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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.

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IN THE CHAIR: MR SPÉNALE

President

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

President. — The sitting is open.

1. *Resumption of the session*

President. — I declare resumed the session of the European Parliament adjourned on 27 October 1976.

2. *Apologies for absence*

President. — Apologies for absence from the present part-session have been received from Mr Pierre Bertrand, Mr Didier, Mr Giraud and Sir Geoffrey de Freitas.

3. *Membership of committees*

President. — During its sitting of 15 October 1976, Parliament provisionally appointed to committees members of the Italian delegation whose nomination took effect from that date.

During the sitting of 27 October, the credentials of the members of this delegation were verified. We can now therefore finally ratify these nominations.

Are there any objections?

These appointments are ratified.

I have received from the Communist and Allies Group and from the Christian-Democratic Group a request for the appointment of Mrs Iotti to the Legal Affairs Committee, replacing Mr Vernaschi, and of Mr Noè to the Committee on the Environment, Public Health and Consumer Protection, replacing Mrs Iotti.

Are there any objections?

These appointments are ratified.

4. Petitions

President. — I have received :

- from Mr Everhard, Mr Mermans and Mr Behrens, a petition on the hazardous activities of Euratom in Geel-Mol involving the use of plutonium and similar substances in the immediate vicinity of houses and food-processing facilities ;
- from Mrs Antony and others, a petition on relations between the European Communities and Chile ; and
- from Mr Feidt and others, a petition on enquiries into the political affiliations of Commission officials.

These petitions have been entered under Nos 11/76, 12/76 and 13/76 of the general register provided for in Rule 48 (2) of the Rules of Procedure and, pursuant to paragraph 3 of that same rule, referred to the Committee on the Rules of Procedure and Petitions.

5. Documents received

President. — During the adjournment, I have received the following documents :

(a) from the Council, requests for an opinion on

- the proposal from the Commission to the Council for a decision adopting the annual report on the economic situation in the Community and laying down the economic policy guidelines for 1977 (Doc. 393/76).

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

- the proposal from the Commission to the Council for a regulation concerning the import of certain viticultural products originating in Greece into the three new Member States (Doc. 394/76).

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

- the proposal from the Commission to the Council for a regulation amending Annex IV to regulation (EEC) No 816/70 laying down additional provisions for the common organization of the market in wine and the Common Customs Tariff as regards the exchange rates applicable to customs duties on certain wines (Doc. 395/76).

This document has been referred to the Committee on Agriculture ;

- the proposal from the Commission to the Council for a regulation extending the period of validity of regulations (EEC) Nos 1509/76 and 1522/76 on imports into the Community of prepared and preserved sardines originating in Tunisia and Morocco respectively (Doc. 402/76).

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

- the proposals from the Commission to the Council for

I. a regulation amending regulation (EEC) No 1162/76 on measures designed to adjust wine-growing potential to market requirements ; and

II. a regulation amending regulation (EEC) No 1163/76 on the granting of a conversion premium in the wine sector

(Doc. 410/76).

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

- the proposal from the Commission to the Council for a regulation amending regulations (EEC) Nos 2682/72, 2727/75, 765/68 and 330/74, concerning the description of certain chemicals falling within sub-heading 29.16 A VIII of the Common Customs Tariff (Doc. 422/76).

This document has been referred to the Committee on Agriculture ;

(b) from the committees, the following reports :

- second report by Mr Brégégère, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the consumer and public-health aspects of the manufacture and sale of fruit jams, jellies and marmalades and chestnut purée (Doc. 376/76) ;

- interim report by Mr Nyborg, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the communication from the Commission to the Council on action in the field of transport infrastructure and the proposals from the Commission to the Council for :

I. a decision instituting a consultation procedure and creating a committee in the field of transport infrastructure ; and

II. a regulation concerning aid to projects of Community interest in the field of transport infrastructure (Doc. 377/76) ;

- report by Lord Bessborough, on behalf of the Committee on Energy and Research, on the proposal from the Commission to the Council for a decision on a four-year programme (1977-1980) in the field of scientific and technical education (Doc. 379/76) ;

- report 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 (Doc. 380/76) ;

- report by Mr Albers, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the proposal from the Commission to the Council for a regulation on a system of reference tariffs for the carriage of goods by inland waterway between Member States (Doc. 381/76) ;

- report by Mr Albers, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the proposal from the Commission to the Council for a regulation concluding the Agreement establishing a European laying-up fund for inland-waterway vessels and adopting the provisions for its implementation (Doc. 382/76) ;

President

- report by Mr Seefeld, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the proposal from the Commission to the Council for a regulation on the harmonization of certain social legislation relating to road transport (Doc. 396/76);
- report by Mr Albertsen, on behalf of the Committee on Social Affairs, Employment and Education, on the first European social budget (revised) 1970-75 (Doc. 397/76);
- report by Mr Walkhoff, on behalf of the Committee on Social Affairs, Employment and Education, on the draft Commission recommendation to the Member States on vocational preparation for young people who are unemployed or threatened by unemployment (Doc. 398/76);
- report by Mr Willi Müller, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the proposal from the Commission to the Council for a decision concluding a Convention for the Protection of the Rhine against Chemical Pollution and an Additional Agreement to the Agreement signed in Berne on 29 April 1963 concerning the International Commission for the Protection of the Rhine against Pollution (Doc. 400/76);
- report by Mr Guerlin, 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 supplementing, with regard to the chilling process, amended Directive 71/118/EEC on health problems affecting trade in fresh poultry-meat (Doc. 401/76);
- report by Mr Pintat, on behalf of the Committee on Energy and Research, on the proposal from the Commission to the Council for a decision reviewing the energy research and development programme adopted by the Council's decision of 22 August 1975 (Doc. 403/76);
- report by Mr Artzinger, on behalf of the Committee on Economic and Monetary Affairs, on the proposal from the Commission to the Council concerning a decision adopting the annual report on the economic situation in the Community and laying down the economic policy guidelines for 1977 (Doc. 405/76);
- report by Miss Boothroyd, on behalf of the Committee on Development and Cooperation, on the proposal from the Commission to the Council for a regulation on the autonomous and special arrangements for beef and veal products originating in some signatory States of the ACP-EEC Convention of Lomé (Doc. 406/76);
- report by Mr Brøndlund Nielsen, on behalf of the Committee on Development and Cooperation, on the communication from the Commission to the Council for the 3-year indicative food aid programme, 1977-79 (Doc. 407/76);
- third report by Mr Hamilton, on behalf of the Committee on the Rules of Procedure and Petitions, on the amendment of Chapter XI of the Rules of Procedure of the European Parliament (Doc. 408/76);
- report by Mr Memmel, on behalf of the Committee on the Rules of Procedure and Petitions, on the amendment of Rule 48 of the Rules of Procedure (Petitions) (Doc. 409/76);
- report by Mr Schwörer, on behalf of the Committee on Economic and Monetary Affairs, on a motion for a resolution tabled by Mr Schwörer, Mr Mitterdorfer, Mr Mursch, Mr Brugger, Mr W. Müller, Mr Suck, Mr Schmidt, Mr Schwabe, Mr De Keersmaecker, Mr Vandewiele, Mr Bangemann and Mr Artzinger on third-party motor-vehicle insurance in the Community (Doc. 412/76);
- report by Mr Scott-Hopkins, on behalf of the Committee on Agriculture, on the proposal from the Commission to the Council for a regulation relating to the organization of a survey on the structure of agricultural holdings for 1977 (Doc. 413/76);
- report by Mr De Koning, on behalf of the Committee on Agriculture, on the proposals from the Commission to the Council for :
 - I. a regulation on a co-responsibility levy and measures for expanding markets in the milk and milk-products sector;
 - II. a regulation temporarily suspending certain national and Community aids in the milk and milk products sector;
 - III. a regulation concerning a charge on certain oils and fats, and
 - IV. a decision setting up a Community action for the eradication of brucellosis, tuberculosis and leucosis in bovines
 (Doc. 414/76);
- report by Mr Liogier, on behalf of the Committee on Agriculture, on the proposal from the Commission to the Council for a regulation regarding the final date for submitting applications for aid from the European Agricultural Guidance and Guarantee Fund, Guidance Section, for 1977 (Doc. 417/76);
- report by Mrs Dunwoody, on behalf of the Committee on Agriculture, on the proposal from the Commission to the Council for a regulation on the opening, allocation and administration of a Community tariff quota for frozen beef and veal falling within subheading No 02.01 A II a) 2 of the Common Customs Tariff (1977) (Doc. 418/76);
- report by Mr Ney, on behalf of the Committee on Agriculture, on the proposal from the Commission to the Council for a directive amending Directives 64/432, of 26 June 1964, 72/461, of 12 December 1972, and 72/462, of 12 December 1972, on health and veterinary problems (Doc. 419/76);
- report by Mr Früh, on behalf of the Committee on Agriculture, on the amendments to a proposal from the Commission to the Council for a regulation amending Regulation (EEC) No 1696/71 on the common organization of the market in hops (Doc. 420/76);
- report 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 (Doc. 132/76) for :

President

I. a directive on the approximation of the laws of the Member States relating to veterinary medicinal products; and

II. a directive on the approximation of the laws of the Member States relating to analytical, pharmacotoxicological and clinical standards and protocols in respect of the testing of veterinary medicinal products

(Doc. 421/76).

(c) a motion for a resolution by Sir Brandon Rhys Williams, on disorders in world currency markets (Doc. 392/76).

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

(d) the following oral questions with debate:

— oral question by Lord Bethell, Mr Spicer, Mr Herbert, Mr Martens, Mr Jahn, Mr Noè and Mr Premoli to the Council on Council implementation of the European Communities' November 1973 environmental programme (Doc. 383/76);

— oral question by the European Conservative Group to the Council on the extension of fishing zones of Community Member States and preservation of fish stocks within the Community's proposed 200-mile exclusive economic zone (Doc. 384/76);

— oral question by the European Conservative Group to the Commission on the extension of fishing zones of Community Member States and preservation of fish stocks within the Community's proposed 200-mile exclusive economic zone (Doc. 385/76);

— oral question by Mr Cousté, on behalf of the Group of European Progressive Democrats, to the Commission on the situation in the crafts-trades industry (Doc. 386/76);

— oral question by Miss Bothroyd, Mr Evans, Mr Adams, Mr Carpentier and Mr Kavanagh to the Commission on consumer democracy (Doc. 388/76);

— oral question by Mr Osborn, on behalf of the European Conservative Group, to the Commission on trade with Japan (Doc. 390/76);

— oral question by Mr Prescott, on behalf of the Socialist Group, to the Council on the extension of the Community Member States' fishing zones to 200 miles on 1 January 1977, fishing agreements with non-Community nations and a revised Common Fishing Policy (Doc. 391/76);

— oral question by Mr Nyborg, Mr Cointat, Mr Clerfayt, Mr Gibbons, Mr Herbert, Mr Laban, Mr Lenihan, Mr Nolan and Mr Kofoed to the Council on establishing a common fishing policy for the Member States (Doc. 399/76);

— oral question by the Committee on Economic and Monetary Affairs to the Commission in the crisis and pre-crisis policy in the steel sector (Doc. 415/76);

— oral question by Mr Cousté, on behalf of the Group of European Progressive Democrats, to the Commission on the crisis in the Community iron-and-steel industry (Doc. 416/76);

(e) oral question, without debate, by Mr Geurtsen to the Commission on the protection of copyright in

the field of photomechanical reproduction (Doc. 387/76);

(f) the following questions tabled, pursuant to Rule 47A of the Rules of Procedure, for Question-time on 17 November 1976:

questions by Mr Glinne, Mr Dondelinger, Mr Cousté, Mr Cointat, Mr Dykes, Mr Fletcher, Mr Evans, Mr Hamilton, Mr Normanton, Mr Kofoed, Mr Spicer, Mr Nolan, Mr Brøndlund Nielsen, Mr Osborn, Mr Ellis, Mr Molloy, Mr Berkhouwer, Mr Sandri, Sir Brandon Rhys Williams, Mr Scott-Hopkins, Mr Bangemann, Mr Howell, Mr Dalyell, Mrs Dunwoody, Mr Gibbons, Mr De Clercq, Mr Cifarelli and Mr Gerlach (Doc. 411/76).

6. *Texts of Treaties forwarded by the Council*

President. — I have received from the Council a certified true copy of

the commercial cooperation agreement between the European Economic Community and the People's Republic of Bangladesh.

This document will be deposited in the archives of the European Parliament.

7. *Reference to committee*

President. — The proposal from the Commission to the Council for a directive on the approximation of the laws of the Member States relating to articles of precious metals (Doc. 466/75), which was referred to the Committee on Economic and Monetary Affairs, has now, at that committee's request, also been referred to the Committee on the Environment, Public Health and Consumer Protection for its opinion.

8. *Authorization of a report*

President. — Pursuant to Rule 38 of Procedure, I have authorized the Committee on Social Affairs, Employment and Education to draw up a report on the communication from the Commission to the Council on the humanizing of working conditions.

9. *Tabling of motions for resolutions with requests for urgent procedure*

President. — I have received a motion for a resolution tabled by Mr Espersen, on behalf of the Socialist Group, with request for debate by urgent procedure pursuant to Rule 14 of the Rules of Procedure, on the abuse of the principle of the free movement of workers (Doc. 424/76).

I shall consult Parliament on the urgency of this motion tomorrow morning.

President

I have also received from Mr Springorum, on behalf of the Committee on Energy and Research, with request for debate by urgent procedure pursuant to Rule 14 of the Rules of Procedure :

- a motion for a resolution on the present situation with regard to a Community energy policy following the Council meeting of 19 October 1976 (Doc. 378/76); and
- a motion for a resolution on the outcome of the meeting of the Council of Research Ministers of 21 October 1976 (Doc. 404/76).

I consult Parliament on the urgency of these two motions for resolutions.

Are there any objections to the adoption of urgent procedure ?

That is agreed.

I propose inserting a joint debate on these two motions as fourth item on tomorrow's agenda.

Are there any objections ?

That is agreed.

10. *Limitation of speaking-time*

President. — In accordance with precedent and pursuant to Rule 31 of the Rules of Procedure, I propose the following limits on speaking-time :

Reports :

- 15 minutes for the rapporteur and for one speaker on behalf of each group ;
- 10 minutes for other speakers ; and
- 5 minutes for speakers on amendments.

Oral questions with debate :

- 10 minutes for the author of the question ; and
- 5 minutes for other speakers.

Are there any objections ?

That is agreed.

11. *Organization of the debate on political cooperation*

President. — With the agreement of the chairman of the political groups, I propose that the debate on the statement to be made on Wednesday by the President-in-Office of the Council on the subject of political cooperation be limited to two hours. Pursuant to Rule 28 of the Rules of Procedure, speaking-time has been allocated as follows :

Socialist Group	30 minutes
Christian-Democratic Group	25 minutes
Liberal and Allies Group	20 minutes
Group of European Progressive Democrats	15 minutes
European Conservative Group	15 minutes
Communist and Allies Group	15 minutes
Non-attached Members	between 5 and 10 minutes.

I call Mr Radoux.

Mr Radoux. — (*F*) Has no speaking-time been allocated to the chairman of the Political Affairs Committee ?

President. — Mr Radoux, last year speaking-time was allocated to the rapporteur of the Political Affairs Committee because on that occasion there was a report — a report by Mr Alfred Bertrand. This time, however, there will be an unprepared debate on a statement to be made at about 11.30 a.m. on Wednesday. It is the political groups that will be taking part in this debate since obviously neither the Political Affairs Committee nor any other committee will have the opportunity to study this statement before hand. The proposal I am now making has been sanctioned by the chairman of the political groups.

Are there any other observations ?

That is agreed.

12. *Order of business*

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

Pursuant to Rule 27 A (5), the proposal from the Commission to the Council for a

- regulation amending Annex IV of Regulation (EEC) No 816/70, laying down additional provisions for the common organization of the market in wine and the Common Customs Tariff as regards the exchange-rates applicable to customs duties on certain wines (Doc. 395/76),

which has been referred to the Committee on Agriculture, has been placed on the agenda for today's sitting for *approval without report*. Unless any Member asks leave to speak on this proposal or amendments are tabled to it before the opening of the sitting on Friday, 19 November 1976, I shall declare this proposal to be approved.

At its meeting of 26 October 1976, the enlarged Bureau drew up the order of business which has been distributed. Since then, however, the following changes have taken place :

- the report by Mr Schwörer (No 288) on the Fourth Programme for a medium-term economic policy has been withdrawn ;
- the report by Mr Albers (No 291) on the laying up of inland waterway vessels has been withdrawn ;
- the oral question by Mr Osborn to the Commission (No 274) on trade with Japan has been deferred to the December part-session ;
- the committee on Agriculture requests a vote without debate on a report by Mrs Dunwoody on frozen beef and veal (Doc. 418/76 and on a report by Mr Liogier on the EAGGF (Doc. 417/76). I propose that these reports be entered on the agenda for Friday.

Mr Liogier. — (*F*) Mr President, I request that my report should be the subject of a debate. That being so, it would probably be deferred until December.

President. — I call Mr Lardinois.

Mr Lardinois, Member of the Commission. — (NL) Mr President, would it be possible for the debate on the proposal for a regulation on beef and veal products to be brought forward to tomorrow? I understood that the report would be dealt with by the procedure without debate, and if this is so, the Council could take a decision on Wednesday. Since a debate is not required, this will not upset our normal agenda.

President. — Mr Lardinois, we do not yet have the committee's report, which cannot be distributed until Wednesday. This report can scarcely be debated before the political groups have had the opportunity of examining it.

I call Miss Flesch.

