwear. Community funds, especially the Social Fund, are being used to help workers to adapt themselves to new production techniques. In other words, Mr President, we welcome what is being we are in agreement with the proposals which have been put forward, and we will add our voice to those of the Members who have spoken in this debate in attempting to get speedy action on this point.

(Applause)

President. — I call Mr Veronesi.

Mr Veronesi. — *(I)* Mr President, I am absolutely mortified : certainly I cannot speak other languages very well, and perhaps I do not speak Italian much better ; the only language which I know well is the dialect of my region, which I am very attached to, but all the same I believe I made it very clear that if it is a matter of making a profit we Italians have absolutely no interest in this proposal. I said that we rejected this kind of attitude because we felt ourselves bound by our European commitment.

I think I made that clear and the record will show the clarity of this position.

I should also like to say that we raised the problem of relations with the Third World. In my speech I said that we were concerned with getting rid of these everlasting aspersions which always form part of the resolutions which concern issues of principle. I realize that it was a mistake on the part of the Commissioner and I excuse him for it, particularly since — if I am right — this was the first time he has spoken in this House. I therefore understand the difficulty in which he found himself and I also apologize for the somewhat excited tone of my speech, which I adopted simply in an effort to get the facts straight.

President. — I call Mr Tugendhat.

Mr Tugendhat, member of the Commission. — I must apologize to the honourable Member if I misunderstood him. There is nobody who is more sympathetic to linguistic difficulties than I am at this particular moment. I quite understand his point, and I am grateful to him for clarifying it.

President. — I call Mr Vandewiele.

Mr Vandewiele, rapporteur. — *(NL)* Mr President, I think there has in fact been a slight misunderstanding here. I have myself commended Mr Veronesi. He has drawn attention to the fact that Italy has not joined the 5 countries which at the moment are joining in collective efforts in this field. This is correct. I should like to refer Mr Veronesi, who has made a pertinent remark, to the Commission's document. This gives a complete rundown on the research establishments at present in operation in the 5 Member States. They are coordinated in a sort of European Footwear Confederation, but quite clearly Mr Veronesi's remark has made an impression on us all. We would therefore encourage him to take the matter further so that Italy can also join in with its own research work.

One last comment, Mr President. Since I made my remarks very brief, I was unable to go into sufficient detail on a number of important questions. I agree with all my colleagues who stress that technological

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research alone cannot solve the problem of the industrial policy in this sector, but that is not the subject which we are now discussing. The Economic and Social Committee debated this subject for hours on end, because they confused trade policy and industrial policy with the very specific subject which we are now discussing — namely, a research programme for a limited period, for which, as Mr Normanton rightly pointed out, insufficient funds have been made available. The dynamism of the research institutes and of industry will determine whether the Commission will propose higher appropriations to Parliament continuing for some time in the future.

President. — Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted¹.

9. Directive on toxic and dangerous wastes

President. — The next item is the report (Doc. 446/76) by Mr Willi Müller, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the

proposal from the Commission to the Council for a directive on toxic and dangerous wastes.

I call Mr Müller.

Mr Willi Müller, rapporteur. — (D) Mr President, ladies and gentlemen, the basis for this directive, on which I am speaking here on behalf of the committee responsible, is an outline directive which was adopted on 15 July 1975. On that occasion, this House unanimously called upon the Commission to prepare as soon as possible a supplementary proposal for a directive dealing with the problems of toxic and dangerous wastes. The Commission has now complied with this request. I mention in passing — but not reproachfully — that it has taken a long time and the committee deplores the fact that this matter has been help up. The Commission has provided some fairly convincing grounds for this — not least the fact that legislation in this field is just getting under way in the Member States.

The directive under discussion today introduces a system of controls and safeguard measures to ensure the safe disposal of certain — I emphasize the word 'certain' — toxic and dangerous wastes. Annex I to the Commission's proposal gives a detailed list of the dangerous and toxic substances covered by the directive. In other words, not all toxic and dangerous substances are covered here. There is some justification for this, since there are also specific directives dealing with these problem substances, but — as we point out in the committee's motion for a resolution — further supplementary directives must follow.

There is a point here which I believe merits the attention of this House. In committee, after much discussion — but, I think, with conviction — we added one particular substance — asbestos — to the list I mentioned in the annex to the directive. The Commission has raised certain objections to this idea, objections which are shared in scientific circles. However,

the question here is not one of the effects of asbestos at the place of work but of the disposal of residues arising from asbestos production. It is very necessary to take preventive action in this field and not wait until evidence is forthcoming of how dangerous this substance is, since everyone knows that it is carcinogenic. So we have included it in this list, and, Mr President, I have anticipated here, since this is a major amendment.

I should like to point out one other thing, since it played a not unimportant part in the committee's discussions. We believe — and I have already mentioned this — that the Commission must remain on the ball and submit further supplementary proposals; in particular, it is obliged to see to it that the question of dangers arising from concentrations of toxic and dangerous substances — as Mr Spicer mentioned in committee — are taken into account and that it is made clear what concentrations of specific substances lead to specific dangers. We have included this in the resolution.

I mentioned earlier that the proposal introduces a system of controls and safeguard measures. This system is very comprehensive. I would describe the object of this directive as follows: to collect and transport wastes and take them to a storage place, to look for possibilities of processing and treatment and to dispose safely of what remains. I should like to repeat what was said in committee and what we are looking for support for here in the House: waste should not be looked upon as something to be disposed of, to be got rid of and something we should try to prevent from harming man, animals and the environment, but it is also important to turn as many as possible of these substances which appear to us as wastes back into economic goods. So wastes are not only to be disposed of but, as far as possible, recycled and converted from supposedly worthless materials back into economic goods. We regard this as absolutely essential. It is idle to ponder indefinitely on why we are experiencing shortages of raw materials so long as we do not draw the necessary conclusions and see to it that these substances which derive from our affluent society are recycled.

This is particularly true of toxic and dangerous substances. Here again, I must ask the Commission to do rather more in the future to inform the people and also industrial circles in Europe. It is simply impossible to go on endlessly producing and throwing away: producers must see to it that as little waste as possible occurs and consumers, for their part, must hear the plea for them too to reduce waste. It is iniquitous — this was also discussed in committee — to pursue the one-way system, as has been done for some time in the past.

¹ OJ C 30 of 7. 2. 1977.

Müller

Mr President, by going more deeply into these ideas we have a chance to get to grips with the problem of the wasteful exploitation of our raw materials. I could not forbear making these fundamental observations, since they played a role in the discussion of this directive.

As to the content of the directive, the committee largely adopted the ideas of the Commission's proposal. Where it made minor changes, it has justified them in detail in the explanatory statement.

We had to consider — and this fact should not be concealed — whether perhaps yet another too perfect directive had not been produced here. After thorough consideration, we concluded that this directive is not over-bureaucratic and that it is feasible.

We further had to consider whether the principle of unconditional liability, liability irrespective of fault, as laid down by the Commission in Article 9, was acceptable and feasible. After much soul-searching, the committee reached the conclusion that it was, although we are aware that by doing so we are anticipating to a certain extent a directive recently proposed by the Commission.

So I say that the experience we have gathered — not least the toxic-waste scandals in all countries of the Community — suggest that solutions are proposed here which can be helpful. *

Mr President, I shall now conclude. We are adopting here — in an area where environmental protection and protection for our people go hand in hand — provisions which correspond to the needs of our fellow-citizens and which meet the requirements not only of environmental protection but also — and this must not be forgotten by this House — the economic necessity to take due account of competition, which is vital, insofar as they will help bring about a fairer and more equal distribution of economic duties and burdens in all the countries of the Community.

Mr President, having concluded my presentation as rapporteur, may I be allowed — and this should also expedite matters — very briefly to explain the reasons behind the two draft amendments tabled by the Socialist Group? I shall be very brief. We propose that an observation be included in the motion for a resolution which basically means adding a point to Article 9 of the proposed directive. It entails a new paragraph 9 (a), in which it is proposed to include unconditional liability in this directive, or rather to call upon the Commission to provide for it.