Miss Flesch, Chairman of the Committee on Development and Cooperation. — (F) Mr President, on behalf of the Committee on Development and Cooperation, I wished to make the same request as Mr Lardinois. The report by the Committee on Development and Cooperation, for which Miss Boothroyd is rapporteur, was submitted, so far as I know, in due time and we realize why it is necessary to discuss it tomorrow. It is a question of extending the term of validity, with effect from 1 January, of measures at present in force. You may say that 1 January is still a long way away, but as it is a customs matter, the customs authorities need a certain amount of time to implement the provisions.

That is why, I too, wanted to ask, on behalf of the Committee on Development and Cooperation, that this item, No 303 be placed on tomorrow's agenda, even if it has to be discussed in the evening, for that would allow the Council, which is present at the sitting, to give its opinion, resulting in a saving of time for us.

President. — I call Mr Prescott.

Mr Prescott. — Mr President, I would like to raise one point about the proposal you are putting to this House that certain oral questions or other items should not be debated, in particular Mr Osborn's question on trade with Japan and a number of others. I wonder whether you could advise me on the procedure in this matter, because I recall that at Strasbourg another controversial matter arose regarding fishing. A question was put down and then the author of the question proposed that it be removed although it had been accepted by the enlarged Bureau and was part of the agenda. At that time we got the Vice-President who was in the chair at the time to accept that the author of the question would not be allowed to remove it and prevent a debate on the issue. Now here we have another example. The enlarged Bureau has met and agreed this agenda with the political leaders. Now it is my view — and I seek your guidance on this — that anything on the agenda put

forward by the enlarged Bureau, of which notice has been given to the Members of this House, will be debated. It then becomes a matter for the House itself to decide whether such items shall be removed from the agenda, and not the author. I wonder whether you are asking us to agree with your proposal or whether in fact it has already been agreed that these items will be withdrawn from the agenda. It is a right of Members of this House to be able to debate issues that they have been notified are on the agenda.

President. — As regards the report by Miss Boothroyd on ACP beef-and-veal products, the Committee on Budgets, which has to give an opinion — since the subject has budgetary implications — will not be able to do so before late tomorrow evening. Moreover, I fail to see when the political groups will be able to discuss the matter, since certain information will have to be submitted to them beforehand by the committees. Consequently, we can scarcely place this report on Tuesday's agenda and it would be preferable to leave it on the agenda for Friday.

I remind you that the procedure without debate has been proposed. Mr Lardinois, do you consider a debate necessary on this report?

Mr Lardinois, Member of the Commission. — (NL) No, Mr President, I only ask that the matter be dealt with, preferably without debate.

(Amusement)

President. — I call Mr Nyborg.

Mr Nyborg. — (DK) Mr President, together with some of my colleagues, I have tabled a question to the Council on fisheries policy. I see that it has not been put on the agenda, and I understand why, as I know that there has not been a Bureau meeting since September; but since our question is on a subject which is already going to be discussed and since the Council has intimated that it is prepared to answer the question, I would ask you, Mr President, to enter this question on the agenda for Wednesday morning.

I would further justify my request by pointing out that the questions are fairly distributed among different nationalities and political groups.

President. — Mr Nyborg, there are already a number of oral questions down on this matter and they will be in the subject of a joint debate on Wednesday.

Having said that, I should like to answer Mr Prescott and yourself at the same time, because your two demands are absolutely contradictory and call for consideration by the Committee on the Rules of Procedure and Petitions. Mr Prescott's question is whether a question which has been referred to the Bureau and placed by it on Parliament's agenda may simply be withdrawn by the questioner in accordance with the practice we have followed hitherto.

I agree Mr Prescott that this matter needs thinking about.

President

On the other hand, the Bureau considers that when an oral question has already been put by a group, a committee or other groups, it is not normal practice to submit, outside the deadline, the same question in a different form: this would mean that once a question was admitted, everyone could table another, further question on the same subject, thus crowding the agenda, whereas in fact everyone can take part in the debate.

But it is quite obvious that, if we refuse to accept new questions on the same subject — which is what you are proposing — it is difficult to say to Mr Prescott that the originator of a question has the right to withdraw it, for if, on the one hand, the originator has the right, as if it were his own personal property, to withdraw his question, and if, on the other, his fellows Members are not allowed to table questions following on from the first one, we might well end up in a situation where all discussion of a given subject was impossible.

There are, therefore, two contradictory aspects of the problem, according to whether we take Mr Prescott's question or yours, and I feel that, on Wednesday, the Bureau should consider this point and see what should be done about the question on trade with Japan, which has been withdrawn and which, I believe, Mr Prescott would like to see on the agenda.

I call Mr Dalyell.

Mr Dalyell. — This Parliament has a procedure for explanations of vote. Could we have an explanation as to why the question on Japan was withdrawn?

President. — Mr Osborn, do you wish to answer this question?

Mr Osborn. — I would have been happy to have had this debated this month in this Assembly, as it is obviously an urgent matter which this Parliament should discuss. After consultations with the Commission, I had to decide in my own mind when this debate should take place. I wrote to you, Mr President, and the Bureau very kindly conceded to my request, to ask that this debate should definitely take place next month, because talks are now being held and I would have thought it better to have something definite to debate rather than debate the same situation as existed at Question Time last month. I took it on my own judgment, in consultation with the colleagues of my group, to ask you to postpone it, as I think that would fit in with the timing of the negotiations that the Commission are now undertaking. Therefore I hope that you, Mr President, and the Parliament will back my decision. It has been a very difficult one to take.

President. — I call Mr Nyborg.

Mr Nyborg. — (DK) Mr President, one very short observation. It seems to me that the two questions do

not really need to be linked together. If one is withdrawn, that does not mean that the other is necessarily followed through. I would just like to point out that there is nothing unusual in a situation where an extra question is added to questions already entered on the agenda, and it is of some importance to the questioners whether we are allowed to bring out certain principles in the debate.

President. — All I can do is to propose to the House a solution based on present practice: any other course would only be possible if we had decided to change this practice after careful consideration, but the hurry of a sitting intended for settling the order of business is not the proper occasion for going into matters of theory. That is, incidentally, why I stated that the Bureau would have to go into the matters raised on Wednesday morning.

Since Mr Osborn has agreed to have his question deferred, it must, in the circumstances, be considered as having been withdrawn.

Secondly, the Bureau has decided that oral questions put down at a relatively late juncture after others have already been tabled on the same subject are no longer acceptable and that those wishing to table them must content themselves with taking part in the debate. This means that they will still have an opportunity of expressing their views. During a joint debate on several oral questions dealing more or less with the same subject, Members are entitled to put as many questions as they wish. One cannot, therefore, speak of any pressure to deprive them of what is an essential right.

I call Mr Dalyell.

Mr Dalyell. — I do not want to pursue this, but we have had an explanation from Mr Osborn. Are we not entitled to some kind of explanation from the Commission? Some of us think that it is more effective — if we wish to be effective — to express the views of Parliament before the talks are concluded and not when faced with a *fait accompli*. Therefore I think there is some obligation on the Commission to explain why they put pressure on to prevent this matter being discussed. Some of us have been to Japan and while we have many Japanese friends, we think they ought to be told some basic truths. This Parliament has every right and duty to do so.

President. — For the moment, I am considering this question to have been withdrawn by its author. If necessary, this problem can be reconsidered by the Bureau on Wednesday.

I call Mr Notenboom.

Mr Notenboom, *Vice-Chairman of the Committee on Economic and Monetary Affairs.* — (NL) Mr President, I take it that this part of the discussion is now over and, if I may, I would like to mention another item of the agenda.

Since Mr Van der Hek, the chairman of the Committee on Economic and Monetary Affairs, is absent, I, as vice-chairman of that committee, would like to draw attention to our written request of 5 November that the oral question with debate pursuant to Rule 47 on the situation in the steel industry should be placed on the agenda for this week. We discussed this subject in committee with Mr Simonet, Member of the Commission, and he would be prepared to answer the question, possibly on Thursday or Friday if Parliament places it on the agenda for one of these days.

Mr President, I have so far not refused you any favour. May I, therefore, on behalf of the Committee on Economic and Monetary Affairs, kindly request that this subject be placed on the agenda for this week? We have just deleted a number of items, so perhaps there is now room enough to enable you to accede to our request.

President. — Mr Notenboom, I have not yet mentioned your request because other Members asked for the floor before I could announce all the requests that had been received for changes in the agenda and I thought it more courteous to allow my colleagues to speak first.

I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, Mr Osborn has just stated that, for the present at any rate, he has withdrawn his question at the request of the Commission. I was unofficially informed of this and would have continued to act with discretion, but now the fact has been announced in plenary sitting, the question naturally arises whether the Commission should not itself now inform Parliament of its reasons for asking a Member of this Assembly to withdraw such an important question on trade policy so that it can be re-entered on the agenda for December.

President. — I call Mr Osborn.

Mr Osborn. — Mr President, I think I tabled this question after Mr Gundelach's answer to an oral question last month and I was very anxious to choose the best timing for it. I was aware of the arguments for an immediate debate and perhaps one a little later, because this is a continuing dialogue. What I would like to emphasize — and I may have given the wrong impression — is that the Commission has not forced me to withdraw this question. I made my own decision as to when I thought I should ask you to debate this issue. I very much hope there is no question of Parliament having the idea that I wish to withdraw it.

I have chosen December because in my view it is a better date for it.

President. — Mr Liogier, you have asked for your report on the EAGGF to be dealt with by the procedure with debate. In accordance with the proposal put forward a short while ago at the meeting of chairmen, based on the fact that our agenda is fuller than usual, your report would consequently be postponed until December. Do you agree to that?

Mr Liogier. — (F) Certainly, Mr President.

President. — With regard to Mr Notenboom's question, the Committee on Economic and Monetary Affairs and the Group of European Progressive Democrats have both asked for oral questions on the steel crisis to be placed on the agenda. Since I have so far had no opportunity of consulting the Bureau, the request to include these questions in the agenda will be submitted to the Bureau on Wednesday morning.

Furthermore, the four committees responsible for preparing the Parliament's opinion on the ECSC levy for 1977 will be meeting tomorrow evening, when they will have an opportunity of discussing the coal-and-steel situation in Europe. On Wednesday morning, therefore, the Bureau will be in possession of all the information necessary to make a decision on this request.

Finally, since the request is only that these questions be placed on the agenda for Thursday or Friday, the Bureau's proposal may very well be submitted to the House on Wednesday.

I call Mr Laban.

Mr Laban, *Vice-Chairman of the Committee on Agriculture.* — (NL) Mr President, you began by mentioning a letter which the chairman of the Committee on Agriculture had sent to you, and you have agreed that the reports by Mrs Dunwoody and Mr Liogier should be put on the agenda.

I wanted first to comment on Mr Liogier's request, which you have since granted without, in fact, consulting the acting chairman of the Committee on Agriculture. The Committee on Agriculture decided in the presence of Mr Liogier to enter this report on the agenda without debate, and it seems to me a strange procedure to consult the rapporteur and not the chairman when there is a request during plenary sitting to put the report on the agenda with debate. I wish to support the decision of the Committee on Agriculture.

The second point is, and I presume that I may speak about it now, that the Committee on Agriculture at its last meeting discussed the whole package of regulations which the Commission has introduced in connection with the general debate which took place here last month on the action programme for the achievement of a balance on the milk market. There

Laban

was a thorough discussion of the subject, and now these regulations supply further details. The Committee on Agriculture wondered whether this subject should be put on the agenda for this part-session and eventually voted by a majority for this to be done, because the Council is to pronounce on this subject next week and it is thus necessary and useful for the Council to know Parliament's opinion.

I would therefore, on behalf of the Committee on Agriculture, formally ask for the report by Mr De Koning to be put on the agenda. I know that the Committee on Budgets is to deliver its opinion tomorrow evening and that Mr De Koning's document has been distributed. The groups can consult on this on Wednesday if you, Mr President, are prepared to place this on the agenda for Thursday. I have already told you that the main points have already been discussed in some detail by the committee.

But I want to attach one condition to this — namely, that there must be some clarification of a number of procedural questions which arose during the voting on Mr De Koning's report in the Committee on Agriculture. Firstly and I can give chapter and verse the Committee on Agriculture, in its general resolution on the action programme for the dairy sector, decided not to support the proposal to impose a levy on vegetable oils and fats. This decision was subsequently confirmed by Parliament. The rapporteur naturally based his draft report on the premise that the committee, once Parliament made its decision, could not overturn it one week later, and to us that seemed logical. I would like to hear the Bureau's judgment on this.

The Committee on Agriculture also decided then that amendments should no longer be discussed in committee but during the plenary sitting, possibly by those Members who wished them to be reinstated on the agenda.

Mr President, because of a somewhat unfortunate application of the Rules of Procedure, these amendments, contrary to previous decisions of the Committee on Agriculture, were put to the vote, and then the problem arose of proxy votes. I must tell you that a quorum was reached; those Members who had to leave the meeting had taken a large part in the discussion before the night sitting began and by voting on the committee's statement that the Committee on Agriculture could not overturn a decision of Parliament one week after it had been made, they were making known their point of view on the paragraph concerned. This only leaves the question whether they fulfilled all the conditions laid down by the Bureau. Some maintain, and to my knowledge this point is interpreted in different ways in the various committees, that proxy votes are not valid in votes on individual points but only in a final vote. But, Mr President, that does not seem to me to be the situation.

We would like this point clarified. It is obvious that Members who have spoken on a question, who have attended the discussion and then, having to leave, have authorized other colleagues by means of a signed letter to deliver their vote in their place, rightly expect that their votes will be counted on the individual paragraphs as well. Your opinion, reiterated in the letter that reached us, is not as clear as it might be. We should like a definite answer from you. Provided these procedural questions can be clarified, the Committee on Agriculture is prepared and, indeed, finds it necessary, to deal with Mr De Koning's report this week.

President. — Rule 27 (4) says :

If no request to speak has been entered when these texts come up for consideration, the President shall put them to the vote immediately.

On the other hand, if such a request, be it only one, is tabled — and Mr Liogier has informed us that he at least would wish to speak — no one can deprive the Member concerned of his right to do so, I am therefore obliged to take Mr Liogier's point of view, although I should be delighted if he were prepared to modify it.

For the rest, since the present part-session is a very full one, the reports by Mrs Dunwoody on frozen beef and veal and by Mr Liogier on the EAGGF have been included in the agenda of this part-session on condition that they do not give rise to a debate and that otherwise they will be deferred until December.

I call Mr Liogier.

Mr Liogier. — (*F*) Mr President, our committee has discussed the report on the EAGGF. No objections were raised and it was adopted unanimously.

However, I feel it would be interesting to explain our committee's point of view. But as I cannot do this if the procedure without debate is adopted, which I did not realize at first would be the case, I request that a debate be held and that, consequently, consideration of my report be postponed until December.

As regards the other, much more important, problem raised by Mr Laban, I obviously cannot speak for Mr Houdet on questions of procedure.

On the other hand, I can state that the Group of European Progressive Democrats is opposed, for its part, to Mr De Koning's report on the action programme in the milk sector being dealt with at this part-session. It is opposed to the over-hasty consideration of a problem considered to be of fundamental importance for the whole of our common agricultural policy. In October, the principles underlying this programme were considered at a plenary sitting which was very sparsely attended, and adopted by a majority which, as I said at the time, was *due to the particular circumstances*. Parliament is being pressed today to give an opinion which may mortgage its future freedom of judgment.

Liogier

Indeed, the co-responsibility levy — which, incidentally, we disapprove of, as you know — could not be applied before the start of the milk year that is, in April 1977...

(Protests from various quarters)

(The President presses the speaker to conclude)

... You let Mr Laban speak at much greater length than this: I must be allowed to answer him:

President. — Mr Liogier, state your position without going into the details.

Mr Liogier. — *(F)* ... It is therefore logical, before giving any opinion in this sphere, for the European Parliament, like the Council, to postpone any pronouncement until it knows the new price proposals for the 1977-78 milk year. These proposals are closely linked to the programme which has now been submitted to us and which is causing such a stir in the agricultural world.

The bewilderment of the Committee on Agriculture was, therefore, not without good reason. I offer as evidence the very inconsistent results of the hastily-taken vote at your committee's marathon sitting of 4 November results which, I admit, conflict with the whole of the votes held as recently as Thursday, 14 October, in this Chamber!

President. — Mr Liogier, please do not start a debate on the details of the matter. The House is by now fully aware of your point of view.

I call Mr Hughes.

Mr Hughes. — Strictly on the report from my good colleague, Mrs Dunwoody, I see no difficulty at all having spoken to this in the Committee on Agriculture, on that remaining without debate on the agenda for this week. That one — there can be no difficulty raised.

I would ask, however, that, before we move any further in discussion, you give as President your advice concerning the propriety of proxy voting in the Committee on Agriculture, because until that matter has been decided I cannot make my own mind up and most of my colleagues would find it difficult to do so on how we should proceed on the whole of the four regulations regarding the milk programme.

President. — I call Mr Laban.

Mr Laban. — *(NL)* I agree with the course chosen by Mr Hughes. As vice-chairman of the Committee on Agriculture, I did not go into details, but requested you first to give your judgment on the two points I had raised. In my view, this must come first, and after that we can resume our discussion on whether or not to place this report on the agenda.

President. — With regard to this problem, the following considerations have to be taken into

account: first, we shall not have the reaction of the Committee on Budgets until Thursday; secondly, after discussions marked by some disorder and a number of contradictions in the Committee on Agriculture, it will be impossible to organize a suitably serious debate during this part-session if the political groups are not given an opportunity of studying the problems and if those amendments cannot be tabled which are still under consideration.

Consequently, after discussing the matter with the chairmen of the political groups, I propose that we decide on a time-limit — I would suggest Friday mid-day — for the tabling of amendments. (I am told that there are already about forty of them and that some sixty may still be added.) In this way, the Committee on Agriculture and the political groups will, in the interval between two part-sessions, be able to give these amendments the requisite consideration and adopt clearly-defined positions so that in December we can have a serious debate.

Mr Hughes. — Mr President, may I ask whether the reference is to the Committee on Agriculture and whether such amendments as are tabled under the proposed timetable preclude the right of any Member of this Parliament or any group therein to table further amendments when they have received the advice of the Committee on Agriculture, to whom such amendments are going to be referred?

President. — The report by the Committee on Agriculture will be distributed on Wednesday. Every Member of this House will therefore have the whole of Thursday and Friday morning to study the text and table amendments. The text will then return to the Committee on Agriculture, accompanied by all the amendments tabled. In this way, as I have already said, the committee, and then the political groups, will be able, during the interval between two part-sessions, to do some useful work, as a result of which our decision will be taken in December, in clear and orderly fashion, to the honour of this House.

I call Mr Pisoni.

Mr Pisoni. — *(I)* Mr President, to continue with these problems, I should like you to clear up a question which cropped up in the Committee on Agriculture.

During the discussion of a measure examined by the De Koning report, Mr Laban maintained that the Committee on Agriculture could not take decisions differing from those taken by the Parliament in plenary sitting. However, since the plenary session discussed the action programme and we on the Committee on Agriculture were dealing with individual measures to implement this programme, some colleagues — and myself in particular — felt that the committee was free to take decisions even if they did

Pisoni

diverge from what had been decided by Parliament in plenary sitting. A procedural question thus arose, and we decided that the committee's autonomy allowed us to act in the way we thought best at that moment. Consequently we adopted some amendments which differ from the decisions taken during the plenary sitting on the general programme. I should like you to tell us, Mr President, whether, from a procedural point of view, any objection can be taken to our behaviour.

President. — Mr Pisoni, I shall give an answer, subject to the finer points coming over in translation.

You have asked me whether the Committee on Agriculture could take a different *decision* from that of the House. If the term 'decision' is to be understood in its proper sense, I must reply in the negative, in as much as the committee does not take decisions: it is the House that takes decisions. The committee is a working body at the service of this House, and it adopts *positions* which it submits to this House. Consequently, I do not find it inconceivable that it should adopt positions which do not conform exactly to those of the Parliament. The Parliament, for its part, is even less under the obligation to conform to the positions taken up by the committee. Otherwise, a committee would not have the right to try to persuade the Parliament to agree to new positions which it, the committee, had adopted on the basis of more complete information.

The Rules of Procedure are silent on this point. I am describing what appears to me to be the usual practice and parliamentary common sense.

On another question, which has been much discussed, it seems that the letter I sent on the question of proxy voting has been interpreted in a number of different ways and this has, perhaps, contributed to the confusion which arose in the Committee on Agriculture. If that is the case, I am very sorry.

I found myself in the following situation: the question whether or not proxy voting should be allowed was a controversial one and attitudes to it differed from one committee to another and sometimes even within the same committee, according to who was in the majority at any given moment. We therefore placed the matter before the Committee on the Rules of Procedure and Petitions and, pending its opinion. I tried to propose a uniform rule. It provides that in the case of amendments proper, if a Member who has attended a meeting and wishes to leave has clearly indicated in writing his position on a specific point, and the way he wishes to vote, this vote can be taken into consideration if it should be needed to reach a quorum.

Consequently, as regards amendments, if the quorum is reached, proxy votes will not count. In order that amendments can still be put to the vote if the quorum

is not reached, however, votes which are explicit and unambiguous will be taken into account.

When it comes to voting on the whole text, we are often faced with a different problem. It sometimes happens in committee that the quorum is easily reached at one stage of the proceedings, but that at the end of the meeting, when a vote has to be taken on the whole of the resolution, this is no longer the case. In these circumstances, so that absent Members should not be able to distort the vote, I said that if they had asked to vote on the resolution, their vote would be taken into account — but as an abstention. This means that they help to secure a quorum but cannot change the decision taken by those Members who have shouldered their responsibilities until the end.

I think we shall have to summon a meeting of committee chairmen in order to clear up all the points which may still require clarification. Personally, I had not foreseen any difficulties, but it would seem that some minor conflicts have arisen. That is, incidentally, one more reason for allowing ourselves time for reflection on the subject, on the basis of the amendments which will be tabled during the interval I proposed a few moments ago.

I call Mr Laban.

Mr Laban. — (NL) Mr President, I am very grateful that you have very clearly stated that a committee cannot overturn a decision of Parliament and that only Parliament can do that. This means that this resolution, in the way it has been amended, is in conflict with this ruling.

The second point on which I had asked for a ruling has now become somewhat less acute. The situation of the quorum which you described did in fact occur. Members had spoken and had clearly delivered their votes. The only question which I would still like to ask you is whether Members voting by proxy are only allowed to delegate their vote for the final vote on the resolution or whether they may vote on the individual points. I still hope to have an answer on this question.

Furthermore, I did not realize that such a large number of amendments were going to be tabled. We dealt with 30 amendments in the Committee on Agriculture and it was certain that a number of these amendments which had been rejected would be reintroduced. The situation now, I must admit, is that we are faced with the impossibility of dealing with this matter in this short time in a reasonable and responsible way, particularly as the Committee on Budgets has still to deliver its opinion, which, as you have stated, will not be until Thursday. It is thus not opportune to press the point any further, but I hope that this item will come up in December.

President. — I call Mr Liogier.

Mr Liogier. — (*F*) Mr President, when discussing the problem of the milk sector we found ourselves faced with a set of heterogeneous proposals, but on 4 November 1976 we found ourselves faced with 3 very different regulations. As was our right, we asked the chairman of the committee and its rapporteur, Mr De Koning, for each of these regulations to be considered and studied separately.

Having obtained agreement on this, we considered them one after the other and took votes on which it seems to me impossible to go back now.

President. — The debate on the procedure with regard to the De Koning report is now closed.

The Committee on the Rules of Procedure and Petitions has requested the inclusion in the agenda of the third report by Mr Hamilton (Doc. 408/76) and the report by Mr Memmel (Doc. 409/76), both on the Rules of Procedure, which were tabled after the normal time-limit had elapsed.

Since difficulties may arise, I remind you of the agenda for Wednesday. From 10 to 11.30 a.m., we have Question Time. At 11.30 a.m., we shall hear the statement by the President-in-Office of the Council on political cooperation, after which we intend to hold a debate, of about one hour's duration, on this statement.

At 3 p.m., votes will be taken which require a considerable majority. All Members of this House have been advised of this. Since there are five amendments, the voting will take at least one hour, and it will therefore be 4 p.m. before we can resume, for a further hour, the debate on the Council's statement. This will be followed, at about 5 p.m., by the debate on fishing problems.

Under these circumstances, the insertion of two further reports relating to the Rules of Procedure will prevent us from holding the fisheries debate at a sensible hour. I therefore propose deferring these two reports, together with that by Mr Berkhouwer, until the December part-session, when we shall have to have the majority required for the votes on the budget. This would leave on Wednesday's agenda the Hamilton and Martens reports, which have already been debated and which only need to be put to the vote.

The Committee on Social Affairs, Employment and Education has requested the inclusion in the agenda of a report by Mr Walkhoff on unemployment among young people. I propose that this be included in Thursday's agenda, after the report by Mr Artzinger, in place of the report by Mr Schwörer, which has been withdrawn.

I have received from Mr Nyborg, with a request for inclusion in the agenda of the present part-session, an

oral question on fisheries policy. I would suggest that Mr Nyborg speak in the debate on questions which have already been tabled on this subject.

The Committee on Energy and Research requests that the two motions for resolutions by Mr Springorum on energy policy (Docs 271 and 272/76), tabled for Tuesday, be discussed before the reports by Lord Bessborough and Mr Pintat, which are down for the same day. Since all these subjects fall within the competence of the same committee, I propose that this request be granted.

Mr Spicer requests that his report on external economic relations, which is down for Friday, be transferred to another day or deferred to another part-session. Since this is an open 'own-initiative' report, which is important but not urgent, and since our agenda is very full, I propose that this report be debated during the part-session in December.

The order of business would therefore be as follows :

Tuesday, 16 November 1976

9.00 a.m. and 2.30 p.m.

- Action taken by the Commission on the opinions of Parliament
- Laban report on agricultural reform
- Ligios report on oliveoil offers
- Joint debate on the Springorum motions for resolutions on the Community's energy policy and research
- Bessborough report on education
- Pintat report on energy
- Schwörer report on third-party insurance (without debate)
- Oral question, without debate, to the Commission on the protection of copyright

Wednesday, 17 November 1976

10.00 a.m. and 3.00 p.m.

- Question Time
- Statement by the President-in-Office of the Council on political cooperation followed by a debate
- Second Hamilton report on the amendment of the Rules of Procedure (vote)
- Second Martens report on the amendment of the Rules of Procedure (vote)
- Joint debate on two oral questions to the Council and an oral question to the Commission on fishing policy
- Oral question, with debate, to the Council on the Communities' environment programme
- Albertsen report on the first European Social Budget (revised)
- Oral question, with debate, to the Commission on craft trades
- de Broglie report on direct taxation.

Thursday, 18 November 1976*10.00 a.m. and 3.00 p.m.*

- Gerlach report on regional policy,
- Joint debate on :
 - Artzinger report on the economic situation in the Community
 - Walkhoff report on unemployment among young people
- Seefeld report on road transport
- Albers report on inland-waterway transport
- Joint debate on :
 - Giraud report on the carriage of goods by road
 - Mursch report on the carriage of goods by rail
 - Mitterdorfer report on the carriage of goods by rail, road and inland waterway
- Nyborg report on transport infrastructures
- Oral question, with debate, to the Commission on Community water policy

Friday, 19 November 1976*9.00 a.m. to 12 noon*

- Possibly, continuation of Thursday's agenda
- *Procedure without report*
- Dunwoody report on frozen beef and veal (without debate)
- Oral question, with debate, to the Commission on raw materials
- Oral question, with debate, to the Commission on consumer democracy
- Second Bethell report on the dumping of wastes at sea
- Second Brégègère report on jams
- W. Müller report on the protection of the Rhine against pollution
- Ney report on veterinary medicinal products
- Guerlin report on fresh poultry meat
- Boothroyd report on beef and veal from certain ACP states

— B. Nielsen report on food aid.

Are there any objections?

The order of business is adopted.

13. Time-limit for tabling amendments

President. — As announced a short while ago, I propose that we fix the time-limit for tabling amendments to the De Koning report for 12 noon on Friday, 19 November 1976.

Are there any objections?

That is decided.

14. Agenda for the next sitting

President. — The next sitting will be held tomorrow, Tuesday, 16 November 1976, at 9 a.m. and 2.30 p.m., with the following agenda :

- Action taken by the Commission on the opinions of Parliament
- Laban report on agricultural reform
- Ligios report on olive oil offers
- Joint debate on the Springorum motions for resolutions on the Community's energy policy and research
- Bessborough report on education
- Pintat report on energy
- Schwörer report on third-party insurance (without debate)
- Oral question, without debate, to the Commission on the protection of copyright.

The sitting is closed.

(The sitting was closed at 8.10 p.m.)

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IN THE CHAIR: MR SPÉNALE

President

(The sitting was opened at 9.05 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?

I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Mr President, I thought it was agreed at yesterday's sitting that the report by Mr Ney

on veterinary medicinal products would be taken in December and not on Friday, 19 November. I wonder if there has been a mistake in the minutes of proceedings, which state that Mr Ney's report is being taken on Friday. Is that correct?

President. — I call Mr Lardinois.

Mr Lardinois, member of the Commission. — (NL) Mr President, may I draw your attention to the fact that two reports have been submitted on veterinary matters. Perhaps there is some confusion here.

President. — That is correct. It does not seem to be necessary, therefore, to change the minutes.

Are there any other comments?

The minutes of proceedings are approved.

2. *Action taken by the Commission
on the opinions of Parliament*

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

I call Mr Lardinois.

Mr Lardinois, member of the Commission. — (NL) Mr President, the Commission has changed a number of proposals on which Parliament had adopted amendments. The following opinions are involved.

In the first place we have agreed to the amendments by Parliament in the Walkhoff report on the labelling of food products and to the amendments in the Schmidt report on the harmonization of customs legislation and in the Bangemann report on the admission of securities to stock exchange quotation. These amended proposals have now been forwarded to Parliament and to the Council.

President. — Thank you Mr Lardinois, although your statement seems somewhat brief, and I believe that no statement was given at the last part-session. To judge from the number of matters to which you referred, it would appear that little has happened between the Commission and Parliament since the last statement. I assume that the statement you have just made is not exhaustive. I would therefore ask the Commission to ensure that Parliament is not obliged to ask what action has been taken on questions which the Commission itself has not mentioned.

I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, I think that your observation was necessary but does not go far enough. If a procedure introduced on the basis of an agreement between the Commission and Parliament is not treated by the Commission as a serious dialogue with us but only as an irritating duty — the brevity of Mr Lardinois' statement left us with that impression — there is no point in the oral presentation at all, because it cannot be described as a dialogue with Parliament. It would then be sufficient to hand us a paper at the beginning of the week. We are well aware that this is an outgoing Commission and that there is not much point in holding lengthy debates with a Commission which will not be in office for long, but I want to say now on behalf of my group that we expect the dialogue to be of a different quality in future. It is quite unacceptable for the work done by us in Parliament over a period of several part-sessions in which we deal seriously with the Commission's proposals to be dismissed in three or four sentences as was the case this morning in the Commission's communication. That is a farce.

(Applause)

President. — I call Mr Dalyell.

Mr Dalyell. — I would like to put a question to Mr Lardinois which I hope will not be thought out of

order or put at the wrong time. As the outgoing Commissioner, he must have some reflections on the relations that ought to exist between the Commission and Parliament in this kind of matter and I would like to ask him, wholly courteously and gently, whether at some appropriate period he would either make a speech or put on paper the kind of relations that he thinks ought to exist.

Some of us who want to see the Parliament working more effectively for the sake of Europe are acutely uncomfortable about what is happening. I think we might learn a great deal from the reflections of an outgoing Commissioner who has given distinguished service.

President. — I call Mr Lardinois.

Mr Lardinois, member of the Commission. — (NL) Mr President, I shall comply with the last suggestion most willingly, not only from my experience as a Commissioner but also because I served as a member of the Council for six years and was able to see things from that point of view; what is more, I was a Member of this Parliament before that in the years after 1963. As to the other point, I must say that I am not pleased either with what I was able to say to you on behalf of the Commission. On the other hand it would be an exaggeration to suggest that this incident is typical of our inter-institutional relations. I think it right to say that a common approach emerges on 90 % of the items dealt with on our agenda. This means that the remaining 10 % are important matters which are often held over for further consideration. At present there are many items pending in the Commission on which Parliament had adopted a somewhat different standpoint and on which the Commission has not yet reached a decision. At present the Commission is considering a number of important matters and I hope that at the next part-session of Parliament, the last one to be held this year, it will be able to demonstrate its serious desire to establish appropriate cooperation between our two institutions.

President. — Thank you Mr Lardinois, but I would like to add that even though the Commission is coming to the end of its term, as Mr Fellermaier pointed out, we still consider its views just as important. The tradition inherited by the new Commission should be as happy as possible.

For that reason I should like to make a few comments. I should like the Commission's statement at the December part-session to be in the nature of both a stock-taking report and a testament, and show the incoming Commission how things should be done.

President

Even if a great many matters are pending at the Council, and the decision is not yours at that stage, we would like to know whether the Commission is maintaining or modifying its proposals in the light of Parliament's deliberations, and how the matter is proceeding. During a period like the present budgetary period, for example, when Parliament has expressed its views in the form of amendments and matters are under discussion with the Council, we would very much like to know what the Commission is doing to uphold or drop our proposals. We need to be told, because we are not present at Council sessions.

We would therefore ask you to let us know, while respecting the confidentiality of the Council's deliberations, and in a spirit of inter-institutional cooperation, how those matters are proceeding within the Community with which we have become involved. We should be united by this spirit of cooperation, especially as we go along with more than 90 % of the Commission's proposals, particularly as regards the budget, and we are unbiased allies. Those, I think, are the considerations which should be reflected in the statement to be made by the Commission at its last part-session with us.

(Applause)

I call Mr Dalyell.

Mr Dalyell. — Just one simple question. Could I ask you formally whether, perhaps at our December part-session, some time will be allocated for this Parliament to hear what you very aptly called a political and Community testament? I can hardly think of a more useful time which this Parliament could spend than in hearing what Mr Lardinois and the other outgoing Commissioners really think about certain matters. We should really give up time to hear what they say.

President. — I call Mr Prescott.

Mr Prescott. — Mr Dalyell's words have rather taken mine out of my mouth. I think that the proposal he has made is an excellent one and I think, as Mr Lardinois has the reputation for blunt speaking, it would be a good occasion, in December, for him to make his views known and perhaps even prepare a document before the December part-session, so that we can have study of it, followed by a debate, as you have said, Mr President. But I do want to reinforce what my comrade, Mr Dalyell, has said, namely that a specific time should be set in December so that we can discuss this very matter. It only comes round once every so many years, and this seems to be an invaluable opportunity to discuss it.

President. — You have heard what Members have said, Mr Lardinois. I think that the Commission, which has no reason to be ashamed of its conduct of affairs, could comply with the sincere wish of this

Assembly by stepping outside the rigid framework of its statement on action taken on Parliament's opinions and giving us its views on the present state of our activities. We do not want to see it tiptoe away; we want it to give us its frank final views on Community affairs.

(Applause)

Ladies and gentlemen, this item is now closed. I note in passing that the Assembly has devoted more words to this matter than the Commission which was supposed to be reporting to us.

(Laughter)

3. *Decision on urgency in respect of a motion for a resolution*

President. — I shall now consult Parliament on the adoption of urgent procedure in respect of the motion for a resolution tabled by Mr Espersen, on behalf of the Socialist Group, on the abuse of the principle of the free movement of labour (Doc. 424/76).