The reasons for this are as follows. In the text of Article 9 as proposed by the Commission, the problem of liability is only covered in cases in which unauthorized waste-disposal undertakings are brought in to dispose of toxic and dangerous wastes — in other words, where there is violation of Article 7 (1) of the proposal. However, it is not made clear who is

liable in cases where damage is caused to a third party during the disposal of toxic wastes by authorized undertakings. In line with the Commission's proposal of 9 September 1976 for a directive relating to the approximation of the laws, regulations and administrative provisions of the Member States concerning liabilities for defective products, it should be provided that the producer of toxic wastes is in principle liable for other damage caused by these wastes irrespective of fault. That such a regulation is thoroughly feasible — and also necessary — may be seen from the Belgian law on toxic wastes, which came into force on 22 July 1974 and which lays down, *inter alia*, that the producer is liable for any damage caused by toxic wastes. These, then, are the reasons behind these two draft amendments.

Mr President, ladies and gentlemen, I would be grateful if this House could approve the proposals of your committee, since I believe they offer a well-founded hope of further helping to improve the quality of life in Europe.

(Applause)

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

Mr Nyborg. — *(DK)* Mr President, this report is part of an attempt to create a better environment for humans and animals. It is not the first time we in Parliament have dealt with the problem of the disposal of toxic waste. Previously we said that care should be taken about the type of waste discharged into the sea and that the amounts discharged should not be large enough to upset the ecological balance. This report and the Commission's proposal on the disposal of toxic and dangerous wastes are constructive, in that more stringent rules could prove necessary when dumping is restricted. The consequences of waste disposal are so serious that it is essential to take action at Community level for regional or economic reasons and because of the desire to create equal conditions of competition for the Member States, since different provisions in different Member States can lead to distortions of competition for the individual manufacturers of products that give rise to toxic or dangerous wastes.

The Commission should, however, go further and draw up Community regulations that cover all wastes that threaten our environment. That would be in line with the European Community's action programme on the environment, and I would therefore urge the Commission to promote research into the processing of toxic or dangerous wastes, into new forms or energy or, at least, into substances that are less harmful to our environment.

I shall not go into the technical aspects of the report. I shall merely recommend that you vote for the motion for a resolution, which is a perfect supplement

Nyborg

to the existing rules for the protection of our environment and which has been dealt with so capably in Mr Müller's report.

(Applause)

President. — I call Mr Spicer to speak on behalf of the European Conservative Group.

Mr Spicer. — Mr President, before I make any remarks at all relating to the report, may I give a very warm personal welcome to Commissioner Tugendhat joining us here for the very first time today and answering for the Commission. I have known Christopher Tugendhat over many many years as a personal friend. We are delighted to see him here. We in the Conservative Party at home know that he is destined for high office in the United Kingdom, but in the meantime we wish him every success and happiness in this 4 years' stint that he will be doing here.

I now turn to the report and to the directive. Speaking on behalf of the Conservative Group in this Parliament, I think I can give a welcome — although not an unqualified welcome — to the directive. My criticisms would follow very much on the lines of Mr Müller's. Mr Müller always gives his heart and soul to the work of our committee, and his reports always produce an excellent and critical approach which I think should be noted within the Commission, as I am certain it is. Can I pick up three points — one that hasn't been mentioned by Mr Müller, and then two more which he did refer to in his speech?

The first one, the list of materials in Annex I. Now, by all means let us have a list of materials, but if that list of materials is going to be so widely drawn that it almost becomes incomprehensible, then I think it serves no useful purpose at all, and may in fact lead to a misapprehension amongst many people. This is something I think that should and could be looked into again. Mr Müller very kindly made reference to the fact that I had talked about the concentration of toxic and dangerous components in the material in committee, and I think this is something that we do need to look at more specifically than has been done in the directive. For my part I welcome the inclusion of paragraph 5 in our motion for a resolution, which makes it quite clear that we believe that this should be done and it should be more specific.

Following Mr Müller on the question of recycling waste, I personally believe, and we as a group believe, that in a directive of this nature you should not try to include too much and that, particularly, it is unsatisfactory to include, almost as an afterthought, the recycling and re-use of waste in a directive which is not specifically designed for that topic. I thought I caught an echo in your remarks. Mr Müller, of a request for further action by the Commission in this field and, in fact, of the need for a positive directive on this particular point. I hope the Commissioner will take note of that.

Finally, may I say that we in our group give our full support to the two amendments proposed by the Socialist Group.

President. — I call Mrs Squarcialupi to speak on behalf of the Communist and Allies Group.

Mrs Squarcialupi. — *(I)* Mr President, on behalf of my group I should like to express our support for the Müller report on the proposal for a directive on toxic and dangerous wastes. It is essential that something be done about these obnoxious by-products of industrial society.

I should like to emphasize certain social and economic aspects of the problem which, as a parliamentarian, I am particularly concerned about, since I myself come from a highly-industrialized region, Lombardy, where the problem of the disposal of toxic wastes is very much in people's minds and which was recently the scene of the Seveso dioxine tragedy. We feel it is absolutely essential that the directive come into force within eighteen months, because the problems of pollution are no longer developing gradually but are rapidly starting to snowball. It is no longer a case of one phenomenon being added to another, but of a whole series of phenomena multiplying by leaps and bounds; and it is pollution in all its forms, particularly now that it is increasing so rapidly, that is so exasperating.

That is why we call for the inclusion in the list of substances covered by this directive of both amianthus and asbestos, a point already raised by the rapporteur, and also, as a matter of priority, why we urge that the omissions as regards the concentration levels of toxic substances be rectified. One of the most disturbing aspects of the Seveso drama, which has meant that people even now have no idea of what to expect in the future, was the fact of not knowing just what concentration of dioxine was involved.

In my view, however, the most telling aspect of the whole issue may be summed up in three words: 'The polluter pays'. With very few exceptions it has always been the community that has paid — I do not mean the European Community, but all those who have been affected have had to pay in financial terms, in health terms and in even in psychological terms.

Another socially and economically satisfying aspect is the request to the Commission to undertake research on recycled waste with a view to transforming it into raw materials and energy, and the same request has been made to the Member States: this is a request which we shall immediately give our full backing to.

The high social and economic value of this directive also lies in the fact that every proposal for protecting the environment and public health is a provider of work, it can, in other words, help in the fight against

Squarcialupi

unemployment, about which so much has been said in this House. And it is precisely in periods of economic crisis, in periods of particular difficulty for the average citizen, that certain problems can best be tackled, because that is the time when people devote greater consideration and a great deal more interest to the need for safeguarding existing facilities.

At this point, I too, should like to welcome Commissioner Tugendhat, even though our meeting began with a skirmish; I should like to add that the role of the Commissioner for the environment is one which is becoming more and more wide-ranging and important, because, to an ever-increasing degree, it is tending to cover both social and economic problems at the same time.

President. — I call Mr Tugendhat.

Mr Tugendhat, member of the Commission. — Mr President, I would like, if I may, to begin by expressing my thanks first to Mr Spicer for his most generous words and to Mr Müller for his very complete report. This report, like much of the rest of today's business, so far at any rate, has been widely welcomed in the House, and I am delighted to say that the Commission also receives it most sympathetically. We should like to say too that we regret that the normal period for submission of this proposal has been exceeded.

I entirely take the point made by the last speaker about the importance of the environment. At a time of economic difficulty, such as we are in at present, there is always a temptation to overlook social considerations of this kind, considerations that are so important to the quality of life, and I can assure her that this Commission takes its responsibility to preserve the environment, to improve the quality of life of all members of the Community, most seriously. Recent events in her own country, which she herself has referred to, perhaps make all of us realize the great importance of the sort of issue that we are talking about today.

On another point which was raised during the course of the debate, and which concerned the list of materials, the need for more precision and matters of that kind, I would like to assure the House that we are seized of this particular point; the list in the annex at the moment is only a preparatory one; more work needs to be done on this, and we do foresee that as a matter of some urgency we will proceed to a second stage in which there will be more precision. I hope that the results of what we do will be to the satisfaction of the House.

To revert then to the points made by Mr Müller in his original address, we hold the view — as he does — that it is very important that proposals of this sort, on such a very technical, complex and difficult matter, should be carefully prepared. We are glad that the

careful and detailed report now before us confirms in so many ways the approach of the Commission, while adding a number of important points and amendments which I think improve the work we had originally done and most of which we are delighted to accept. The Commission will, as suggested, do its best to work out specific directives on matters which are at present excluded from the field of application of this directive.

The reports calls on the Commission to make a supplementary proposal on the levels of concentration of dangerous substances which will bring waste within the scope of the present proposal. That we undertake to do.

As to research into new processes of transforming waste into raw materials or into energy, which, of course is something which would be extremely desirable and helpful, I am glad to say that this is already covered in the Community's research programme into energy. I know that in a number of member countries experiments are also taking place, some of which are at municipal level.

Mr Müller invites the Commission to define uniform methods of labelling toxic and dangerous wastes, which will permit the identification of these wastes after a prolonged period of storage. This is a most interesting idea, which would certainly reinforce the safety of the storage arrangements, and it is one that the Commission certainly welcomes. The Commission agrees too with the rapporteur that it is important to avoid the transport of toxic wastes by non-specialized persons. We therefore accept the amendments suggested for Articles 8 and 9, though there is one point which I will come to in a moment. We accept, too the amendments referring to the third recital as well as to Articles 2, 4, 12 and 13.

There are one or two points, however, on which we have some slight reservations, We do not feel able to accept the modifications proposed for Articles 16 and 22. This is because the wording prepared by the Commission corresponds exactly to the text of the Council's directive of 15 July 1975 — the so-called framework directive on wastes. So we are somewhat a prisoner there of past action, and I hope that the House will accept that difficulty.

Nor is the Commission able to accept the modified procedure suggested in the amendment to Article 20. As Mr Müller himself, I believe, recognizes, this is a point which has been discussed before. The Commission continues to believe that the procedure it proposes gives adequate safeguard to Community action.

There is one other point along these lines which I would like to make, which I said a moment ago I would refer to. This is the desire to ensure that the producer retains responsibility, which is the amend-

Tugendhat

ment referred to by Mr Müller. Technically, I am afraid, it is extremely difficult to follow responsibility as goods change hands from producer to final disposer, and I think the House, on consideration, will recognize that many of these items do pass through a good many hands, and that the follow-up and the policing arrangements would not be easy. But we recognize the validity of what has been said, and we will re-examine the matter to see if there is anything we can do which would enable us to comply with Mr Müllers' suggestion on this particular point, and on the others that we have dealt with.

Finally, I would like to say that the Commission takes note of the wish expressed in the report to include asbestos and its compounds among the toxic and dangerous substances listed in the directive. We are still examining what solution to adopt for asbestos. I can only assure Parliament that we are well aware of the problem, and we are pursuing our work so that the conclusion will be reached as soon as possible. One speaker referred to a particular incident in her own country that has European implications, and that has made us all, I think, acutely aware of the difficulties facing us. In Britain we, too, have been made aware recently of some of the dangers of asbestos, and I can assure the House that the Commission will be taking this matter very seriously.

President. — Before considering the motion for a resolution, we must first consider an amendment to the proposal for a directive.

On Article 9, I have Amendment No 2, tabled by the Socialist Group :

Add the following at the beginning of this paragraph :
'Producers of toxic and dangerous wastes shall in principle be liable for all damage caused by these wastes irrespective of whether such damage may be imputed to them.

Any holder ...

(Rest unchanged)

I put Amendment No 2 to the vote.

Amendment No 2 is adopted.

I put Article 9, thus amended, to the vote.

Article 9 is adopted.

We shall now consider the motion for a resolution.

I put to the vote the preamble and paragraphs 1 to 9.

The preamble and paragraphs 1 to 9 are adopted.

After paragraph 9, I have Amendment No 1, tabled by the Socialist Group :

After paragraph 9, add a new paragraph worded as follows :

'9a. Considers it imperative for the Commission to include in its proposal for a directive the principle of the unconditional liability of producers of toxic and dangerous wastes ;'

This amendment is connected with Amendment No 2, which we have just adopted.

I put this text to the vote.

Amendment No 1 is adopted.

I put to the vote paragraphs 10 to 13.

Paragraphs 10 to 13 are adopted.

I put to the vote the whole of the motion for a resolution, as amended.

The resolution is adopted¹.

10. *Suppression of terrorism*

President. — The next item is the motion for a resolution (Doc. 513/76) tabled by Mr Fellermaier, on behalf of the Socialist Group, Mr Alfred Bertrand, on behalf of the Christian-Democratic Group, Mr Durieux, on behalf of the Liberal and Democratic Group, Mr Cointat, on behalf of the Group of European Progressive Democrats, Sir Peter Kirk, on behalf of the European Conservative Group, and Mr Sandri, on behalf of the Communist and Allies Group, with request for debate by urgent procedure pursuant to Rule 14 of the Rules of Procedure, on the European Convention on the Suppression of Terrorism.

I call Sir Peter Kirk.

Sir Peter Kirk. — Mr President, my colleagues at the meeting of the chairman of political groups on Wednesday evening, at which this motion was drawn up, have asked me to bring it before the House on behalf of all six political groups and hope that the House will agree to accept it, if possible without any further debate. It is a very simple, straightforward resolution, but it is also a very important resolution. It is rare indeed in this House for all six political groups to agree on anything, particularly anything as highly political as the question of terrorism. That, I think, marks the importance of what we are asking the House to accept today, and marks also the fact that on this issue all the democratic political forces in Western Europe are as one.

The resolution brings no judgment to bear on past actions — either recent or more remote. It looks instead at the way in which terrorism can best be combated in the future ; and looking at the situation, we decided that the best way was for us to urge our nine governments and the nine national parliaments to sign and to ratify as soon as possible the European Convention on the Suppression of Terrorism, drawn up last autumn by the Council of Europe, of which body of course all nine Member States of the Community are also members. The Convention has been agreed and will be open for signature on the 24th of this month, and I understand that many of our governments have already indicated their intention to sign on that very day, and to ensure that the ratification takes place as early as possible.

¹ OJ C 30 of 7. 2. 1977.

Kirk

The Convention itself is also, despite its length, extremely simple. Article 1 of the Convention, which is the operative article, states that the contracting States will not regard as political offences, offences committed through terrorism — in other words, it will not be open to terrorists to plead that they cannot be extradited from one Member State to another because their action was political. This may seem to be a small thing, but in fact it is an important step forward on behalf of all the 18 States of the Council of Europe, and most particularly on behalf of our nine states. I hope this House will agree that it is right that we should urge this course of action upon our governments and our parliaments, and will vote unanimously in favour of this motion for a resolution.

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

Mr Cifarelli. — (I) Mr President, what I have to say on this matter will be brief and to the point. The purpose of this joint motion for a resolution is not merely to urge the nine participating countries to sign the Convention drawn up by the Council of Europe in the very near future, it is also to stress the need for improvement of the relevant judicial procedures. Merely signing a convention is not enough, because an international commitment needs to be ratified. I know from experience how many conventions, how many treaties, still await ratification years after having been signed. Thus, in addition to signing the Convention, we must also urge ratification so that it has full legal validity in each and for each of the nine Member States, and we must also ensure that the Convention is respected.

We believe that full implementation of this Convention should be seen as a commitment to civilization and to political responsibility. The scourge of terrorism is spreading. In my own country, the President of the Republic summoned a special meeting the day before yesterday of some of the ministers responsible in this sector, because — and this is the point — Italian public opinion is extremely worried by the succession of these criminal outrages. One can, of course, explain every one of these incidents in one way or another according as one's allegiances are to the East or West, to the right or to the left. I myself am convinced that the stratagems behind terrorism are interchangeable, and even if some central organization of one political colour or another can be identified as responsible in each case the fact remains that the terrorists spread tragedy and destruction.

It is democracy and freedom that are endangered. I do not believe that terrorism is a scourge merely for parliamentary democracies such as ours. If we cast our eyes beyond the borders of Europe, we see that there are serious outbreaks of terrorism elsewhere too. However,

it is a basic truth that it is the parliamentary democracies, the free countries above all, which run the risk of seeing their institutions compromised. Cooperation is therefore needed, not only to solve the problems — because it is obvious that behind the social or political evils there are problems to be solved — but also to get the Nine to pursue a responsible course of action to put a stop to this ubiquitous menace.