Are there any objections?

The adoption of urgent procedure is agreed.

I propose that this motion for a resolution be placed at the beginning of this afternoon's agenda.

Are there any objections?

That is agreed.

4. *Report on agricultural reform*

President. — The next item is the report by Mr Laban on behalf of the Committee on Agriculture (Doc. 301/76) on the

report by the Commission of the European Communities on the application of the Council Directives on Agricultural Reform of 17 April 1972

I call Mr Laban.

Mr Laban, rapporteur. — *(NL)* Mr President, the common agricultural policy has been in existence now for some 17 years. The Commission's first memorandum — which became known as the 'green bible' — dates back to 1960. It outlined a common policy on prices, market organization and structural reform. Today we shall be looking at the last of these points. I believe it is true to say that very little has been done so far; the Member States have kept control of their own structural policies and it is now clear that the common agricultural policy has been damaged by the lack of a suitable structural policy, without which it is nothing. National structural policies have not been effective because they are not linked to the common market and price policy. At national level, capital is invested to support smallholdings. Farmers get into debt and the situation in Europe today is that, through a lack of cooperation, we have twice as many tractors and other agricultural machinery as we really need.

Laban

In income terms the smallholdings are also lagging behind workers in other sectors. Price policy is partly being misused to remedy this situation and this was one of the contributory factors to the structural surpluses in the dairy sector.

In 1968 the Commission of the European Communities tried to remedy this situation by introducing a programme for the reform of agriculture by 1980.

Let me remind you that the main points of this programme were a different price policy designed to achieve a more normal relationship between market and price movements, and a structural policy aimed at the creation of what we still call viable, modern units on a scale sufficient to give the producers and farm workers an income and standard of living equivalent to those of workers in other sectors of the economy.

Mr President, the Mansholt plan, as it was called, came in for fierce criticism. I do not propose to dwell on this; suffice it to say that the criticism was justified in part and in part terribly exaggerated. The plan was even called collectivist. Mr President, I believe that a market and price policy must be centrally controlled. In the case of a structural policy, the objectives are set at Community level but the Member States must have room for manoeuvre in achieving these objectives simply because of the differences between the agricultural structure of the individual countries and regions.

Mr President, the critics of the Mansholt plan considered small family holdings sacrosanct and there are still some among us who defend for political reasons these small farms on which the farmer, his wife and children are obliged to toil from morning to night in return for a low income and no holidays and are kept going in the same economic and social position by means of irresponsible subsidies. Mr President, I believe it is better to work towards socially acceptable provisions for the cessation of such farming, with all that this entails, and I shall return to the subject later. I should like in passing to draw your attention to the situation in the United Kingdom — where a structural policy of the Mansholt type has been pursued for a long time — which is a good deal better. Anyone who visits the UK and sees the average size of the farms there will realize that the policy has not been unsuccessful in that country. The fact that so little progress was made with the Mansholt plan is attributable partly to the lack of political determination in the Member States and partly also to the stagnation of European integration which was not expected to be so serious back in 1968. Agricultural problems cannot after all be solved without additional provisions in the area of social and regional policy, economic, monetary and fiscal policy. The plan for 1980 resulted in the three well-known structural directives: the directive on the modernization of farms, the directive encouraging the cessation of farming activities and the use of farming land for structural improvement and finally the directive on socio-economic guidance and education in the agricultural sector. These directives date from April 1972. The Commission has presented a

report on the implementation of these directives up to the end of 1975 and I am the Committee on Agriculture's rapporteur on the matter.

Mr President, I regret to say that the report provides little basis for a full debate in plenary session. The report is largely descriptive, it does not analyse the results attained and it is practically impossible to draw any conclusions regarding the working of the directives. In addition it provides a historical survey of national structural policy in connection with the implementation of the directives, and summarizes once again the basic components of the common structural policy. The report also contains some data on the size of holdings, the structure and movements of the farming population in the Member States. I believe that the Commission cannot really be blamed for its inability to produce a better report. The Member States, with one or two exceptions, were content to leave it at that. The directives have not yet been introduced in all the countries. For various reasons the date of entry into force has had to be constantly put back and I hope that the Commissioner will be able to inform Parliament of the exact present situation. As I have already said, the available data is insufficient to reach a reasoned verdict on the effects of the directives and we could then leave it at that, shelve the report and continue with our other business or wait until 1976. But I am afraid that the 1976 report will offer little more concrete information. The formation of a study group within the standing committee on structural policy is to be welcomed, but I wonder whether the statistical data from the Member States without which this study group cannot function properly is in fact being received and is mutually compatible. What is the position regarding the 1975 structural survey? Mr President, is it true that the Council does not wish to take any decisions on the directives on forestry and support for young farmers, the proposal dating back to 1967 for a regulation on producer groupings and the regulation which we recently discussed here on the improvement of market structures? Is the Council hesitating to do so before better data is available on implementation of the directive? Mr President, the Committee on Agriculture considers that developments in European agriculture are such that an adaptation of structural policy has become urgent. A linear adaptation of the amounts in the regulations which we have already approved will not be enough. Structural changes and a higher investment level are needed. I do not consider that the financial resources are lacking; each year the Member States are investing some 9 thousand million units of account on structural policy, against which the 425 million u.a. from the Guidance Section of the EAGGF seems very little, while these amounts are in any case not being used for common actions but largely for individual projects. Perhaps, too, the Member States may be pursuing a policy which conflicts in some respects with the directives and their policy may be encouraging the production of surpluses.

Laban

Mr President, to answer these questions we need a list of national measures and I wonder if Mr Lardinois can tell us whether the list of national measures can be published and made available to the European Parliament.

The common agriculture policy is still based in large measure on the market and price policy. There are clear limits on the possibility of improving incomes in this way. Income differences with other occupational groups have scarcely diminished and the differences within agriculture have even increased. High prices are one factor leading to surpluses. The difference in incomes is related to unfavourable farm structures, low labour productivity and poor production conditions in backward regions which, in the opinion of the Committee on Agriculture, must be put right by an optimal distribution of production factors through the common structural policy.

Mr President, the Committee on Agriculture advocates a socially oriented agricultural policy and that is why we must know first of all what part agriculture is to play in the economy of the European Communities and how many persons are to be employed in it. Modified economic and social provisions will then be needed to enable the rural population to decide freely whether to continue their farming activities or leave the land. It is a great pity that the structural policy should be making such an incredibly slow start. More money should have been made available: I believe that the Mansholt reserve still totals some 530 million units of account, a sum which is not being used actively and is being constantly eroded by inflation.

Mr President, there is an urgent need for common action on structural reform although, in the view of the Committee on Agriculture, individual support cannot be ruled out in certain cases, especially for social reasons — but not for the benefit of those medium-sized holdings where a dairy farmer for example can earn a good living. The holdings with which we are concerned cannot and do not want to invest to expand their production, but to improve their social conditions it should be possible, through individual subsidies, to enable these people for example to lay down a compost store, purchase milk tanks or improve the access roads on their farms so that they can work under rather more favourable conditions.

Mr President, the common structural policy should give particular attention to the possibility of granting direct income support in certain cases and in a timely manner — I repeat timely, because otherwise the cost of the agricultural policy will run completely out of hand. Let me clarify my point: a strict price policy designed for viable, modern farms does not provide a solution for the incomes of holdings on which farmers can, with difficulty, make a bare living but, in the absence of other employment opportunities, are obliged to continue; in some cases, of course, these

holdings may be potentially viable. A solution might be to extend the investment support in good time by direct income support adapted to the financial position of the producers. Again, if there is a sudden rise in production costs, income support may be necessary in some cases. Finally, Mr President, farmers whose holdings are not viable should, for social reasons, be eligible for direct but temporary support, pending the cessation of their farming activities. I know that the modernization directive provides for transitional support but the level is not high enough. Temporary, direct support must be possible, but on a strictly temporary and selective basis so that the cost remains reasonable and no unprofitable form of production is kept permanently in existence. Often the farmers concerned are elderly and it is simply necessary to bridge the period until they qualify normally for their pension.

I wish too to stress another point. We hear little about cooperation between adjacent holdings so as to achieve a rational basis for farming. I have in mind joint cultivation planning, joint purchase of agricultural machinery and so on. An initial premium is available for this purpose but I have the impression that little use is being made of it and I should like the Commissioner to say why, in his view, this is so. Is the premium too low or are farmers too individualistic to work together?

Interest rates differ widely between the Member States, as is strikingly apparent from an answer to written questions by our colleague, Mr Howell, and the Committee on Agriculture would like the Commission to consider the possibility of setting up a European interest rate subsidy fund which might come under the aegis of the Guidance Section of the EAGGF. This could help to stabilize the level of interest paid by European farmers.

The financial burden could then be lightened and profitability increased. Most farms cannot finance their own investments; the level of interest rates is therefore a determining factor in the success or failure of a structural and incomes policy.

Mr President, a study of this kind should look also at the conditions for bank participation and the granting of agricultural credits. Of course the risks remain for the banks and for the persons taking up the loans.

I should like now to summarize briefly a few other points. Could Mr Lardinois consider the possibility of issuing directives at European level to guide the activities of agricultural credit institutions? In the Netherlands the system works satisfactorily but structural directives could lay down criteria regarding the minimum size of holdings, expertise and incomes parity.

One final point which was already touched on earlier. We should like the Commission at long last to comply with the repeated request to consider the

Laban

possibility of drawing up flexible plans for European agricultural production: not stringent, quantitative plans but programmes based on forecasts of the development of the internal and world markets so that guidelines are available. In our report we have made appropriate suggestions for the improvement of structural policy; you will find these in the explanatory statement and I hope that Mr Lardinois will take our suggestions up. I strongly recommend Parliament to support the motion for a resolution drawn up by the Committee on Agriculture.

(Applause)

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

Mr Guerlin. — *(F)* Mr President, ladies and gentlemen, it may surprise you that the Socialist Group has made a Frenchman its spokesman in this agricultural debate. We have a good many highly qualified experts in those matters who would doubtless have been more qualified than myself to carry out this task. But the reason why the group appointed me and I accepted, is to show that there is a wide measure of agreement among us on a subject which has often been controversial. And I must add that this agreement is not confined to the Socialist Group since Mr Laban's report was approved virtually unanimously by the Committee on Agriculture. A consensus like this does not occur very often and deserves to be stressed. How did it come about? It is because the problem we are dealing with, the findings on which it is based and the conclusions that can be drawn are founded on facts which are difficult to deny and on evidence that must be clear to all of us.

I shall confine myself to the most important points. The first, and the easiest to make, is that the directives adopted by the Council on 17 April 1972 on farm modernization, incentives to leave farming, social and economic information and the occupational skills of persons engaged in agriculture, although they have not remained a dead letter and have been introduced in certain countries, have not been applied — far from it — throughout the Community as they ought to have been; this makes it difficult today to draw definite and meaningful conclusions. As far as land use is concerned, basically nothing has changed very much. In most Member States, this is an anomaly which must be put right.

The second point is that far from having lost any of their force, the reasons which lay behind the directives are still as valid today as they ever were. The intention of the directives was to guide the Community's agricultural policy in a direction which was seen as being in closer keeping with the interests of agriculture and the demands of justice. I need not remind the House at length that the common agricultural policy is based on support for farm incomes through prices. These were to be set at a level that ensured the

survival of the least favoured, in other words the least modern and most poorly structured farms.

These were quite legitimate concerns: first, all who work are entitled to proper remuneration; secondly, in countries with small-scale farms, it meant that in the disadvantaged regions, there was some guarantee that people would remain to preserve a certain vital balance.

But it was found that this policy did not properly ensure a fair spread of income, first between agriculture and other sectors of the economy and secondly, within agriculture itself, since it favoured modern farms, securing for them a high level of profit, and failed to put an end to regional disparities. Furthermore, it was a policy which could offer no more than a temporary solution ill adapted to the conditions that would genuinely ensure the occupational survival of those it claimed to help.

The only way to achieve this objective is through a structural policy designed to encourage farm modernization in all its aspects. This policy must be clearly specified, helped on its way by the Community and implemented without delay by the Member States.

What makes the ideas put forward by the rapporteur on behalf of the Committee on Agriculture attractive and convincing is that there is a clear awareness of the vast complexity of the problem, the causes of which are to be found in national, geographical, economic and psychological considerations, in the enormous differences in situation and in the added difficulties brought about by the crisis which hampers mobility and condemns a good many farmers to remain on the land although they would prefer to leave. This is why, particularly on farms, there can be no question of a sudden break with the policy so far pursued and of forcing large numbers of agricultural workers into misery and despair. This explains the strong advocacy of income support measures for the most deprived and for certain underdeveloped areas, as well as financial incentives to retirement from agriculture.

This lucid and humane view of the situation as it really is, only lends added weight to the plans for restructuring and modernization to which the Community must now give its full attention, ensuring that they are carried through with all possible speed. Who can deny that this is the wisest course to follow?

The third point has to do with the reason for the delay in the implementation of the structural directives in most of the Community countries. If we are to make progress in resolving this problem, it is of the utmost importance to look for the causes not to make a wrong diagnosis. We must seek those causes in the very nature of the problems involved.

We are all aware that the key to the whole problem is land control, for it is the only way to ensure land redistribution and guarantee viable production units. But here we touch an extremely delicate problem, the most complicated of all, where psychological factors

Guerlin

play a decisive part and where, especially in mountain areas, conflicting interests are at stake, as well as hopes and aspirations that are difficult to reconcile. The task of resolving those difficulties through democratic processes is not without danger. This is why governments are reluctant to come to grips with the problem and more often than not, are content with ineffective measures or half-measures which sometimes make the situation worse. Particularly in the south of France, almost everyone is hostile to the land reform policy and, in mountain areas, many plots of land are abandoned by their town-dwelling owners and left fallow. Of course these are not lasting reactions; thinking will change but this will take time, which explains why the public authorities are reluctant to act and why the problem remains unchanged.

The second set of causes is of economic origin. There can be no doubt that the crisis we are going through — recession, inflation, unemployment — has had an inhibiting effect on the implementation of the Council's directives and the problem has been compounded by the enlargement of the Community.

The third set of causes has to do with the Community's policy itself and especially its agricultural policy; the Guarantee Section of the EAGGF takes up the bulk of the budget, which means that there is not enough money available to encourage and support the structural policy. There is the further handicap of the late introduction of a regional policy which, as the report points out, is itself inadequately endowed, preventing an effective attack on the regional disparities from which many Community countries suffer.

Finally, it must be said that the Community's management bodies have not always been careful to ensure compliance with the directives and that attitudes here have grown somewhat lax. We should therefore note with interest and satisfaction that the Commission has set up under the Standing Committee on Agricultural Structures a working party to study ways and means of solving land problems and to advise directly the European authorities on the causes that are acting as a brake on the desired development in this sector.

The report by the Committee on Agriculture takes accurate, competent and objective stock of progress in this important matter of agricultural structures. This is why we in the Socialist Group have approved it. But it is not content with a critical analysis of an unsatisfactory situation; it puts forward modest but pertinent suggestions for a better approach to the problem.

As far as land disposal is concerned, it recommends a leasing formula and the establishment of land authorities, such as already exist in the Netherlands, to provide guidance in this sector and not act simply as a provider of finance. (In France, incidentally, the body set up for this purpose has disappointed expectations and has largely failed to carry out this task). Despite

all the differences between the various countries in land tenure, the report calls on the Commission to look more closely into the role that the banks could play in implementing a general structural policy. It makes what is an excellent recommendation — an interest rebate system to help agricultural investment. Going beyond structural problems, it even suggests a flexible system of planning production which, coupled with the creation of modern farms, is calculated to give agriculture its proper importance in a modern, outward looking economy.

I would personally add that if agriculture is to enjoy prosperity and stability as well as protection against all forms of speculation, a market organization for its main products will doubtless be necessary at some time in the future. You will forgive me for bringing up this idea: it will probably meet with some response from some of you but it will certainly not meet with unanimous approval as Mr Laban's report did. He is to be congratulated on his work and the Socialist Group recommends approval of the motion for a resolution before the House.

(Applause)

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

Mr McDonald. — Mr President, I should like to compliment Mr Laban on the excellence of his report. The report evoked a very fine debate during its passage through the Committee on Agriculture and I think that our colleague Mr Laban is entitled to our compliments for the very painstaking way in which he processed the many amendments that were put down and on the very sincere way in which he handled this extremely important report.

We in the Christian-Democratic Group fully support the motion for a resolution and we welcome the opportunity of commenting on the slow rate of progress that has marked the three directives — Nos. 159, 160 and 161 — since they were introduced in 1972. The Commission's report is the first annual report on the application of the three important structural directives for the reform of European agriculture and, as Mr Laban's report describes, little progress has been made in implementing the directives by the Member States since they were adopted. By March of this year, the date of the Commission's report, only two directives were in operation in only six of our Member States. The situation regarding the directive concerning the provision of socio-economic guidance for the acquisition of occupational skills by persons engaged in agriculture is unfortunately even worse, to the extent that no conclusions or progress can be drawn from the information available.

Mr Laban's report expresses concern at the delay in implementing the common structural policy and urges Member States to implement the directives

McDonald

completely at an early date. And, of course, we re-echo these sentiments. The Commission is also concerned at the comparative lack of progress and has set up a committee to study the difficulties that have delayed the implementation of the directives. This is a welcome development and I need hardly stress that the improvement of structural conditions is of vital importance to European agriculture. Indeed, Sir, the common agricultural policy is the cornerstone of the Community and absorbs a large proportion of the Community's budget.

The motion for a resolution incorporated in Mr Laban's report highlights certain other steps which would strengthen the structural policy, including the improvement of coordination between the retirement of farmers and the reallocation of their land for the modernization of other farms, the harmonization of interest rates on loans to young farmers, in addition to lessening their financial burden by setting up a European interest subsidy fund, early decisions by the Council on the proposals regarding aid to young farmers, producer groups, processing and marketing and forestry.