With this in mind, I believe that this resolution may prove to be effective not only *vis-à-vis* public opinion in general but also in helping to convince each of our individual national parliaments. It is therefore of vital importance that the Convention is signed on 24 January, ratified as soon as possible thereafter and, above all, applied seriously and fairly and with the sense of responsibility which the present world situation demands.

(Applause)

President — I call Mr Hamilton.

Mr Hamilton. — Mr President, I think it would be remiss if one or two Members failed to express a personal view on this matter. Clearly this all-party motion has been inspired by events that have taken place in France recently and it is no good beating about the bush — we all know what the inspiration is and we may as well speak plainly about it. I speak more in sorrow than in anger, because what happened in France recently may well have happened in the United Kingdom or elsewhere and we do not know what the response of the authorities in any particular country would have been in this particular matter. Suffice it to say that, as a result of recent French action in releasing Mr Abu Daud, there has been almost universal condemnation in the press throughout the world, from the United States right through to European countries and beyond that. I think one of the French newspapers puts the thing in perspective — I quote from *L'Aurore* in Paris :

The Abu Daud affair poses alas a question : is France still an independent country, free to make its own policies and decisions ? And beyond that, is there a single European country today that does not tremble before some one — east, west, north or south ? Every day that passes, Europe pays the price of its disunity.

I therefore welcome the spirit in which this motion has been moved by my colleague from the United Kingdom, Sir Peter Kirk. I hope it will be observed in the spirit and in the letter by every nation in Europe, and indeed in the world, because unless we have united agreed action to combat one of the most evil developments of our time — international terrorism — the we are all going to suffer. But it must be observed in the letter and the spirit by every one. Even though there may be short-term disadvantages from accepting it there are very definite long-term advantages in accepting it, and if we do not hang

Hamilton

together then surely we shall hang separately at the hands of these international gangsters.

(Applause)

President. — I put the motion for a resolution to the vote. The resolution is adopted¹.

I call Mr Clerfayt on a point of order.

Mr Clerfayt. — *(F)* Mr President, I am sorry but I must make a remark which is unpleasant for me as well as for you; namely, I wish to make a formal protest against the change in the agenda made at the beginning of the sitting.

As I believe that Mr Vandewiele's report would be taken at the end of the agenda, I arrived in the Chamber after this item had been dealt with. I was officially entered on the list of speakers, to put forward, not on my own behalf but on behalf of the Committee on Budgets the comments which that committee felt were necessary.

I am sorry that I have to state, Mr President, that because of the very unpleasant situation in which I find myself, I shall be obliged to write a letter of protest to the President of Parliament.

President. — Mr Clerfayt, I take note of your statement. Nevertheless, the procedure followed was adopted by the unanimous wish of this House.

Moreover, I draw your attention to two points. First, having been distributed under the conditions required, the opinion of the Committee on Budgets did not necessarily have to be presented orally. Secondly, when the report was called, the chairman of the Committee on Budgets was in the Chamber; accordingly, the committee was duly represented.

11. *Directive on certain prepackaged products —
Directive on dangerous substances*

President. — The next two items are the reports by Lady Fisher of Rednal, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the proposals from the Commission to the Council for

- a directive on the approximation of the laws of the Member States relating to the ranges of nominal quantities permitted for certain prepackaged products (Doc. 462/76), and
- a directive on the sixth modification of the Council Directive of 27 June 1967 on the approximation of the laws of the Member States relating to the classification, packing and labelling of dangerous substances (Doc. 463/76).

I propose to the House that we consider these two items jointly.

Are there any objections?

That is agreed.

I call Mis Boothroyd, who is deputizing for Lady Fisher of Rednal.

Miss Boothroyd, deputy rapporteur. — Thank you, Mr President. I certainly agree that we should take these two reports together.

May I first of all apologize for the absence of my colleague, Lady Fisher of Rednal, who had to leave for home last night. She is a Member of this Parliament who usually stays until the very end of our proceedings or the bitter end, whichever way you might like to look at it. But unfortunately she had to leave and has asked me to present her apologies.

It is my duty, Mr President, to try and present to the House some of her views as rapporteur of these two documents. I will first of all deal with the draft directive which relates to the nominal quantities permitted for certain prepackaged products. I think I would be right in saying that the Committee on the Environment, Public Health and Consumer Protection was somewhat half-hearted in its acceptance of this draft directive. Its purpose is to lay down, for each of the products listed in the annexes, quantities that must be accepted on the market in the Member States. Now, all too frequently the cry goes out from our national parliaments and from this Parliament that we are attempting far too much in the way of harmonization; that we are accepting far too many items for harmonization and that harmonization is being carried out entirely for its own sake. But in this instance, Mr President, the method chosen for harmonization is optional instead of total. Now, we believe that it should be total. National legislation is at the present time — and will remain even when this directive is enforced — in force alongside Community legislation, and Member States will still be free to accept prepackages of other dimensions should they wish to do so. And therefore we ask the Commission, although of course accepting the draft directive, to re-examine the choice of this system of harmonization, because we believe in this particular case it should be not optional, but that it should be total.

Now, contrary to what the Commission sometimes leads us to believe and asserts in this particular draft directive, namely that the promotion of the consumer's interests is the principal purpose of the directive, we are inclined to think that the principal purpose of the directive is to avoid unhealthy competition between producers. However, in spite of that, we recognize that the proposals are a compromise between producer and consumer interests, and any move towards better protection for the consumer is certainly welcomed by us. Indeed it does to some extent give protection to the consumer against manufacturers who might be tempted to change the size of a package in order to camouflage an increase in price.

¹ OJ C 30 of 7. 2. 1977

Boothroyd

Without deviating from this particular subject, Mr President, may add that mention is made of unit pricing and we are looking forward very much to Commission proposals on unit pricing. This directive must not be confused with unit pricing, but we have certainly looked forward to Commission proposals on this matter. If Commissioner Tugendhat has ever stood in a supermarket with one product in one hand and another product in the other, he would need another hand for a calculating machine in order to work out which was the better bargain. So certainly this Parliament looks forward to Commission proposals very soon on the question of unit pricing. So far as this draft directive is concerned, Mr President, I commend it to the House without amendment.

I will now deal with the draft directive on the packaging and labelling of dangerous substances. The proposal here reflects very much the growing concern in all Community countries regarding control over the increasing number of synthetic chemical compounds, some of which could prove particularly harmful to the individual who might be using them or to the environment at large. The proposal requires a formal system of registering new substances together with a requirement to provide continuing information, and in this way widens the scope of an original directive. The committee certainly welcomes the move towards control of dangerous substances which, may previously have been on the market for some considerable time before being covered by the directive. The new procedure requires the manufacturer to carry out research on the effects of the substance prior to marketing and to notify the competent authority in the Member States of the date the product is marketed and equally to supply information on its effects. And this is the difference between this directive and previous ones. The manufacturer is also required, of course, to package and label in accordance with Community requirements. We welcome this though it is only the start of a dialogue, since the manufacturer has continuously to update the information on any new uses, on any increases in production or on toxic effects not previously notified. So there is built in this a type of monitoring system.

Mr President, there are proposed amendments to this draft directive. With your permission perhaps I could first of all deal with the proposed amendment on Article 14. This deals with the symbols and the indication of danger on any material that might be used.

We have had help from the Commission with this amendment, for which we thank them very much, and I believe they have accepted the amendment. Therefore I will not waste the time of Parliament in pursuing this matter. This amendment is accepted by the Commission.

Article 15 deals with the language on the label. Here we are asking that it should be obligatory to use the

national language on the label, and this is where we certainly want to make a change. I hope very much that the time will come in the not-to-distant future when the peoples of the Community will be speaking each other's language and understanding each other's language. But currently this is not the case and therefore we are very concerned that the language of the Member State in question should be used on the label. In fact this view of the committee was expressed some time ago by Mr Premoli when he proposed that, in the interests of public safety, it was reasonable to expect workers handling dangerous substances not to be capable of reading safety advice in a language other than their own. We repeat Mr Premoli's original view and would ask the Commission if they could accept this particular amendment.

Now, there is a further amendment which I have seen this morning, standing in the name of Mr Spicer, which asks that information should not be disseminated over a widespread area if that information is confidential. I am asking first of all that the House reject this amendment. Let me make that quite clear — this amendment should be rejected. We are not dealing here with industrial espionage: we are dealing with synthetic chemical compounds, some of which could be dangerous to life and limb or harmful to the environment, nothing which is particularly confidential or where one manufacturer could have advantage over another manufacturer. And, therefore, this particular amendment is not worthy of inclusion in the draft directive.

There is one other point I would like to make here, Mr President. Mr Spicer is a member of the committee. He had ample opportunity to move his amendment during the committee hearing. I agree that he was not present, but he had ample opportunity to provide a representative, or some one else from his group could have moved this amendment. I see no reason why it should come before us today in this form and I firmly ask the House to reject this amendment.

Finally, may I say that the directive was drawn up a long time ago — in fact nine years ago, in 1967. It has been amended five times without having an up-to-date version before us. This is now the sixth time the document has been amended. My committee would ask the Commission to present to the European Parliament as soon as possible an up-to-date text after the Council has taken its decision. It is very confusing to look at documents such as this and we would like an up-to-date text, please, as soon as the Council has made its decision.

(Cries of 'Hear, hear')

President. — I call Mr Spicer to speak on behalf of the European Conservative Group.

Mr Spicer. — Mr President, may I first of all comment on the particular point that we are dealing with two reports together? Now I appreciate that by bringing two like reports together a good deal of time can be saved. But really I do not think it helps this House, or indeed helps the Commissioner, when we are dealing with two entirely different subjects to bring them together and muddle them up when they are so disparate as these two obviously are. I do not wish to press that point, Sir, since presumably this was done at the request of the rapporteur. But it is something that I think we could not tolerate in this House. It saves a minute or two but it does not help the debate.

President. — I call Miss Boothroyd on a point of order.

Miss Boothroyd, deputy rapporteur. — Mr President, the rapporteur did not request that these two reports be taken together. However, the rapporteur was happy to accept that, but there is no muddled thinking on this side of the House.

President. — I call Mr Spicer.

Mr Spicer. — I will only say again that I think it is a bad precedent for us to establish, to take together two subjects that are so completely separate. I did not wish to delay the House too long on this, and that is why I did not raise it as a point of order to request that they be taken separately. By all means let us take two associated reports together, but otherwise let us take them separately. Of course there is no muddled thinking. There is no muddled thinking, I know, as far as the rapporteur is concerned.

I shall deal first of all very quickly with the prepackaged products.

First of all, I think one thing that should be borne in mind is that this is going to increase the cost to manufacturers and also therefore to consumers, particularly in the United Kingdom, where we have had a problem in the past over different sizes of tins. I wonder whether the Commissioner could give us any indication, now or at some future point, whether any estimate has been made of that particular increase in costs will result from the implementation of this directive. That is very short and sweet, but it does affect the consumer in the long run, as we know, because no manufacturer holds on to the costs: he passes them on to the consumer.

My second point is that I wonder whether the Commission could consider increasing the range of sizes. Again, I make no apology for saying that this is in the interests of the United Kingdom, where we have not as yet moved into the decimal way of thinking; we haven't yet moved into our sizes in kilogrammes and so on, and it would make life very much simpler. I know, for UK manufacturers if that range could be increased and I believe it would make it

more understandable to consumers in the United Kingdom. This is really a special plea for the United Kingdom, and I make no apology for that, Sir.

That is all that I wish to say. We as a group will give our support to this directive and to the report.

On the second proposal, I will deal only with the amendment. May I first of all say this: it was kind of the rapporteur to say that I was not present at the last committee meeting to move my amendment myself — that is true. But I think she will understand that all members of our committee in particular will know that there is a flow of information from all kinds of sources and very often that information does not come through as rapidly as it should do. Now, working with me on that committee, as with Mr Müller and Lord Castle, the rapporteur will appreciate that I would be the last person to try and destroy the good intent that rests within the proposal here — that this information must be given. All I am saying is that people are concerned that there are very often processes that a good deal of expensive research and other work has gone into and the wider that information is disseminated and the larger the number of hands through which it passes, the more opportunity there is somewhere along the line for that information to cease to be kept secret or confidential. That is all. And I think it does show a rather surprising lack of faith in the national situation. My amendment is fairly simple. Notification dossiers should be sent only to the national authority in the country or countries where the chemical is being marketed. Surely that is sufficient for the purposes of this directive, achieving exactly the same result but not giving such a wide spread to the information? Now had this been a matter of major importance, had it radically changed the report, then of course I would apologize for introducing an amendment which radically changed a report at a late hour. But I don't think it does. I think it just confines it to a slightly narrower area and I personally regret that the rapporteur is not able to accept it. It is brought forward for a good reason that has been brought to our attention; concern is expressed in this particular area; and at least I would like to have the Commissioner's views on that, even though the rapporteur has rejected it.

Might I have one final point of clarification? The obligatory tests in Annex VII would undoubtedly be extremely expensive to undertake. Have objections been made to the Commission on this particular point? Does the Commission really believe that it is right to make these tests obligatory? Would it not be sufficient to establish a guide, which could work just as well? My question is whether you have had that information passed to the Commission, whether you accept the fact that they are expensive, and whether they are really necessary in the context of the directive and what we are trying to achieve through that directive.

Spicer

With those few remarks, Sir, on both reports, we give our general support to both reports. But I would ask the House to accept the amendment.

President. — I call Mr Molloy.

Mr Molloy. — Mr President, I just want briefly to say that both these documents, Nos 462 and 463, are of vital importance to every home in this Community. I have just two points to make. I hope that the Commissioner will not be overwhelmed by a desire for secrecy on an element of this character which affects every person in this Community. I am one of those who happen to believe that the more open things are, the more they contribute to an open and free society; it might be that one is sometimes compelled to have a hush-hush policy; it might be necessary, but it sets dangerous precedents, and they seem to grow. I sincerely hope that the Commissioner will understand that people have a right to know, and to discuss and debate issues of this kind, and that it is not merely a matter for secret discussions within our various governments.

The second point I want to make is this: I have from time to time in this House, and on subjects of this character, urged that the Commission should make an endeavour to bring together the various voluntary consumer-protection organizations that exist in this Community. These are the people who have, certainly in the United Kingdom, over a period of time become specialists, and sometimes specialists at a more fundamental level than the scientific or technical. Because it is the consumer organizations that are in touch with the grass-roots opinions of ordinary people, and therefore provide a vital link between ordinary folk and legislators.

Therefore, I will close by once again appealing to the Commissioner to undertake to examine the possibilities of bringing together the individual consumer organizations in this Community so that they can provide a unified voice from the grass roots in giving help, guidance and instruction to the legislators of this Parliament.

President. — I call Mr Tugendhat.

Mr Tugendhat, *member of the Commission.* — Mr President, I am a great believer in expediting business and taking two issues together. It can certainly be an effective method but it does give rise to complications as has already been said, and to nobody more than myself because of the multiplicity of paper, the multiplicity of points which I have to handle. This added to the multiplicity of languages does create difficulties and I hope the House will be understanding if I miss one of the points. I will try and deal with all those which were raised in the debate, but it is possible that I might miss one.

To take the first one first, the report by Lady Fisher on the directive on prepackaged goods. Here there is a

wide measure of agreement. The Commission thanks the rapporteur for her report, which approves the proposal for a directive on this subject. There really is agreement between us. We believe that total harmonization would not offer the greatest advantages in this domain, that there is a wide range of local products which there is no reason to standardize on Community level, and that the existence of too strict a regulation would have the effect of cutting off products from third States, particularly developing countries, about which we were talking in the first debate today, and oblige governments wishing to grant specific derogations for limited cases to demand permission for such derogations from Brussels, which would certainly be a very considerable waste of time. As Parliament has noted, the proposed directive in its present form has at least the merit of reducing to a considerable degree the range of quantities contained in pre-packaged goods admissible throughout the Member States. In this connection, the Commission is confident that the governments of Member States will not profit from the theoretical possibility left open to them by the use of the optional method, by admitting large numbers of different quantities to their markets, to the detriment of their own consumers.