I believe that the importance of the structural reforms in agriculture should take a greater prominence in the common agricultural policy as a whole and I think one of the main areas where this reform must be implemented in every part of our Community must surely be in the land restructuring, in land reallocation itself. Although in each country land tenure is possibly on a different basis, I think we have throughout the Community a common recognition of the three directives, in as far as I believe the onus should be on the national government to ensure that farmers who qualify for aid under Directive No 160, where they qualify for a retirement scheme or benefit, should not be given additional grants of land. I think the aim of the common agricultural policy must be, having regard to Article 39 of the Treaty of Rome, to ensure that the greatest numbers of people will be gainfully employed on the land throughout the Community. And not only that, but that they should have a living comparable with industry. Our aspirations would be that they should be able to provide the Community with the greatest possible amount of food. This I believe can be done and is within reach under the common agricultural policy, but it is my view that there are too many agencies of support coming from the Community, which counteract one another, when one would have hoped that these agencies would be working together for the common objective. I should like to see greater use made of the existing resources and I would hope that it would be possible, especially in the poorer regions of the Community where farm structures are splintered, where the average-size holding is well under the average-size holding for the Community, that the Commission should perhaps introduce a scheme which would assist and encourage the greater use of farm machinery cooperatives and the establishment of farm

machinery pools to bring to the poor and smaller-sized farmers the aids of modern agriculture. I notice this has happened in many parts of the Community but it certainly is not widespread. I feel that a greater effort should have been made towards cooperative farming. In my own country I think there are only two experiments running where numbers of small farmers pool their resources together in an effort to bring about cooperative farming.

I know our problems of land tenure have been a vexed question over the years and it is very difficult to effect improvements. But nevertheless in my own experience I have been very sad to see additional land resources being allocated to people who should have been encouraged to retire and release the land that they already had for the building up of other development holdings. I also feel that the time has come when greater incentives must be given to encourage the smaller uneconomic farmers, who unfortunately are in the majority numerically in the Community; these people should be encouraged to keep farm accounts and to work to a farm development plan in conjunction with the advisory services. I would hope that the common agricultural policy would be able to progress, with the aid of the three directives, in a way that would enable such farmers to become viable.

Also, the Commission, I think, must, in regard to the three directives, set some minimum acreage of land always of course subject to the type of agricultural production undertaken. They should set a minimum acreage which will be subsidized or encouraged. I do not think it is really fair on the tax-payers of the Community for the common agricultural policy to continue to subsidize in the present way part-time farmers, farmers who are spending more than eighty per cent of their time off the land. This I think is what the reform in agricultural structures is all about and unless not only the Commission but the national administrations take a brave stand and make a determined effort to improve the existing situation, then I cannot see any great improvement coming. If more money, in my view, had been allocated to the common structural policy over the years there would have been a speedier realization of the structural improvements and less expenditure would have been required for the market support measures and the price policy. It is therefore necessary that in the allocation of Community resources greater account should be taken of the Community structural policy than has heretofore been the case.

In future I also feel that there must be cooperation and coordination between the monies allocated under the various headings, under the various commissions. There must be some tie-up between the monies coming from the common agricultural policy, whether the EAGGF or otherwise, the Social Fund and indeed the Regional Fund. These funds should work together so as to have the greatest possible effect on the community they are designed to serve.

McDonald

In conclusion, structural policy is of vital importance for European agriculture, because large-scale underemployment in farming still exists, there are still large numbers of small-holdings, the average age of farmers, especially in the more remote areas of the Community, is high and efficient farmers find it difficult to obtain extra land for development. We also have the disparity between industrial and agricultural incomes and very little progress has been made in this field. In addition, I believe that with a proper structural policy, expenditure on price support and market measures would be less; indeed a price policy acting in isolation cannot, in my view, solve the problems of European agriculture. With proper professional advice many farmers could, I believe, produce the crops that their region is best suited to. It seems almost unbelievable that in a Community such as ours, which surely is quite a satisfactory area for cereal-growing, imports of cereals should be so high. Therefore I think the time has come for greater specialization and for an effort by the advisory services to encourage more farmers to specialize in cereals in those regions which lend themselves to this type of crop.

As I said before, the Regional Fund should be used more effectively, perhaps by concentrating on a small number of large projects which would provide employment in rural areas. I hope, Sir, that the Commission will investigate fully the reasons for the relative lack of progress in implementing the structural policy and also include them in the next annual report.

(Applause)

IN THE CHAIR : Mr BERKHOUWER

Vice-President

President. — I call Mr Kofoed to speak on behalf of the Liberal and Allies Group.

Mr Kofoed. — *(DK)* Mr President, on behalf of the Liberal and Allies Group I would like to thank Mr Laban for his report. I could perhaps also thank the Committee on Agriculture for the report. I think it shows that an attempt has been made to deal with the problem seriously but without putting a political slant on the various measures. The report shows that an attempt has been made to deal with the problems at Community level and to find out the reasons for the agricultural situation in the Community.

I agree with Mr Laban that the price policy alone cannot solve the problems of agriculture and that structural measures are required. It is very difficult to talk about agricultural policy in the European Community because conditions in agriculture are about as different as they possibly could be. There is a vast difference between agricultural problems in the north of Europe, in Denmark and the north of Germany for instance, and those in the south of France or the

south of Italy. All these differences have to be catered for in a common agricultural policy and that is almost impossible.

What we can say about the agricultural policy is that the only tool that was available and that was used was the price policy. The advantage of the price policy is that it can stimulate production if minimum prices are fixed slightly higher than is really necessary. As a rule this will lead to higher production. That is a political decision but if the price policy is to be used to regulate production, then the reverse is also true, in other words, in a surplus situation we must reduce minimum prices to cut down production.

Perhaps the political courage was lacking. If we look back to times when there was a tendency towards overproduction, we find that the Council of Ministers and perhaps Parliament too lacked the courage to say that we would have to have lower prices to cut down the production drive. We did not do that for the very good reason that we felt bound by Article 39 of the Treaty of Rome which states that the agricultural community should have a fair standard of living. When there was overproduction there was perhaps an economic depression or recession that made it necessary to raise producer prices.

This also shows that the structure of agriculture is not quite as it should be. If the agricultural structure is old-fashioned, higher production costs could not be absorbed by increased productivity. If one has five or ten hectares and no possibility of mechanizing, it is impossible to increase productivity or save on manpower to increase one's own income. So we are faced with a situation where in some areas there can be no rationalization and we must either increase prices or face the possibility that farmers in those areas will not have a reasonable income. It is therefore surprising that so little has been done about structural measures; there I agree completely with Mr Laban and the remarks made in the report.

I am well aware that structural measures alone will not solve the problem since, with larger and more efficient farms, there is a risk of increasing production. This again means that in areas less suited to agricultural production and rationalization there is unemployment. Structural problems are therefore also a social problem that have to be solved. I do not think there should be income support, but in these areas — I am thinking of hilly and other less-favoured agricultural areas — income support arrangements will have to be made since it is a social problem.

It is both a social and a regional problem since these areas cannot be depopulated. If they become depopulated they will become almost like deserts or jungles where no man treads. They are therefore of importance to town dwellers for environmental and population reasons. Structural policy should therefore be

Kofoed

coordinated with the social policy so that these farms can be maintained intact for a minimum production.

In conclusion I would like to say a few words about some things mentioned in the report, including the various directives: the modernization directive, the socio-economic directive and the early retirement directive. I would like to ask the Commission member why these directives have not been implemented in all countries. I think they have potential because they are at Community level and are one of the ways in which a common structural and agricultural policy can be implemented.

I would like to ask Mr Lardinois a question. There are different aid arrangements in different countries and we hear from some of them that they discriminate against farmers in other countries, but I have noticed that there are some countries that place extra burdens on the agricultural community in the form of extra taxes and extra duties. I should like to ask Mr Lardinois whether this extra burden is compatible with a common agricultural policy. Just as placing an extra burden on farmers in different countries is incompatible with agricultural policy, so is it incompatible to place an extra burden on an industry such as agriculture in a particular country since that prevents it from competing on an equal footing with agriculture in other countries.

In conclusion, Mr President, on behalf of the Liberal and Allies Group I would support the motion for a resolution in Mr Laban's report. I hope the resolution and the report will prompt the governments to discuss these problems so that we can start a debate on the structure of agriculture in Europe and on a joint solution to certain serious problems.

(Applause)

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

Mr Liogier. — *(F)* Mr President, ladies and gentlemen, we must first welcome the fact that the Commission has finally come up with a first report on the implementation of EEC structural directives in the various Member States. These directives form the backbone of Community structural policy in the agricultural sector and they must be successfully implemented if the structural problems facing us in this sector are to be solved.

This is an essential point, for the directives are concerned with the modernization of farms, farmers leaving the land, the use of agricultural land to obtain structural improvement and the provision to farmers of social and economic information.

We shall not go over here today the many major debates which have been held in this House on the Mansholt directives, now extensively amended, nor the suggestions made by our group with regard to the defence of family farms or those in underdeveloped or

mountain areas. But we must recognize today — with regret — that their implementation has not got off to a satisfactory start.

First of all, there were a number of delays before they were adopted and certain Member States were slow to implement them. Even allowing for the fact that the directives reflected a new Community approach to structural problems and that they raised legal and administrative difficulties, the fact remains that these delays were much too lengthy. The result is that not enough information has been available and the Commission's first report is far from complete; not only that, farmers have been deprived of the aids and incentives provided for in these directives. Finally, as a result of these delays, the efforts made to solve structural problems in agriculture are being compromised.

The Commission's first report is unfortunately mainly descriptive. In our view, it does not provide enough information for a proper detailed analysis of the results that have been achieved under the directives for the implementation of a Community structural policy.

Some idea of the success of those directives can be obtained, however, from Community spending on the implementation of the planned measures. If we look at the draft general budget for 1977 drawn up by the Council, we see that in 1975, spending on farm modernization was no higher than 3 272 000 u.a., whereas the appropriations earmarked for the purpose in 1976 rose sharply to 29 million u.a., giving the impression that it was only then that a genuine start had been made with the implementation of the directive. But this impression would seem to be wrong, for the appropriations for 1977 are down to 18.8 million u.a., a reduction of approximately 35 %, which is the Commission's estimate of requirements in the 1977 financial year. What this really means is that the directive on farm modernization is not being fully applied by the Member States or at least not to the extent anticipated by the Commission.

This remark applies equally to the directive on the cessation of agricultural activity and on the use of land for structural improvement purposes. In 1975, appropriations for this purpose amounted to a mere 7 553 u.a., rising to 6 million u.a. in 1976; here again, the 1977 budget has been slashed by 75 % and the sum earmarked for the implementation of this directive amounts to no more than 1.4 million u.a.

The trend is similar in the case of the directive concerning guidance and occupational skills. The appropriations contained in the 1975 budget amounted to 634 946 u.a., rising to 6 million u.a. in 1976, followed by a drop to 3.8 million u.a. in 1977.

If the level of Community spending on the implementation of those directives provides pointers to their implementation — which must be the case as the Community pays 25 % of the costs — we may infer

Liogier

that the directives are not being fully and satisfactorily applied by the Member States. There is obviously something wrong in the system. Is it because the Member States lack the necessary funds to pay for those measures? Is it because they do not encourage their farmers to avail themselves of those aids? Or, a more likely assumption, is it because the aids offered are not high enough to induce farmers to apply for them? It is for the Commission to provide an answer to these questions in order to clarify the position once and for all. On the one hand, we are told that a start has been made with the implementation of those directives, which would obviously imply spending on an increasing scale, but on the other hand, substantial cuts are being made in the appropriations earmarked for the purpose. These things need explaining.

One of the main drawbacks of the directives for the implementation of a Community structural policy in the agricultural sector is the excessive scope they leave to the various Member States. Flexibility is necessary but if it is carried too far, distortions may occur. As things stand, some Member States apply the directives more fully than others and some of them offer maximum aid to their farmers and farming, while others tend more to offer a minimum. This therefore results in discrimination between the farmers of the various Member States and the Commission must therefore attempt to align the levels of aid granted under those directives in all of the Member States and in the same way for everybody.

I should like to wind up by reminding the House that substantial national aids are still paid to farmers. Estimates put these at 9 million u.a. per annum, which is a striking contrast with the subsidies earmarked for 1977 under the Guidance Section. If we are to solve structural problems in agriculture on a Community basis, we must therefore speed up the process of replacing national aids by Community aids based on common policies.

Finally, I should like to thank Mr Laban for his report and to tell him that we approve the motion for a resolution which he has submitted.

(Applause)

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

Mr Scott-Hopkins. — Mr President, anybody in this House who has followed our agricultural debates over the years will realize that the structural part of the CAP has become increasingly important and this particular debate today ought to be of the maximum importance to those who are interested in agriculture. As it is, it is rather an unhappy occasion, because the Commission is reporting for the first time on what has taken place in the Guidance Section on the reformation of the agricultural structures in the Community. And yet, these directives have been, or should have been, in operation for many years. The fact is that most Member States did not bring them into oper-

ation in their own countries, a few Member States have brought them into operation in the last 18 months, and one would sincerely hope that more will do so and we shall have them completely operational throughout the Community within the next 18 months. But this is the first report that the Commission has been able to give us on one of the most important areas within the common agricultural policy: the reformation of the structure of European farming. The reason for this is that there has been a great reluctance to bring into effect these various directives, although, in point of fact, if you look round at what has taken place in the last 5 years, let alone the last 10 years, there has been quite a startling change in the whole structure of the European farming scene. And yet today we are discussing the first report on what is happening. As the Commission says in its document, it is not yet in possession of sufficient information from all the Member States to make a complete assessment, although this is the first hopeful sign that something will be happening in the future.

Dealing very briefly with the various directives, Nos 159, 160 and 161, I find that 159, which is the main basis for the improvement of the structure of agriculture, is extremely complicated. Most farmers — certainly in the United Kingdom — seem to prefer the various national schemes that we have, rather than go through the complications of applying to and getting approval from, the Commission under Directive 159. This I think is a difficulty and I hope perhaps that Directive 159 on the modernization of farms, could be simplified by the Commission in the future to make it more easily comprehensible and make the application procedure easier for farmers not only in the United Kingdom but throughout the Community. And here we come up against the problem of what are really trying to do in reforming the structure of agriculture. The Commission quite rightly have taken the modern farm as the basis for their prices and so on and they have criteria outlining what the modern farm should be. Below that level of a modern farm one has two alternatives: either to try to amalgamate farms, try to make improvement by adding on land to those farms which fall below the level of a modern farm — and this is covered by Directive 160 — or one can say that those farms cannot really expect to receive sufficient price level support to make them economic and therefore the people concerned must turn to other activities and then we are getting into the realm of Directive 161. As far as I can make out, Directive 159 does not really apply here, although the improvement plans for farms below the level of a modern farm do seem to have been applied in some Member States. I do not think this should be so. But what are we trying to do?

Members in this House keep on talking about the family farm as the basis and the structure which ought to be kept. Mr Liogier in many speeches has always placed great emphasis, for instance, on the family

Scott-Hopkins

farm. And frequently the family farm is below the level of the modern farm, the viable farm as we call it in my country. And therefore, if we are going to base price structures on a family farm, we are going to find them becoming too high and this is what I suggest we have been doing over the past years, which is why we now have a price level structure throughout the Community which is basically too high. The reason for this is that Directives 160 and 161 have not been applied sufficiently in order to put those farms below the level of the modern farm, as defined by criteria laid down by the Commission, onto a different basis of farming. They should not be ones on which the price structures are based, as they have been in the past. And I would hope that the Commission would look much more carefully during the coming year at this particular point.

Mr Laban was saying that one of the things he wanted was an agricultural investment fund set up for various particular projects. I find this extraordinary. We already have, notionally at least, in the Mansholt fund over 500 million units of account and we have said in this Parliament many times that this money should be released. Does he want the Mansholt fund to be used for the agricultural investment fund? If that what he wants, then I will not disagree with him on the use of that particular money. Although it is not actually there — it is only national — the various governments have voted it, so that it is available should it be called upon. But I would have thought the most important thing to be done was to have the Mansholt fund released for the Guidance Section and to stop the build-up of this fund, notional though it is, which is at this moment not being applied.

Another point that I wish to make very quickly concerns Directive No 160 which is designed to help the small farmer to leave his land and give up farming. We have tried it in my country. We have had various schemes — the small farmer's scheme and all sorts of other schemes — to try and help farmers to leave their land and to take up some other occupation. It also involves the amalgamation of farms. This is quite the most difficult thing of all to do. The one asset that a man really wants to hold on to is his land. This is capital, whether he is a tenant farmer or an owner-occupier and it is most difficult of all to persuade him that the time has come when his farm is not viable, that he will never make a proper living, and that he ought to give it up. He would much rather tighten his belt and live just above subsistence level, which is unhappily what many farmers in that category do. What we found in the United Kingdom in the early sixties is that the inducements are not sufficiently attractive to make it worthwhile for a man to give up completely his way of life. And this is really what has held back and impeded the action of Directive 160. What is going to be absolutely essential in the future is an increase in the incentives if we want to deal with this matter. As many speakers have

already said, when we go on to the social-economic aspect of it in Directive 161, it is obvious that both the Social Fund and the Regional Fund should take over and deal with those farmers, who are part-time farmers in some cases, and those particular part-time farmers have no right to call on either the Guidance or Guarantee Section to keep them in business. It is the Social Fund or indeed the Regional Fund which should be able to look after their problems. I think that this would be the beginnings of a move in the right direction and I hope that we shall see further improvements in the near future. There is a great deal to be done, not so much in the United Kingdom, because we are about 2 1/2 times better, as far as our structure is concerned, than the rest of Europe, but we want to see the European farms improve their structure, to have a wider basis of viable modern farms. This, I think, is the essential point and if the Commissioner, when he winds up this debate, can give us some hope that we really are moving towards more efficient, more viable farms of the proper size, then these directives will be beginning to do their job.