We share the views expressed by several Honourable Members about the necessity for unit pricing. It is something which we would like to see pushed ahead as rapidly as possible. Miss Boothroyd mentioned the difficulties I would face in a supermarket; I quite understand what she means, and so sympathetic am I to the point that before leaving Britain for Brussels I actually provided my wife with a calculating machine in order to enable her to handle more easily the unfamiliar weights and measures, as well as the unfamiliar currency. So I am very much seized of that particular point.

I am afraid I cannot answer the question about the cost involved in standardizing sizes, but I think the House will agree that the standardization of sizes should lead to substantial savings in the medium and long term. It would also of course make it much easier for those of us who move from one Community county to another. But I cannot at this moment provide the information for which the Honourable Member asks. I would say to him, however, that I will look into the matter, and will see whether it is possible to provide him with further information on that point.

I am also very sympathetic to the point made about consumer organizations. At the moment some countries, I think it is fair to say, are rather more advanced in this field than others. It is an area in which those that are advanced have perhaps something to teach those that are less so. If consumer organizations can come together and as I recall a meeting did take place

Tugenhat

in Brussels not very long ago — I think this would be very helpful to everyone. It is certainly in keeping with the ideas expressed by President Jenkins in his inaugural speech about strengthening the human face of the Community.

I shall move if I may from the directive on prepackaged goods to Lady Fisher's other report on the sixth modification of the Council Directive of 27 June 1967 concerning the classification, packing and labelling of dangerous substances. The point which was made about the lapse of time could hardly be more emphasized than by my reading out the fact that we are talking about something which was originally done in 1967. I know that really is a very long time ago. The Commission welcomes the favourable opinion of the European Parliament on the proposal for this modification of the dangerous substances directive, and congratulates Parliament on the speed with which it has treated the matter. The original directive on the classification, labelling and packing of these substances, together with its five previous modifications, is aimed at protecting workers and the public by informing them, by means of both signs and written warnings on the labels, of dangerous substances and of hazards deriving from their use. This new proposal introduces a preventive aspect by requiring the manufacturer to take steps in investigating and assessing the substance before marketing and submitting the results of these assessments to the control authorities. The Commission considers this reinforcement of control all the more necessary in view of the rapid increase in the number and quality of synthetic chemical products coming on to the market in recent years, together with the increase in frequency and severity of damage to man and the environment that can be caused by chemicals.

Two amendments have been suggested. As the Honourable Lady clearly realized, the Commission accepts the proposed amendment to Article 14 (4). There is no difference between us on that at all. The amendment to Article 15 is designed to make it obligatory for the particulars printed on the packaging to be given in the language or languages of the Member State in which the dangerous chemicals are to be used. I share the hope expressed by the Honourable Lady that in the fulness of time such a provision will not be necessary, but I also accept the point which she made that there are differences as between one country and another, and I understand therefore the rationale behind the amendment. Nonetheless the Commission feels that the requirement in the terms in which the Honourable Lady expressed it goes too far. We would prefer provision to be made for the Member State to be authorized to require the use of their national language if they — that is, the Member State — considered it to be necessary; we would like Member States to be left free not to impose such a requirement where particulars given in a foreign language can be readily understood by the user — as, for example, where two languages are extremely similar or where the linguistic abilities of the people

of a particular country are far in advance of the norm in other Community countries. In other words, what I am really saying is that I accept the rationale behind what the Honourable Lady is suggesting, but we feel it would be better to leave it to national circumstances, and that what might be right in one country need not necessarily be so in another.

I am pleased to inform the House as well, Mr President, that the Commission will, as provided for in the second paragraph of Article 149 of the EEC Treaty, submit to the Council an amendment to its original proposal which follows the opinion of the European Parliament as closely as the Commission feels able to do.

Now there are two other points which were raised during the debate. One concerned the testing. We entirely agree that these tests are not cheap and that a balance must be struck between the necessity for testing on the one hand and the necessity not to increase the cost of production, and thus the cost to the consumer, on the other. The obligatory tests will thus be applied only to a relatively small number of substances and those which do present a real potential danger. I think it is possible to distinguish between those for which the most rigorous tests are required, regardless of cost, and those which, on the basis of knowledge and experience, do not require such extensive tests. I think that the principle I was a moment ago enunciating about different national circumstances also applies to different products.

So far as the point about secrecy in transmission of information is concerned, as the House will know better than I, I am very much in the hands of the House on this particular point. It is very important that secrecy should not be allowed to envelop matters of this kind. The public does have a right to know when its health is endangered, but I think we should also recognize that sometimes scares may develop which are quite unfounded, and people become afraid without cause. Indeed I remember a case when a new product was being introduced — contraceptive pills, in fact — and manufacturers of rival products went to some pains to create alarms and scares among potential users, in order to preserve the market for their own products. I think we must bear in mind that while wanting the maximum degree of information to be available to the public, we must also guard the public against the ruthless use of scare tactics by manufacturers trying to retain an existing market. So I think it is important to bear both those considerations in mind and to be fairly careful about the provisions which we insist upon on that point.

President. — We shall now consider the motions for resolutions.

I put to the vote the motion for a resolution contained in the report on prepackaged products (Doc. 462/76).

The resolution is adopted.¹

¹ OJ C 30 af 7. 2. 1977.

President

We now proceed to the motion for a resolution contained in the report on the classification, packing and labelling of dangerous substances (Doc. 463/76), on which I have an amendment tabled by Mr Spicer.

Mr Spicer, do you maintain this amendment?

Mr Spicer. — Yes, Mr President, it raises a point that I would like to emphasize, although I realize that the amendment will not be carried.

President. — I put the preamble and paragraphs 1 and 2 to the vote.

The preamble and paragraphs 1 and 2 are adopted. After paragraph 2 I have Amendment No 1, tabled by Mr Spicer on behalf of the European Conservative Group:

After paragraph 2, add a new paragraph worded as follows:

'2a. Considers that, bearing in mind the need to prevent the widespread dissemination of confidential information, a notification dossier should have to be sent only to the national authority in the country or countries where the chemical is being marketed;'

I put Amendment No 1 to the vote.

Amendment No 1 is rejected.

I put paragraphs 3 to 5 to the vote.

Paragraphs 3 to 5 are adopted.

I put the motion for a resolution as a whole to the vote. The resolution is adopted.¹

12. *Directive on waters capable of supporting fresh-water fish*

President. — The next item is the report (Doc. 465/76) by Mrs Kruchow, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the

proposal from the Commission to the Council for a directive on the quality requirements of waters capable of supporting fresh-water fish.

I call Mrs Kruchow.

Mrs Kruchow, rapporteur. — (DK) The draft directive on the quality requirements for waters capable of supporting fresh-water fish follows the lines laid down in the Community's action programme on the environment and the environmental research and protection programme for 1976-80.

Obviously, fresh-water areas could be used for a variety of purposes such as supplying drinking-water watering livestock or, as in this instance, as water which can support fish. It is therefore essential to draw up quality requirements for fresh-water areas suited to their uses, and to take them into consideration when planning regional programmes. Not only is it important for industrialized countries to preserve

fresh-water areas as natural resources, nor is it enough to preserve species of fish that are threatened with extinction because of pollution in recent decades; it is also necessary to keep nature in ecological balance — in other words, attempts should be made to restore the conditions necessary for the survival of fish in areas where they no longer exist because of pollution or other unnatural causes. To achieve the best results and the greatest uniformity, Member States must use common reference data and analytical methods and introduce improved reference and measurement methods as suggested by the latest research results.

There must also be cooperation with third countries with which Member States have common fresh-water areas. It will therefore have to be possible to draw up conventions on the lines of which have been entered into in recent years on the protection of the Mediterranean, the Baltic and the Rhine.

Finally, we have an amendment proposed by Mr Spicer on behalf of the European Conservative Group. To be brief, I cannot commend this proposed amendment. I fear it is based on a misunderstanding. The directive we are discussing today does not deal with the existence of fish in fresh-water areas capable of supporting them, but with the fresh-water areas in which the individual governments have decided fish should be able to survive.