(Applause)

President. — I call Mr Pisoni.

Mr Pisoni. — *(I)* Mr President, ladies and gentlemen, I shall not go into the philosophy of this directive and of the structural policy since it has already been gone into sufficiently before; besides, the debate does not go back far enough for new evidence to have emerged that might change our view on the subject. It is difficult in this context to make an assessment of the structural policy pursued by the Commission and the European Institutions because it has not been applied for a long enough time. It is an experiment still in its infancy and we in this House are called upon to take stock without having the necessary data at our disposal.

In Italy, a start is only now being made with the implementation of the three directives. In other countries, as we have seen, they have been in application for a longer period, with some positive results. But in Italy, where their implementation is in the hands of the regions, they have only just been introduced and we cannot therefore make a complete assessment of their effectiveness nor appreciate just how far they can take us. Clearly, they are coming into force at particularly particularly difficult time. Italy is faced with growing unemployment, so that the introduction of a structural policy under which some farmers will leave the land, albeit in small numbers, might well cause increased unemployment; and those thrown out of work would not find sufficient opportunities in other sectors. Furthermore, we are going through a period of severe inflation and inflation means that the aids proposed in the directives will be made unattractive, if not pointless. The large-scale implementation of this type of structural policy thus comes up against two major difficulties.

Pisoni

I do not deny that the Italians were among the first to call for a structural policy, in the awareness that Italian agriculture could not be changed and raised to a more modern level simply through a price policy and that this would come about through higher productivity and lower costs. But on the basis of the scanty practical experience accumulated so far, I think we can say, bearing in mind what I said a moment ago, that in the present climate of high inflation and unemployment, the allowance proposed for persons leaving farming is clearly on the low side and unquestionably not enough to secure positive results. We must therefore have an opportunity to review this allowance because, where holdings are fragmented and are too small, it is the only way that we shall arrive at sufficiently large farms where costs can be held at a level making for competitive prices to the consumer. We have also found that in very many areas, both Directive Nos 159 and 160 can only be applied in conjunction with Directive No 268 on farming in mountain areas; divorced from the directive on mountain farming, Nos 159 and 160 might well seem to lay too much stress on efficiency and hence create further imbalances within the sector.

And by the token, the experience we have acquired so far, although slight, is sufficiently clear to suggest that the Community measures with regard to the incomes supplement allowance are inadequate.

We are doing everything we can to keep a sufficient number of farmers, and of people in general, in the mountain areas and in disadvantaged regions. With the allowance of 25 % rising to 30 % which the Commission lays down for Italy under the directive on mountain farming, we shall not achieve this purpose. And yet we see it as a vital purpose and one which we cannot abandon.

Others have pointed out — and I shall confine myself to repeating their arguments — that other measures are required to ensure that the directives in question are fully applied. And we are waiting for the directive on the settlement of young persons, for this is the only way of introducing new blood into agriculture; in certain areas, the proportion of young people — 1 %-2 % — has been reduced to a minimum. This is a sad thing but if we wish to find a remedy, it is vital to introduce a directive on the settlement of young people in the agricultural sector, offering sufficient inducement to obtain the desired results.

We expect just as much from the other directive on producers associations; this would allow us to improve the organization of these associations and to set up a more suitable commercial network for marketing purposes, less vulnerable to the vicissitudes of the market. The same can be said of the directive on market changes and the one on afforestation.

I come to my last point: we cannot imagine a European agricultural policy without serious planning, a serious assessment of requirements, of world supplies, and of the potential of each individual region and area. As long

as we cannot successfully integrate the agricultural policies of the individual states, seeking to produce where climate, environment and geological conditions allow higher production at lower cost, we shall be encouraging every one of our countries to strive for self-sufficiency in all sectors, but in fact, we shall be burying the common agricultural policy. And I think that this is a pertinent argument, for in proposing measures to reduce dairy and structural surpluses, the Commission has no choice but to face up to problems of this kind; and it is in this dimension that we should like those problems to be viewed. A structural policy that calls for farms of optimal size, and lower costs, as a means of ensuring competitive prices must concentrate on products for which there will be a market and a marketing capability, on products which are directly geared to the potential of the area from which they come and can thus help to achieve a genuinely free and integrated European market where everyone can produce according to his ability and not entirely, or almost entirely, with self-sufficiency in mind. Otherwise, the structural policy might well turn out to be a highly precarious venture and we might well find that we have made strenuous efforts in a certain direction without obtaining the expected results. Finally, there is no point in repeating what Mr Liogier has already said, viz that the funds earmarked for the structural policy are slender in the extreme. True, we cannot continue with a system of national aids that is sometimes at odds with the Community system but if we were to place all our trust in what the Community directives provide for in the way of aid and money, I fear that the structural policy would be a long drawn-out business and that we should fail to achieve the objectives we have set ourselves.

This is a general argument but one which must be put forward in attempting an initial stocktaking, of at least in offering a few comments on the initial phases of our structural policy.

(Applause)

President. — I call Mr Bersani.

Mr Bersani. — *(I)* Mr President, ladies and gentlemen, I should first like to thank Mr Laban for his excellent report and to acknowledge the Commission's efforts in submitting this first report on the Community's agricultural structures policy.

There can be no doubt that today's discussion on such an important problem comes very late, not only at Community level but also within the various Member States. I believe that we are all agreed that it has come late, even if we differ on the causes for the delay and would probably not offer the same judgement on many of them. All of which is not conducive to speeding up modernization and the more decisive developments which we all wish to see.

Discussion of the structural policy must therefore be continued with the utmost diligence beyond today's debate. The market policy has unquestionably been an

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important one and, in my view, is still one of the Community's mainstays, not only for the maintenance of prices, but also for its impact — which has unfortunately been uneven — on many of our structures. Especially in the most advanced areas of Community agriculture, the price policy has provided a stimulus for a steady overall development in our agriculture which has inevitably been reflected in the structural sector. But this has indirectly widened the gap between the more advanced and the weaker and peripheral areas, contradicting on a more general level not only the specific aims of a balanced agricultural policy but also the overall objectives of Community policy.

In the light of these recent surveys made in all our Member States, we must therefore not only achieve a genuine structural policy but come to grips with the problem of reforming and updating the common agricultural policy as a whole. An organic, up-to-date structural policy with specific objectives seems today more necessary than ever if the common agricultural policy is to achieve the completeness, both from the economic and — what is now increasingly demanded — the social and cultural points of view, of a Community construction. Without a satisfactory and partly diversified structural policy we shall fail to answer the call for renewal, the need for which is deeply felt by our society. This renewal and adaptation, which concerns not only the productive sector but also involves qualitative and social considerations, can only be brought about through a new balance between the measures taken on various fronts for, as several Members have pointed out, what is also involved is the connection between action on the agricultural, regional, monetary and Social Fund fronts and also between the Community level and the national level.

Be that as it may, the specific purpose of our debate is to consider this first balance sheet, a balance sheet which unfortunately shows instances of unsatisfactory implementation, seriously late action and partial achievement. But it is a relevant exercise for anyone who wishes to reach a considered judgment on and obtain a proper perspective of this aspect of agricultural policy. We must recognize that it is in fact everyone's fault it progress in this first, necessarily trial stage has been so slow. If, however, it had been possible to implement at a more advanced stage the directives and supplementary measures — including, first and foremost, those for mountain areas or disadvantaged areas — the facts which we have to guide us would have been better suited to our purposes.

Certainly, the structural policy must today be extensively reviewed in relation to the Mansholt Plan and the developments which have since occurred. In this context, Directive No 268, especially in conjunction with Directives Nos 159 and 160, as Mr Pisoni pointed out, has brought changes and adjustments, Mr Lardinois, not only in that it has applied normal measures to areas in greater difficulty but also through the vital social innovation of supplementing incomes.

But a large number of surveys with the mountain farmers concerned have shown that these aids are not

substantial enough to produce the desired results. We shall therefore have to do some serious thinking on the subject and to review the relationship between agricultural measures and those provided for in the Regional and Social Funds. But I would say that the impact of the structural policy ought to be reviewed in its entirety. And when I say this, I am thinking of a thorough-going revision bearing on objectives, content and procedure.

Many speakers have referred to the problem of part-time farmers, to take but one example. This is an aspect of the problem which is tending to assume ever greater importance. This is true not only of areas with a preponderance of small farms on the outskirts of industrialized areas with a large labour force; in the more depressed areas too, there are compelling — essentially social — reasons for encouraging complementary economic activity and, by restructuring the economic and social fabric, for preventing the mass exodus now under way and the development of desert areas in the hills and mountains; for this is a matter of grave concern to our society, and not only from the agricultural point of view. Hence the need, to which the rapporteur duly drew attention, for an overall readjustment, both in the structural policy and in its relationship with the market policy and other Community policies.

I should now like to discuss some of the proposals contained in the motion. As far as the fund to deal with interest rates is concerned, I see the difficulties connected with the inflationary trends observable in the various Member States but I can also see the proposal should be understood in the sense which Mr Scott-Hopkins gave it. It is not so much a question of investment but of a sort of equalization of the burdens arising from the varying levels of the cost of money, and this applies as much to potential investments as to the operation of farms. Present discrepancies between the countries of the Community and the various agricultural areas are so great as to affect not only the competitiveness of their products but also the overall development potential of the areas themselves.

Some of the other proposals contained in Mr Laban's motion have already been discussed. I should like to dwell for a moment on two problems in which, I would say, the general structural policy impinges on what I could perhaps describe as the policy on social structures. At least as I see it, the structural policy cannot concern itself only with the modernization of land structure; it must also deal directly with a number of social consequences relating to the size, productive and organizational capacity, the living standards, and the social implications of the individual farms. Seen from this point of view, the problem of young farmers and producers' associations — to mention only two — tend to assume a new importance, contributing to a comprehensive and up-to-date notion of structural policy. The ageing of the farm population tends to aggravate one of the most insidious threats to modern agriculture. Modern not only in the sense of productive organization but also for its image and significance to society, for the dynamism that it can sustain and for the new sense of

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purpose which it should and can instill — by assuming what is no longer a marginal role — in contemporary society. A significance and a much less marginal role than we have been prepared to acknowledge in the past.

Similar comments can and could be made on the producers' associations. It is only through different structures and different responsibilities for producers as a whole that we can better weld the two major components of the common agricultural policy. It is true that some countries have already made provision for national legislation introducing regulations in this sector. Others, like Italy, perhaps in the hope that specific Community measures would be taken in good time, have waited until today for European regulations. It would perhaps have been better to act differently. But I feel that it is essential, also from this point of view, to increase the tempo. For I can see — and I do not wish, Mr President, to overstep my time — that national measures to aid farmers have gradually developed on a scale that now calls for some sort of Community assessment. For example, the scale of national aids to farmers in Italy is about a third of what is provided in France and Britain and about half of what is granted in Germany. In other words, both through the market and structural policies, those differences in the levels of agricultural aid that it was hoped to scale down in a process of gradual harmonization have a tendency to reappear.

Summing up, then, we must not simply confine ourselves to taking stock of a situation that is partial and behind schedule; we must relaunch the measures earmarked for practical implementation and, together, we must consider, as a matter of urgency, the adjustments to the new requirements raised by an authentic European structural policy. Let us then wait, Mr Lardinois, not only for a report but for a new proposal in which such essential matters are taken into account. If this came, late or not at all, we should adopt a highly critical attitude, despite our appreciation of the difficulties cause either directly or indirectly by delays at national level.

These, Mr President, were the comments I wished to make to supplement the assessments and proposals put forward by Mr Laban with whom, I repeat, I am in firm agreement.

(Applause)

President. — I call Mr Lardinois.

Mr Lardinois, member of the Commission. — *(NL)* Mr President, I wish to join all the speakers in thanking Mr Laban for his report and the suggestions which it contains. I believe it was high time for us to hold this debate on structural policy on the basis of a committee report. Some of you have said that this debate should really have taken place a long time ago and I agree with that view. I must admit, too, that those who set their hopes in the new structural policy early in the 70s, a policy which was supposed to have an important influence at an early date on the development of agricultural structures, have to some extent been disappointed. A

number of reasons for this have been mentioned in today's speeches. In my turn I shall now try to define certain causes. Now that some 5 years have elapsed since the adoption of these directives, I believe it is important for us in the Commission to be as frank as possible and say why everything has not turned out as we should have hoped and why in some areas things may in reality be better than has been suggested so far today.

In the first place it proved far more difficult than expected to replace existing national structural policy by Community directives and a Community system: in other words the political temptation in the Member States to pursue a structural policy based on what we in agriculture call the 'icing sugar' method — under which national resources are made available to everyone or can without difficulty be obtained by everyone — is resisted by only a few politicians in our Western democracies. You will readily understand that our system, our structural policy, is not based on this theory. Basically, ours is a policy of selection and it frequently meets with stiff resistance in the regions and in agricultural circles — something which should not cause much surprise. This resistance is often stronger in the less modernized regions than in those which have already progressed, a situation which does not help the backward regions to catch up more rapidly.

Then there are technical reasons, first and foremost the accession of three new Member States which should in fact have adopted these directives. The new members were obviously a few years late in making a start.

Secondly, Community directives are not immediately applicable in certain Member States and national laws have to be approved by the national parliaments before Community legislation can take effect. This led to a delay of at least 3 ½ years in Italy. Because of the heavy general programme of legislation in Italy and the special difficulty of the 22 provinces to which innumerable legislative tasks have to be transferred, it took 3 ½ years before Italian legislation was adapted sufficiently for these directives to enter into force.

There is a further problem which I shall not look at in detail, of the different levels of authority (this holds good in Italy and elsewhere), the distribution of powers between the central government and the regions. This too led to some delay. But here were other reasons for which we felt it appropriate to supplement these directives by further texts which were adopted by the Council in 1974. The framework laid down in 1972, for the most difficult areas in particular, was not adequate. I have already drawn your attention to that fact. Directive 159 was not sufficient to ensure that the major problem regions shared in the development. In 1973 we therefore proposed that all the structural measures adopted — at least in principle — by the Council in 1971 and 1972 should be accompanied by more detailed directives concerning mountainous and other less-favoured areas. This enables various shortcomings of the first directive to be corrected as regards the improvement of

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agricultural structures. However, it took us four years after the first proposals to submit these new texts which explains in part why our structural policy was so slow in getting off the ground.

I have tried to explain the background to the delay. The rapporteur now says that these directives are still not in force everywhere today or, to put it more accurately, he asks whether they have entered into force. I am pleased to say that at long last I am able to confirm their formal entry into force. At the end of my term of office in the Commission I am able to point out that it has proved possible with great difficulty and trouble to obtain the application in all nine Member States of the directives which were adopted during the lifetime of the previous Commission. The directives are now also applicable in France and Italy.

Mr President, the rapporteur has made a number of important suggestions. I wish to look at one of them in more detail. He said that the time might well have come to set up a European interest adjustment fund because interest rates have moved so differently in the individual countries that there is now a risk that the structural measures will in fact have an insufficient effect in the countries where inflation is most pronounced and which therefore apply the highest rates of interest. I wish to warn Parliament against taking this suggestion further. I believe that where it is necessary to provide lower interest rates for specific investments, the possibility to do so already exists. In a recent regulation the Council even stipulated that for some types of investment we could grant an interest rebate from the Guidance Section of the EAGGF.

In Italy this rebate amounts to some 11 %. The possibility thus exists already and I would warn you strongly against considering steps to set up a new fund now. Moreover all these phenomena are related. Interest rates are high because inflation is high, which is also one reason why our money is losing its value. In the past four years the conditions have always been such that currencies and countries facing these problems have been 'privileged' in that they could make extra price adjustments in the context of the monetary compensatory amounts, thus making good to some extent the cost of higher inflation in which interest payments are the strongest factor.

Nevertheless, I repeat, for certain specific investments it is possible for us to go beyond the 5 % interest rebate. We can even double this figure, as the Council has already agreed.

The rapporteur went on to make a further suggestion. He spoke of production planning — and this is not the first time — for European agriculture. My attitude in the past has been very cautious on this point and I do not want to change my mind now. However, I have already said that we might consider and put into effect production planning for certain products. Mr Scott-Hopkins and others have asked us to do so and we should be in a position to adopt appropriate measures in the dairy and cereal sectors. In the past few months you will have

noticed that the Commission has, in respect of dairy products, put forward very clear forecasts of anticipated production and set production targets, for periods including three years — exactly as Mr Laban has asked us to do. But it is one thing to do this in a sector where there are quite obviously a great many problems and quite another to extend such action to the whole area of agriculture and horticulture in the Community, which is not exactly bursting with strength and prosperity at the moment. I think, then, that I am right in saying that we must adopt a cautious attitude and cannot approach the whole of agriculture in this way.

As regards direct income support — to which other speakers including Mr Bersani and Mr Guerlin have referred — I am able to inform you that the Council has up to now categorically rejected every proposal from the Commission, even where those proposals were only temporary and put forward in conjunction with structural policy. Now I do not believe that if the Council has in the past adopted a particular view we should then refrain from all further action in the area concerned — certainly not — but we must recognize that the measures provided for in this directive should not be overestimated. But it is always possible to do *something*.

I have been asked to clarify the question of the comparability of our statistics. I am pleased to be able to inform you that our statistical office in Luxembourg is making steady progress in this area. Despite the fact that the progress has not been spectacular, we have moved ahead in the area of practical coordination in the past few years.

As regards the forestry directive — to which Mr Liogier and Mr Bersani have referred — it is true that very little has been done despite repeated prompting by the Commission. Some Member States are not in favour because they consider that they have no problems in this particular sector and are worried about the financial consequences. We cannot be content with this situation and I am pleased that your rapporteur supports the Commission on this matter.

Mr Guerlin asked why the directives have taken so long to implement. He himself suggested that the money made available for structural policy is not sufficient. I do not agree with that; we have no lack of money or problems but the fact is that programmes laid down at Community level have not been adequately reflected in national legislation so that each year money has been left over in the Guidance Section. It is wrong to complain about a shortage of money. The money is there for this year and next. What is needed is for the existing structural directives to be effectively applied in the Member States. The causes lie elsewhere, not in a lack of funds.

Mr Guerlin also spoke about the use of land released as a result of structural measures and called for a tenancy policy adapted to modern farming. I agree broadly with his comments. But here, too, traditions in the Member States vary widely. We often see that the very areas where in my view the need for a socially responsible

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tenancy system is the greatest are those which, for historical reasons, have no such system. For example, Ireland, Southern Italy and indeed large areas of the rest of Italy where the tenancy system is practically unknown could derive the greatest benefit from a socially responsible tenancy policy. This situation has often arisen in the course of history and unfortunately — as Mr McDonald can no doubt confirm — in Ireland for example the introduction of a commercially and socially responsible tenancy system on a large scale is practically impossible today. Historical circumstances which are readily understandable make this the case. Mr McDonald put other questions and asked why we cannot provide more encouragement for agricultural machinery cooperatives or other forms of cooperation in agriculture. Here again the answer is simple: in the Member States greater publicity must be given to what is genuinely possible. Article 12 of Directive No 160 provides us with ample opportunity to finance this cooperation adequately. The possibilities exist but there is only one country which is making wide use of them — France. We are thus increasingly coming to face the same situation: wherever cooperation is lacking at national level, whatever the reasons, it generally happens that the farmers themselves do not get round to making the necessary applications and cannot persuade their information services or other agencies to do so. At present only one country, France, is making full use of this directive but others — Ireland, the Netherlands, Germany or anybody else — could also do so.

Mr McDonald also regretted that more money was not available; my answer to him is the same as to Mr Guerlin. It is not a matter of money; the money is there. Money is left over each year but the directives must be made better known and applied more fully and in a more satisfactory manner.

Mr Kofoed put a difficult question; he said that we must naturally step in if the Member States wanted to give excessive subsidies which have the effect of distorting competition. But, he asked, should we not also intervene if the Member States try to place excessive burdens on their farmers? I agree that we should and I would add that negative subsidies also exist. Not all subsidies are positive. We have at present a situation of this kind in Great Britain in connexion with the enormous scale of the monetary compensatory amounts. The time is certainly not ripe for us to review the whole value of the system, but in the long run that may have to be done.

Mr Liogier asked — and in part gave the answer himself — why the available resources are not being used in full. In France in particular application of the directives came very late, but all the possibilities do now exist in France. I believe that the greatest difficulty was experienced in France with the rule embodied in our proposals that the subsidy policy should be selective. France is often a conservative country, as

was apparent on this occasion too. Nevertheless the conviction is gaining ground that these directives have real substance and the courage to take action is growing, especially as the policy on mountain areas and other less-favoured farming regions has now assumed real shape.

Mr Scott-Hopkins said that directive No 159 must be simplified. I do not think that necessary, in the United Kingdom or elsewhere. Once the directive has been brought into use its complexity seems less daunting. To give you an example: this year, in 1976, we are expecting at least three times as many applications as in 1975 from the UK. Familiarization with and understanding of the provisions have been necessary and that is particularly difficult in the new Member States.

They were not present at the drafting stage and were not involved in the project from the beginning; they have as it were some ground to make up and may not understand certain provisions because they were not present when the text was being drafted and do not know how it should be interpreted. I believe that we can be reassured on this point. The agricultural structure in the United Kingdom is by far the best in our Community, so that the UK is extremely well-placed for large-scale farming while it has often had more difficulty with the more intensive crops. In a sense this fits in well with the framework of the Common Market where we often have more outlets for crops which, for reasons of efficiency, must be grown on a large scale. I wanted to make this point because I consider that the existing structure of agriculture in the United Kingdom adds strength to European agriculture as a whole.

Mr Pisoni complained, not without reason, at the fact that too little has been done in the structural policy sector in Italy, certainly as regards the application of the relevant directives. He also said that the Community could pay rather more than the present 25%, for instance 30%, for hill-farming. I can inform him that at the beginning of this year we already decided, in the case of Italy and Ireland — and for those two countries only —, to enter not 25 or 30% but 35% in the Community budget, just as we decided — but again only for these two countries — to pay 65% instead of 25% of the amounts made available for structural improvement on the basis of directive No 160.

Mr Pisoni also referred to our proposal on forestry and, above all, to our proposal on young farmers. I agree with him that it is unacceptable for the Council to be making no progress on these two proposals. I am extremely disappointed to note that the Council, or at least certain members of the Council, consider that these proposals are not of central importance and that it is better to save this money at Community level and leave matters in the hands of the Member States. I do not agree with that view and I can assure

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Parliament that I shall use every available opportunity this month and next to make representations of the clearest possible kind to the Council. Neither Mr Pisoni nor Mr Bersani will have reason to fault me on this point.

Mr Bersani also said that we should draw the lesson from the past. I agree, with the proviso that we *must* draw that lesson. I hope that in our report next year on structural measures we shall be able to give a more optimistic picture of real progress. The Council is now beginning to move towards support for our structural directives on a number of points. That was apparent during the October meeting and I hope that at the Council meetings in November and December perhaps small, but certainly real, steps will be taken in the right direction.

(Applause)

President. — I call Mr Laban.

Mr Laban, rapporteur. — (NL) Mr President, may I begin by thanking Mr Lardinois for the very full manner in which he has dealt with the report of the Committee on Agriculture and the comments by our colleagues. He did not, however, answer one question. I asked him whether the list of national structural measures could be made available to Parliament. I understand that the various governments have now agreed to that and it would be very useful to see exactly what is being done at national level in the Member States.

Mr President, Mr Lardinois still has strong reservations on flexible, indicative planning of production. He drew attention in this connexion to the plan for rationalization of milk production but I thought that the reasons in this particular instance were quite different from what the Parliament has in mind when it refers to flexible, annual indicative production planning.

Perhaps Mr Lardinois' hesitation is to be explained by the fact that when such planning is adopted and put forward under one's own name one may then be held responsible for it later on. I realize too that Mr Lardinois may not have any time left for this purpose in the next few months. In that case this matter will have to be looked at in more detail with his successor.

Mr President, my last point is this: when describing the powers needed by the agricultural credit institutions to contribute more adequately to the structural improvement of European agriculture, I did not mean that European regulations or directives were necessary. I was simply saying that it would be useful if the Commission could describe these powers so that they could be noted or put to the Member States as a kind of recommendation. I also drew attention to the way in which the credit institution is functioning in the Netherlands, which is certainly not ideal. That was my intention and I hope Mr Lardinois' will support me.

President. — I call Mr Dalyell.

Mr Dalyell. — I listened carefully to Mr Lardinois, and should like to put two questions. One of expla-

nation: as it was translated — and the translators do a very good job — from the Dutch, he said in relation to the UK that we have reached the time when we should check the MCAs. I wonder if he could expand on this, because it is a highly sensitive issue and perhaps he could expand that particular sentence so as to state precisely what he means.

The second question is again a fairly obvious one. In relation to the agricultural engineering in Article 12, and his emphasis that the only country that has taken advantage of it is France, I can only report that farmers in my constituency are forever complaining at the capital shortage, of not being able to get capital for modernization. I simply wish to ask: what should farmers in this position actually do to take advantage of facilities for getting Community funds for investment in agricultural engineering?

President. — I call Mr Lardinois.

Mr Lardinois, member of the Commission. — (NL) As regards the last question, Mr President, I can only refer you to Article 12 of Directive No 159. It would be necessary to contact the agricultural information service in the region concerned. The national Ministries of Agriculture are perfectly familiar with this matter and they have almost always left it to the national information services. In the United Kingdom that service is unusually up to date and knows exactly what can be done. The French example shows that Article 12 of Directive No 159 can be applied on a large scale — I repeat, on a large scale. I should certainly welcome it if the United Kingdom were to make fuller use of the available possibilities. I know from experience that attitudes in the United Kingdom are open towards this kind of cooperation between holdings in a particular area.

Mr Dalyell also asked what I meant by my remark about the monetary compensatory amounts. We are not saying that these monetary compensatory amounts should be abolished, e.g. in the case of Britain — I made this point in October here. They cannot be abolished now or in the next few years. It is not a matter of abolishing these payments but of adjusting them at a particular point to prevent them from assuming proportions. Over a month ago the Commission showed clearly on the basis of a concrete proposal that in its view an adjustment of about 4.6% is now necessary. That was our proposal and we stick to it. An overwhelming majority in the Council also fully agrees with the Commission on this point.

Mr Laban referred again just now to the lists of national support measures. I told the Committee on Agriculture that we would be forwarding these documents to it. However, we have not yet received all the documents from the Member States and we must make them mutually comparable. We are working on that at present. Perhaps we need not wait until all the

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work is complete but can forward the documents to the Committee on Agriculture as soon as we have an idea of the different groups of support measures.

As regards the agricultural credit institutions, the Commission may have to discuss in due course the question of the criteria which should be applied.

President. — I call Mr Durand.

Mr Durand. — (*F*) Mr President, ladies and gentleman, I had thought of replying to our British colleague who claimed that France was privileged but I shall not do so since I feel that this House should not create opposition between the various countries.

On the subject of dairy problems I should like to say a few words on production planning.

I am always extremely wary of planning in the agricultural sector because even the most carefully considered programmes frequently come unstuck. Surpluses and deficits often come from the top if I may put it that way. Planning is necessary, of course, but it should not produce unbridled dirigisme which paralyses farmers, pushes them in directions which they ought not to take or causes shortages when the best laid plans are thwarted by the weather. We had a case in point this year in the milk production sector: the drought caused substantial damage and those milk producers who were able to keep up their production to some extent were faced with extremely high costs.

So while I feel that planning is necessary, too much reliance on it might be disastrous.

(*Applause*)

President. — I call Mr Dalyell.

Mr Dalyell. — I never said the French were privileged. There must be a genuine misunderstanding because I am sure that they behaved perfectly properly. I am sure Mr Durand will accept that.

President. — 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 Martens on behalf of the Christian-Democratic Group:

Paragraph 4 to be worded as follows:

'4. Points out that the aims of the common agricultural policy, i.e. a reasonable income for farmers, secure food supplies at reasonable prices and a stable market equilibrium cannot be achieved unless urgent steps are taken to supplement the market and price policy with a dynamic and effective structural policy.'

I call Mr De Koning, deputizing for Mr Martens.

Mr De Koning. — (*NL*) Mr Martens apologizes for his absence because he has to attend another meeting in this building at 11 a.m. He asked me to explain the two amendments tabled by him on behalf of the Christian-Democratic Group.

The text of the amendment to paragraph 4 differs from the rapporteur's text only in that we have added the words 'reasonable income for farmers, secure food supplies at reasonable prices and a stable market equilibrium' in order to put this idea across clearly in the text. I accordingly ask Parliament to accept this amendment.

President. — What is Mr Laban's position?

Mr Laban, rapporteur. — (*NL*) Mr President, the Committee on Agriculture adopted the motion for a resolution unanimously with only one abstention. Mr De Koning has noted that this is a question of wording but we consider that the points are made more clearly in paragraph 4. I therefore consider it advisable to adhere to the opinion of the overwhelming majority of members of the Committee on Agriculture and I therefore ask for this amendment to be rejected.

President. — The rapporteur proposes that Amendment No 1 be rejected.

I put Amendment No 1 to the vote.

The amendment is adopted.

I put paragraph 5 to the vote.

Paragraph 5 is adopted.

On paragraph 6 I have Amendment No 2 tabled by Mr Martens on behalf of the Christian-Democratic Group:

Paragraph 6 to be worded as follows:

'6. Believes that the structural policy should be focused on medium-sized agricultural holdings, i.e.

— holdings which can be made viable by means of expansion (by increasing acreage rather than by stepping up production), should be helped in the transitional stage by means of income supplements;

— the other farmers must be encouraged, materially and otherwise, to seek other spheres of activity and, on cessation of farming, must receive fair compensation.'

I call Mr De Koning to move Amendment No 2.

Mr De Koning. — (*NL*) Mr President, again there is no essential difference or contradiction between the text of the amendment and the rapporteur's text. My group wants to state explicitly that this structural policy is directed at the group of average-sized agricultural holdings; like the rapporteur we recognize that some holdings in this group can succeed by increasing their size while others can only cease their farming activities. Mr President, owing to a misunderstanding a third indent has been omitted from Mr Martens' amendment in which he wanted to say that

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the departure of agricultural labour should be facilitated through the creation of new employment openings in the agricultural areas. It seems to me that for formal reasons that part of the text cannot now be added to the amendment because members do not have the wording in front of them, but I wanted to say on behalf of Mr Martens that he considers the creation of new jobs in agricultural areas a vital issue without which there can be no structural improvement.

President. — What is Mr Laban's position?

Mr Laban, rapporteur. — (NL) Mr President, the content of paragraph 6 of the motion adopted by the Committee on Agriculture was the subject of a substantial part of its discussions. In the light of the discussions I tried as far as possible to include the points made in the resolution, although I was not entirely successful with the wording in Dutch. I made a few concessions in this respect to express our intentions clearly. I also reached full agreement on this with the author of the amendment. I am therefore rather surprised that Mr Martens should have come forward with a different text — presumably after further thought — but I still prefer the text adopted by the Committee on Agriculture by an overwhelming majority of its members present at the time. I therefore ask you to reject the amendment and maintain the existing text.

President. — I put Amendment No 2 to the vote. The amendment is rejected.

I put paragraph 6 to the vote.

Paragraph 6 is adopted.

I put paragraphs 7 to 12 to the vote.

Paragraphs 7 to 12 are adopted.

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

The resolution is adopted.

5. Regulation on olive oil offers

President. — The next item is the report by Mr Ligios on behalf of the Committee on Agriculture (Doc. 374/76)

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

- I. a Regulation amending Regulation (EEC) No 601/76 laying down special measures in particular for the determination of the offers of olive oil on the world market
- II. a Regulation amending Regulation (EEC) No 602/76 laying down special measures in particular for the determination of the offers of olive oil on the Greek market

I call Mr Pisoni, deputizing for the rapporteur.

Mr Pisoni, deputy rapporteur. — (I) Mr President, ladies and gentlemen, I take the floor in place of Mr Ligios who, for technical reasons, cannot be here today.

I shall be very brief, confining myself to a few comments, for the motion before the House has to do with a technical matter rather than the basic problem of olive oil. As you all know, olive oil entering the European market is subject to a number of regulations laying down, amongst other things, the levies applicable to this product.

The proposals before us seek to amend the procedures governing the levy, laying down the different parameters applicable to offers on world markets, excluding Greece. In the case of Greece, the levy is established with sole reference to the Greek market. We consider that these adjustments will improve the balance of the olive oil market and ensure a better level of supply and it is in this sense that Parliament can only approve the motion for a resolution, with the proviso that a subsequent check be made to ascertain that these amendments have effectively led to price improvements and that, if necessary, the whole body of regulations should be reviewed.

Apart from this, the Commission has proposed that the regulations be extended until October 1977 and I hope that Parliament will give its approval.

Finally, as regards paragraph 2 of the resolution, in which the Commission is again urged to submit by the end of 1976 — as it has already undertaken to do — new regulations on the common organization of the market in this sector, what we are specifically asking for is a regulation designed to safeguard production and the price level, to prevent market disturbances — particularly on the Italian market, since production is predominantly Italian, and the French market — and to bring about a reorganization of the Mediterranean and world market that protects producers, ensures general equilibrium and at the same time, protects the consumer.

(Applause)

President. — I call Mr Cifarelli.

Mr Cifarelli. — (I) Mr President, I should like to see the debate on olive oil monopolized by Italian speakers. This sector should not be considered as a sort of Italian reserve. We have a similar situation in at least two other sectors: wine — which we share with France — and durum wheat ...

Mr Lardinois, member of the Commission. — (I) And rice.

Mr Cifarelli. — And rice of course. I thank Mr Lardinois for having reminded me.

The mention of rice reminds me of the troubled days of the Korean war and the keen concern felt by the rice producing and exporting countries outside Europe.

¹ OJ C 293 of 13. 12. 1976.

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I find Mr Ligios' report highly interesting and perspicacious. He quotes the Italian olive oil production figures and compares them with the production of other neighbouring European countries, thus giving us a broad view of the entire problem. When I say neighbouring countries, I am thinking especially of Spain, whose production ultimately has a tremendous impact on world market prices, of Tunisia, whose olive oil has become a trade bargaining counter for certain concessions granted to the Italian Government in the matter of fishing rights in the strait of Sicily and the Gulf of Sirte; I am also thinking of Greece which has applied for — and will I hope obtain — full membership of the Community.

Initial estimates suggest that olive oil production in Italy will be down next year. But this is not sufficient reason for failing to consider the problem in its entirety. I should like to point out that while I am not an expert in any particular field, I can at least claim a certain territorial competence in the olive oil sector since I come from Puglia, that part of Italy with the largest olive oil production; it is an area where it will never be possible to apply what I have often criticized and deplored, a stop-and-go system that consists in promoting higher production and then, when things go badly, discouraging production. If we allow the olive plantations to be dug up, Mr President, olive growing, which goes back to ancient Greek times, will never recover.

Mr Lardinois knows what efforts have been made by the Italian authorities to overcome certain disorders and abuses, and that strict checks have been carried out both at national and local level.

The market organization for olive oil was one of the first and the most important. It goes back more than 10 years and is still valid today despite being updated several times.