(Applause)

President. — I call Mr Spicer to speak on behalf of the European Conservative Group.

Mr Spicer. — It seems to be my day to apologize to the ladies present in this Parliament as rapporteurs. I do apologize for the very late stage at which this amendment came in, but there was a specific reason for its being late.

When we had our discussion in the last part-session in December, we were talking to the Council particularly about the backlog of directives that had gone from the Commission to the Council and had then been held up by internal wrangling and all the usual problems one associates with the Council — but never with the Commission. I made the point quite strongly to the Commission, that, surely, it would be better to have a much closer link with the Council to ensure that when the directives went to the Council they were of an acceptable level — in other words, to accept a lower standard than we would like to have, in order to achieve some movement when the matter arrived at the Council.

My amendment is really based on just this same problem. I believe that, although this is a seemingly innocuous and well-meaning directive, when it arrives in the Council it may bump into trouble, and may join that long list of directives that nobody can really agree on. It may be — and I hope Mrs Kruchow is

¹ OJ C 30 of 7. 2. 1977.

Spicer

right — that I am under a misapprehension about the background to this directive. But there was, after we had our last committee meeting and the report had been decided upon, a meeting of the European Legislation Committee of our Parliament in the United Kingdom, and the chairman of the National Water Council gave his evidence to that committee, which really did create quite a stir in the United Kingdom. He is a well-known authority.

If I may, I shall just give you an outline of what he said, and then, if he and I are mistaken, I shall happily withdraw my amendment. He stated in his evidence that the water standards are far more stringent than is necessary for fish to live and thrive. In particular, he stated that the requirements for temperature and ammonia content were much too severe. He said further that if all rivers in which fish lived and thrived in Britain were to be brought up to the standard required by the directive, most would have to be improved, and the cost would be astronomical. That is the basis on which I put forward my amendment; someone will perhaps tell me that I am completely mistaken about the terms in which the directive is put forward — in which case, I shall be very happy to withdraw my amendment.

President. — I call Mr Noè.

Mr Noè. — (I) Mr President, I should like to ask Mr Spicer — as Mrs Kruchow has already done — to withdraw the amendment. I share his anxieties, but I can assure him that they have no real foundation if one considers the criteria on the basis of which the water-quality classifications have been and will be applied — namely, according to the particular stretch of the river concerned. In France, I have personally seen that the *Agences des Bassins* tend to be extremely severe as regards the upper reaches of rivers, that is the section near to the source, for which conditions permitting fish to thrive are laid down. But bit by bit as one descends towards the river mouth these criteria are retained only where possible. A high level of industrialization, of course, makes retention scarcely possible.

Moreover, the application of these criteria depends to a large extent on the flow capacity of the river, because if a river contains a large volume of water it can obviously cope with a great deal of industry on its banks, whereas if it carries only a small volume during the dry periods and already has to cope with a great deal of industry no one is going to be able to impose quality standards on its waters sufficient to ensure the survival of fresh-water fish.

The classification could be made in stretches starting from the source of the river and working down towards its mouth. This would avoid the justifiable anxiety of Mr Spicer and at the same time provide means for protecting at least the upper reaches of

rivers, which are often situated in recreational and tourist areas. I should therefore like to ask Mr Spicer to withdraw his amendment.

President. — I call Mr Tugendhat.

Mr Tugendhat, Member of the Commission. — Mr President, I hope that during the course of my remarks I may be able to resolve the difficulty, or at least, contribute to the resolution of the difficulty that has arisen.

Before turning to the amendment, I would like, if I may, to deal with the main question and to say to the honourable lady that on purely personal grounds I am particularly glad to be speaking on this point. Before coming here, I was the Member of Parliament for the cities of London and Westminster, through which flows the Thames, and there has been the most incredible progress on that front, with many fish which had not been in the river since the Middle Ages, since before the Industrial Revolution, now returning: we had great excitement some while ago when we thought, and still think, that we had found a salmon in the Thames, so that the importance of this particular question is one which from personal constituency experience I fully understand.

The Commission as a whole also welcomes what has been said by Mrs Kruchow; it welcomes the proposal for a directive on the quality requirements for waters capable of supporting fresh-water fish and the draft resolution which underlines the aims of the Commission in making this proposal. In accepting the proposal Parliament will again be showing its interest in initiatives to control pollution and protect the natural resources of Member States, and also maintain its reputation for often being in advance of Member States themselves.

I would like to make two points on the resolution. The Commission fully supports Mrs Kruchow's view that we need reliable scientific evidence about the limit of harmful substances acceptable in different types of fresh waters. We are already preparing proposals on the methods of analysis needed to monitor pollution and to apply Community directives, but the scientific problems in achieving satisfactory results are very substantial, and most of the data so far available are based on studies conducted in artificial conditions. I am sure she will agree there sometimes is a tremendous difference between simulated laboratory conditions on the one hand and what actually occurs in a river on the other. In these circumstances, while we will press on with the scientific research, we feel that we should not set aside the action to control water pollution itself. Indeed, we should try to make progress as rapidly as we can on that front, and be ready to review and amend our actions as more complete scientific evidence becomes available.

Tugendhat

The Commission also fully accepts the need for international cooperation to control fresh-water pollution. We have played an active part in the International Commission for the Protection of the Rhine and now, following the decision taken in principle by the Council, the Community will participate in due course in the Convention for the Protection of International Water-Courses against Pollution worked out under the auspices of the Council of Europe.

I now return to the amendment proposed by Mr Spicer, in the hope that I shall be able, perhaps, to contribute to its resolution. I entirely understand the concern which he expressed in the light of the evidence given by the chairman of the United Kingdom National Water Council to a British parliamentary committee on European legislation, and of course I also understand the fact that circumstances do vary very substantially from one country to another. I think the important point to make is that what the Commission is trying to do is to set a quality objective, but it will be up to the Member States themselves, each individual Member State, to decide how it should be achieved: it will be up to the Member State to say whether it should be one stretch of river or another, whether it should be the total river or just a part. The standards of this objective have been elaborated with the aid of national experts; during the course of the debate I enquired into this and received an assurance that British experts were among those who took part in this. So that not all the rivers in which fish are at present, and to which we hope fish will return, will necessarily have to meet precisely the same conditions, although the overall objective standards will be imposed by the Community.

The environmental service is well aware of the realities of the situation, of the differences which occur, of the actual state of the rivers, as well as of the economic situation of the Community and indeed of individual member countries. The intention is to take all appropriate factors into account in working out standards, the attainment of which will depend on different natural, God-given conditions, as well as on the pollution itself.

President. — I call Mr Spicer

Mr Spicer. — Mr President, I would like to thank the Commissioner very much indeed, and with the greatest pleasure I withdraw my amendment and hope that we shall see this directive carried by the Council in the very near future.

President. — Amendment No 1, tabled by Mr Spicer on behalf of the European Conservative Group and worded as follows:

After paragraph 5, add a new paragraph worded as follows:

'5a. Doubts the value of a directive which gives no precise assessment of the actual capability of water to support fresh-water fish.'

is accordingly withdrawn.

Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

13. Directives on plant-protection products

President. — The next item is the report (Doc. 455/76) by Mr Ney, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the

proposals from the Commission to the Council for

- I. a directive concerning the placing of EEC-accepted plant-protection products on the market, and
- II. a directive prohibiting the placing on the market and the use of plant-protection products containing certain active substances.

I call Mr Ney.

Mr Ney, rapporteur. — (F) Mr President, ladies and gentlemen. We have before us two proposals on, first, a directive concerning the placing on the market of EEC-accepted plant-protection products and, secondly, a directive prohibiting the placing on the market and the use of plant-protection products containing certain active substances.

According to the explanatory memorandum, the object of the two proposals is to achieve a certain degree of harmonization of the various national legislations and to facilitate the free circulation of these products. The proposal envisages the creation of an optional 'EEC-acceptance' for pharmaceutical products. Recognition of such a system should normally take place in all Member States within a one-to-two year period. The proposal sets out the requirements for applying for and granting 'EEC-acceptance' and the procedures for refusing or cancelling acceptance.

I should like to stress one important aspect of the proposals, namely, that before the end of each year the Commission shall publish a list of accepted pharmaceutical products, i.e., a common catalogue of pharmaceutical products. The proposal also contains a number of safeguard clauses. The Member States retain the possibility of limiting circulation and of modifying or restricting the use of these products because of special circumstances existing in various Community regions. Apart from certain technical details, which may cause difficulties for certain Member States at the time of application, the provisions of this directive on EEC-acceptance contain all the elements of good legislation designed to supervise the quality of products and to ensure protection of the population and the environment.

¹ OJ C 30 of 7. 2. 1977

Ney

It is regrettable that this directive could only provide for optional acceptance. It envisages the creation of an optional EEC-acceptance, to operate in parallel with existing national arrangements for authorizing the marketing of plant-protection products. Any manufacturer, distributor or importer who wishes to market a plant-protection product within the EEC will have the choice either of applying for registration under national legislation or of applying for EEC-acceptance, on its own or in addition to the national provisions in force. The Commission's argument in favour of limiting its proposal to optional acceptance is that a considerable proportion of nationally-registered plant-protection products is intended only for local or regional use. The force of this argument cannot be denied, as an examination of the various legislations in force in this area shows that there are fundamental differences. For example, the definition of plant-protection products is not the same in all countries. Certain products are prohibited in some countries but not in others.

Certain plant-protection products have only a limited economic importance, either because they are effective only against harmful organisms confined to a very small region or because, for one reason or another, they cannot be used on certain crops or plant species.

For these reasons, it is regrettable that we cannot expect unification of national legislation in the near future. It must be recognized that, for the moment, the solution proposed by the Commission is, perhaps, the most realistic. However, while recognizing the force of these arguments, we have insisted that better proposals should be introduced in the near future. The drawbacks of optional approval should not be overlooked, especially where the protection of human and animal health and of the environment is concerned.

Parliament has always been in favour of a substantial improvement in products which affect health. We recognize that, for the moment, this is difficult but, Mr President, I would like to make a suggestion which might help to improve the present proposal and to achieve greater harmonization. Would it not be possible, through the Standing Committee on Plant Health, to determine those regions in the Community which have more or less the same climatic conditions and identical or similar crops? Even if this did not enable us to achieve harmonization, it would at least be a step in the right direction.

Moreover, the Commission itself is very much aware of the weaknesses of the proposals. In order to offset them in certain areas, it has presented simultaneously a complementary proposal which is intended to come into force at the same time as the proposal on EEC-approval — namely, a directive prohibiting the placing on the market and the use of products containing certain active substances, in particular mercury and organo-chlorine.

It should be noted, however, that this proposal is limited to certain substances, whereas we take the view that at least the prohibitions already in force in the various countries should have been completely harmonized. We insist that the list of these prohibitions should be extended to include dangerous active substances.

In conclusion, Mr President, we regret that the work of drawing up Community legislation in the area of plant health should still be very limited. The Council has still not adopted the directive concerning the classification, packaging and labelling of pesticides, presented to it some years ago. I wish to insist that the directive on packaging is essential to the implementation of the directives now before us.

With these reservations, I ask Parliament to adopt the resolution and to approve the Commission's proposals.

(Applause)

President. — I call Mrs Squarcialupi to speak on behalf of the Communists and Allies Group.

Mrs Squarcialupi. — *(I)* Mr President, honourable Members, or perhaps I should say honourable Member, because it is not very clear how many Members can still be here to discuss this problem, which is of great interest to all citizens of this Community.

On behalf of the Communist Group of the European Parliament, I can support Mr Ney's report on the two directives, the one concerning the placing of EEC-accepted plant-protection products on the market, the other prohibiting the placing on the market and the use of plant-protection products containing certain active substances. Our favourable vote is above all intended to encourage those critics who maintain that it should no longer be up to the Member States to decide on the expediency of, and the deadlines for, prohibiting the use of certain substances from being placed on the market. The state's competence to make such decisions amounts to a licence to undermine the consumer's health, whilst for the large firms which produce certain substances it means the ability to continue to make huge profits. But consumer maturity and education can play an effective part in conquering these legalized abuses, which permit the sale of noxious products up to deadlines which are often far too generous.

Let me take an Italian example. Certain colouring-matters for beverages have been banned by the Community; the beverages continue to be on sale, but now bear the final date by which they can be sold: 'Permitted in Italy until end of 1978'. Well, a vast number of consumers have reacted spontaneously by refusing to purchase these artificially-coloured bever-

Squarcialupi

ages. Barkeepers have told me that certain types of orange-juice containing artificial colouring-matters are no longer selling well; in this case it is the traders who are having to pick up the bill, even though they are entirely blameless. In short, this lack of organization serves no one, or at best serves someone for a very short period of time. On the contrary, it causes harm to a great many people, particularly the consumers, who even after initially rejecting the products then let themselves be convinced that despite everything some of these very attractive colours might well not be noxious.

On behalf of our group, I, too, would like to join in urging the Commission to encourage scientific research aimed at creating alternative products to the most dangerous plant-protection substances, whether they be products which cost the same or less than existing ones, for under our present western economic system it is difficult to offer successful protection to the consumer if we cannot offer him acceptably-price alternatives.

To sum up, I consider the choices being offered worthy of the Community after so many years of joint effort, particularly when what is at stake is the health of the people, threatened now more than ever by forms of pollution having the most varied origins.

President. — I call Mr Tugendhat.

Mr Tugendhat, member of the Commission. — Mr President, I agree with the honourable lady that the fact that this is being taken at the end of today's business and, inevitably therefore, there are not as many people present in no way reflects on the importance of the subject. It is something which is of great importance to everybody who lives within the Community.

I would like, on behalf of the Commission, to thank Mr Ney and the Committee on the Environment, Public Health and Consumer Protection for the report which now lies before us. Since it actually approves recent Commission proposals, obviously I very much hope that Parliament will feel able to adopt the motion for a resolution.

In his speech Mr Ney stressed that the Commission should regard this as only a first step. I agree that more needs to be done. The Commission will very carefully monitor the effectiveness of the present proposals and come forward with additional appropriate proposals as the need arises.

I also appreciate the point that was made by the second speaker about ensuring that we have substitutes available of a healthier kind. In particular, we are thinking here — on a slightly different point from the one which was made — about maximum levels for pesticide residues in animal feedstuffs and products of animal origin. We are very actively engaged in work of this kind.

There was one point raised by Mr Ney which I would like to dwell on. He suggested that the Commission ought to eliminate the optional approach to harmonization, because it would be inappropriate for a matter touching public health so closely. I would like to stress that the particular proposal which is now before us is not optional. Quite apart from the strength of the argument which he put forward, what we are actually talking about now is not optional. This proposal will ban the use of certain substances and does already provide a generalized measure to protect consumers and the environment. We accept, as I say, that more should be done. We will try to bring forward additional proposals as and when these are necessary.

I would also like to make the point that the range of products available is very large. This is a point which Parliament's Committee on Agriculture has made, and the small distribution of many of them does give rise to considerable difficulties. So, just in case there is any misunderstanding — and I appreciate that there might be — one of these proposals is of course optional and the other is not. I am sorry I did not make that particular point clearer.

President. — Does anyone else wish to speak?

I put the motion for a resolution to the vote.

The resolution is adopted.¹

14. Dates of the next part-session

President. — There are no other items on the agenda.

I thank the representatives of the Council and the Commission for their contributions to our debates.

The enlarged Bureau proposes that our next sittings be held at Luxembourg during the week from 7 to 11 February 1977.

Are there any objections?

That is agreed.

15. Adjournment of the session

President. — I declare the session of the European Parliament adjourned.

16. Approval of the minutes

President. — Rule 17 (2) of the Rules of Procedure requires me to lay before Parliament, for its approval, the minutes of proceedings of this sitting, which were written during the debates.

Are there any comments?

The minutes of proceedings are approved.

The sitting is closed.

(The sitting was closed at 12.10 p.m.)

¹ OJ C 30 of 7. 2. 1977