But although the regulations have all the appearance of stability, olive oil remains a subject that is often discussed and I would say — without in any way wishing to be negative — that the Commission has a slight olive oil complex and never wastes an opportunity to proclaim its intention to amend the basic regulation. The process was begun at the time of the Lardinois memorandum and the subject came up again at the latest price talks, when the Commission immediately set itself a specific deadline: its proposals would be submitted to the Council by the end of 1976. Today is the 16 November and nothing has happened; with the Ligios report we are brought face to face with the problem of fixing the levy on imported olive oil. The matter is certainly an important one as is amply demonstrated by the fact that the Community is short of supplies and that imports therefore have an effect on trends in the internal market. I mentioned a moment ago what is happening with Spanish and Tunisian oil. But the fact

that the Commission and Council have confined themselves to updating the levy — and this on a temporary basis — strongly confirms what is already recognized and admitted, viz. that the Commission finds it impossible to tackle the thorny overall problem of redrafting the basic regulation. And this is where, to my mind, the political rub lies and the Committee on Agriculture has done well to recall it in the motion contained in Mr Ligios' report.

Why does the Commission find it so hard to come up with a definite proposal for a review of the market organization? Certainly not because the time is not ripe from a technical point of view. The difficulty is of political origin. This, for Italy, is a fundamental problem: my country derives a distinct advantage from the regulation under which funds are provided from the Guarantee Section of the EAGGF. With all its defects, and despite the delays with which payments are made — for which the Italian administration bears a substantial share of responsibility — the supplementary payments in respect of olive oil are one of the few practical forms of Community aid that has benefitted Italian agriculture, particularly in the south of the country.

Against the Italian view, there are the claims of those who argue that overall expenditure by the EAGGF should be reduced. And, from a technical point of view, the supplementary payments are not to everyone's liking for they are a sort of deficiency payment at odds with accepted general Community doctrine which rejects the policy of incomes supplements and ties the major market organizations to the orthodoxy of common prices. And then — as I have already said — there is a suspicion of fraud surrounding the payments.

This situation reflects the uneasiness which the Commission seems to feel: think how difficult it is becoming to make any amendment to the basic regulations; hence the uncertainty prevalent in the sector and the difficulties for producers in changing the basis of their production. This applies not only to the producer but also to the processors and the olive oil industry. Both farmers and industry must come to terms with a powerful commercial organization that often takes advantage of imports and the level of stocks to speculate skillfully on a large scale. It is therefore high time for the Commission to come out into the open with its proposals and say clearly what lies in store for olive growers and the Community olive oil industry. In my opinion, we should rally to its defence, since it forms not just a historical part but also an economically and socially valid sector of Community agriculture. All this is certainly true. But we must not lose sight of the way the market is moving. A glance at the situation should prompt us to tone down our judgment on what the Commission is doing in the field of regulations. In the proposal dealt with in Mr Ligios' report, the Commission says that

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market trends are difficult to assess, but that no significant changes in the olive oil market situation are anticipated in the next few months.

This is in fact a forecast of stability, but stability in which direction? towards a surplus situation or towards a market on which prices are strained and the product hard to find? The Ligios report comes down on the side of surplus. I have already mentioned the reservations which I think ought to be made as far as certain production forecasts are concerned. The fact is that the market is in a state of flux and we cannot properly see what will ultimately happen. It might just perhaps be wise on the Commission's part not to come up for the moment with specific proposals for new basic regulations. The uncertainty is compounded by a number of pathological factors such as the dangers of speculation, but also by structural factors such as the medium-term position of olive production and world market trends in oil products. The olive oil market is not self-contained; in general, it follows the ups-and-downs of the oil seed market, and these have their origin in economic and geographical areas over which the Community has little control.

But let us look at and try to find explanations for some of the factors affecting the market situation in recent times. The first striking thing is the tremendous gap between consumer and producer prices. In Italy today, a kilogram of extra-fine olive oil costs between 2 500 and Lit. 3 000 in the shops.

But the producers who handed into intervention pocketed only Lit. 1 411. This gap is the end product of a complicated medium-term manoeuvre. It will be maintained that in the spring, the producers received a price appropriate to a surplus situation; today, on the other hand, the consumer is paying a price appropriate to a situation of shortage.

Between 1973 and 1974, olive oil showed the same general tendency to rise in price as raw materials and became something of a luxury; then, dragged down by plummeting oil seed prices, the price of olive oil too began to fall and unsold stocks to accumulate. But they were often made up of imports carried out for speculative purposes. Last August, AIMA attempted to shed part of these stocks, but the sales were a failure: out of 56 000 quintals of lampant oil only 34 000 were sold. But the situation changed unexpectedly after the summer. Prices began to rise and in October, the AIMA arranged further sales with the intention of calming the market. Selling in October reached hectic proportions and while the wholesale market produced prices of Lit. 1 750 for extra-fine oil, 1 580 for fine, 1 450 for semi-fine and Lit. 1 400 for lampant, the AIMA fixed the basic sales prices between 960 and 1 520 per kilogram. In these circumstances, business was highly satisfactory, the more so as the current harvest is likely to be fairly poor and the product in short supply.

The danger is that what happened in the case of Parmesan cheese will happen with olive oil; during

the surplus phase, the intervention agencies accumulate stocks, the product grows scarce and stains appear on the market: at this point, the intervention agencies, who work with fixed prices, offer the product for sale at prices fairly close to the withdrawal price, speculators rush in to buy and then withhold supplies, thereby exacerbating the tendency towards faster rising prices over the market as a whole. This is what happened in the case of Reggiano cheese and we fear that it could also happen in the case of olive oil.

Those few brief comments readily suggest a number of points that are of Community interest. If the market really moves towards a phase in which strains occur and prices rise, this will fan the flames of argument on supplementary payments and the reform of the basic regulation, and this for two reasons: the first has general relevance. With higher prices, olive oil comes to be regarded more and more as a luxury, the 'champagne' of the Mediterranean peoples. The other is more technical and is directly linked with the mechanism created in Brussels in 1967. It is an old story. If prices rise, market quotations can be expected to rise above the target price laid down by the Council of Ministers at the start of the marketing year; since the supplementary payment is calculated on the difference between the producer's target price and the market target price, there would clearly be a gain to producers deriving from the difference between the actual market price and the target market price. But this is not the producers' fault but rather a consequence of the machinery of deficiency payments provided for, and to my mind rightly so, in the basic regulation. This mechanism is based on market forecasts made at the start of the marketing year and not on the price actually paid to producers. It should be pointed out that a genuinely satisfactory system of supplementary payments will only come about when the producers' target price, in other words the guide price, reaches a level that takes better account of the trend in cost of all the factors of production. This is what the olive growers have been calling for for many years and the Italian government has often put forward this argument which would not weigh very heavily in the balance if it were not based on the fact — and this is also a social basis — that costs are effectively checked and found to be rising steadily.

Furthermore, we cannot gloss over the problems caused by the way in which the intervention policy operates. The system of auction sales is highly dangerous. In the first place, for consumer health, for the lots put up for sale include lampant olive oil and residues which lend themselves to a variety of dangerous manipulations. The sales are attended by large-scale speculators as is shown by what I said on the subject of Parmesan cheese. In these circumstances, we can only support the Italian government's request for authorization to sell directly to consumer cooperatives, but this would require amendments to

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Community regulations. This would provide yet another opportunity to review the whole machinery of intervention which, all too often, tends to protect the interests of rich middlemen rather than those of the small producer. These are the demands made by those who regard as legitimate the system of supplementary payments in the olive oil sector and who come from regions that are more sensitive to the problem, bearing in mind that there is already competition and that there will perhaps be growing competition from other countries that belong to the same Mediterranean olive oil area.

(Applause)

President. — I call Mr Lardinois.

Mr Lardinois, member of the Commission. — *(NL)* Mr President, may I begin by thanking the rapporteur for his excellent report and for the altogether positive conclusion reached by him. I am delighted to note that he recommends acceptance of the Commission's proposal as it stands. However, the rapporteur also made a second recommendation or request, namely for the Commission to submit the new proposal on olive oil before the end of 1976. Mr President, I think that the new proposal is necessary but not under the responsibility of the present Commission and I myself; in my view this must be part of the overall proposal as was the case last year with the application of the regulations on durum wheat. I believe it would not be politically responsible for the present agricultural Commissioner to submit this proposal in the knowledge that he could not himself support it later on.

Mr President, I am grateful to Mr Cifarelli for his comments on olive oil which revealed his extensive knowledge of the subject. I agree with him that olive oil production in the Community must be maintained and will play an even more important role after the enlargement of the Community. In this connection it must not be forgotten that in relative terms olive oil production is even more important in Greece than in Italy. In drafting our regulations we must therefore take account of the probability that Greece will become a member and that must be remembered when amendments are proposed. It is not just a matter of complete integration; a system must be established which can be properly supervised and implemented. It is not acceptable that the contributions from 1972 and 1973 should not all have been paid out by now and one of the reasons for this is that we include our own consumption in these subsidies. As I say, Mr President, we must arrive at a system which can be properly supervised and implemented. The Commission has long since realized that this is not the case at present.

A few years ago we therefore submitted proposals which neither the Parliament nor the Council were able to adopt at the time. The same situation arose

with durum wheat. Early this year we managed to obtain the support of Parliament and of the Council for proposals which were in my opinion reasonable and represented a fair compromise. We must do the same with olive oil. We are working on the matter but it is my view that — because of the political importance of this question — the persons who defend the proposal must also have the full political responsibility for it.

President. — Since no-one else wishes to speak I put the motion for a resolution to the vote.

The resolution is adopted.¹

*6. Present situation with regard
to the Community energy policy — Outcome of the
Council of Research Ministers*

President. — The next item is the joint debate on:

- Motion for a resolution tabled by Mr Springorum on behalf of the Committee on Energy and Research on the present situation with regard to a Community energy policy following the Council meeting of 19 October 1976 (Doc. 378/76)
- Motion for a resolution tabled by Mr Springorum on behalf of the Committee on Energy and Research on the outcome of the Council of Research Ministers of 21 October 1976 (Doc. 404/76);

I call Mr Springorum.

Mr Springorum. — *(D)* Mr President, ladies and gentlemen, the Committee on Energy and Research is placing before you today two motions for resolutions which it asks you to discuss jointly. Perhaps some of you may be surprised that we should ask you to discuss energy and research matters together. We feel, however, that both these motions are aimed at the Council, upon which we are calling once and for all to come to decisions. The purpose of both, therefore, is to make it quite clear to the Council that Parliament is no longer prepared to tolerate the Council's inability to reach decisions in matters of such importance as energy policy and research policy.

It was almost a gruesome experience to listen to senior officials reporting on the Council's work at our committee meeting at the end of October. The Council praised the work of the Commission and the Commission was congratulated on its proposals. But when the Council was asked for practical decisions it backed down. Herein lies a danger for the Community: again and again a common policy is announced but not afterwards put into practice, so that in the end the people of this Community are constantly disappointed. Common policies are promised but not gone into any further. As it happens, the advisers of the oil ministers are now meeting in Vienna, and the oil ministers themselves will be meeting in Katar from 15 to 17 December. They will be deciding on an

¹ OJ C 293 of 13. 12. 1976.

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increase in the oil price as to the extent of which we at present have no idea. Saudi Arabia is proposing 10 %, Libya and Iraq 25 %, and the rise should lie somewhere in between.

We must bear in mind that with a 1 % rise in price the Community will be the poorer by 500 million dollars. If you multiply this sum by the percentage increase in price you will realize how much more the Community will have to pay and how much poorer it will be made by a price increase which we are as powerless to resist as we were three years ago. The tender plant of an economic situation now on the mend can be exposed by such a price increase to so bitter a frost that it may wither.

With a view to surviving crises of this kind the Council decided three years ago, jointly with the Commission, on a common energy policy. We have all taken an interest in the presidential election campaign in the United States. Mr Carter, now the President-elect, criticized the Ford government for not having done enough in the field of energy policy and pointed out that it was high time to get down to action. He blamed it also for the fact that the United States too would have to accept the increase without being able to do anything about it. Admittedly the United States is now making plans, jointly with other industrialized countries, for consultations, but it is already becoming clear that the Americans are not satisfied with the trade situation out there. Here in Europe far, far less is happening, and we must really ask ourselves how the Member States of the Community, with only sparse supplies of foreign currencies, can hope to cope with this problem.

The Council had taken three basic decisions: saving of energy, greater independence from oil imports and the safeguarding of internal sources of energy, including nuclear energy. But let us be frank with ourselves: a number of minor decisions apart, nothing of any substance has happened in these areas. We must bear in mind that we in the Community have not yet even facilities for dealing effectively with a crisis such as the International Energy Agency has since acquired. Because one of its Member States does not belong to the IEA, the Community cannot avail itself of these facilities, which would really enable us to come to each other's help.

And the position is no different with energy saving. Here we have recommendations but no directives, no regulations. The steps taken to safeguard home-based energy are absurdly inadequate. We stockpile coal and allow more and more oil to enter the Community. We must simply grasp the fact that national energy policies can no longer be pursued without violating the Treaties. Over and over again individual Member States — strictly speaking, all nine of them — attempt to carry through a national energy policy. In the end these efforts come to grief because of the Treaties, which prohibit these practices. Thus, the United Kingdom will not be allowed under the Treaties to go

on sitting on its oil, but will have to export it to the rest of the Community. Nor, to take another example, will it be any easier for the Federal Republic of Germany to turn its back on heavy fuel oil from Rotterdam. The Treaties — fortunately, it can be said — put a stop to all this. Consequently, the only possible answer is a common energy policy, and it is here that the Council carries a responsibility. It cannot just go on saying that the individual countries it represents are more interested in their national requirements. The Council is obliged to work out a common approach to energy and then to act on it. This is why in our resolution on the energy policy we propose the immediate application of Article 235 of the EEC Treaty, just as the Council has decided that this article should be applied to research policy and environmental policy. The Council, we are glad to note, gave a very broad interpretation to the Treaties, and more particularly Article 235, because this suited its purpose. It ought, therefore, to apply this article in other cases where it is necessary — indeed, I would say absolutely vital — for the Community.

The Council of Research Ministers displays the same lethargy as the Council of Energy Ministers. We have had the multi-annual research programme for one year now but the Council, while quite rightly acknowledging its merits and even praising it, cannot make up its mind to adopt it. Three countries are putting forward the strangest proposals: they propose to cut down staff by up to 350; in the case of solar energy research, an area in which they have to date done little of any real consequence, they want to dispense with the services of two employees. Obviously their proposals for financial economies in no way reflect those they make for savings in staff. For some reason or other they are loath to adopt the programme. At times one is tempted to believe the allegations put forward in the press that the Council is simply incapable of taking decisions in the light of the facts and that the decisions it does take are inspired by political opportunism. It is a positive scandal that the Council cannot make up its mind on the site for the JET nuclear fusion project, for which the need is so pressing since one day it will make us independent — exactly when we do not know yet, but every day of indecision is for this project another day lost.

After the Council of Energy Ministers failed to reach a decision and postponed further discussion until December, without fixing a date, we as a committee were very pleased that the Council of Research Ministers at least have decided to take up the matter on 18 November, that is, the day after tomorrow. We hope that the Council will now strictly adhere to this arrangement. Here and there one hears, or reads, of proposals to postpone the meeting once again, so that this decision, such a difficult one to take, can be put off once more. I feel that Parliament should insist that this meeting — on 18 November — be held as planned, regardless of whether it may suit one party or the other.

Springorum

Now Mr Brinkhorst, President-in-Office of the Council, has reproached us — the European Parliament — ourselves for not reaching any decision. I regard such a comparison as shaky in the extreme. Were the responsibility ours, then I would say — for I know this Parliament — we would be prepared to take this decision at any time. Unfortunately we do not bear the responsibility for this matter, and we should not fall out among ourselves if our decision is not asked for. I believe, however, that if for some reason or other the Council fails to reach the decision the day after tomorrow, then we in this Parliament should in fact put forward a proposal next December, on the basis of a text submitted by the Committee on Energy and Research and gone into thoroughly by the committee beforehand. If on 18 November the Council once again shows itself to be incapable of reaching a decision, then Parliament should take a vote on the site of the JET project.

I also believe that, in the name of the entire Parliament, I may reproach the Council for still not being fully aware of this responsibility it bears towards our Community and the 250 million people who live in it, pointing out to it that it is a Community body and ought not to behave like an organ of national representatives. This responsibility it carries not only under the Treaties but also because of the overall situation of the world. It assumed this responsibility itself because of the presumptuous way it snatched virtually all the power in the Community and, as a result, succeeded in turning the Commission into its own secretariat — for there is no doubt that it has largely robbed the Commission of all initiative. When we read in the papers today of the haggling that is going on over appointments to the Commission as from 1 January 1977, we can clearly see that the Council intends to keep a firm grip on the Commission and does not want to allow it too much freedom.

A few days ago the executive director of the International Energy Agency, who is most unhappy about trends in energy policy both in the Community and in the Agency itself, spoke of an extraordinary situation where all the eighteen member countries cherished the illusion that when the day came when energy was in short supply, the Middle East countries would have enough oil for every country, particularly if it had behaved itself. According to Mr Lantzke, oil from the Middle East would by no means be sufficient to meet the needs of all eighteen member countries; and then, unless at last something was done, we would be faced with a price boom going far beyond that of December this year. Two days ago Mr Lantzke observed that if the industrialized West did not make an immediate start on clearing up the already sizeable mass of energy problems, then one day it would be confronted by a veritable mountain it would find it impossible to conquer. Despite all warnings, the Community marks time and the Council remains in a state of lethargy or indecision, or persists in its lack of

interest in the Community, striving to conceal from us that it is incapable of taking action.

I blame it also for grabbing more and more executive power. The best example of this is provided by the JET project. The decision as to where it should be sited is entirely a matter for the Commission, which alone has the right to take it. But no, the Council lays claim to the right of taking the decision itself, only to prove itself incapable of taking it. And herein lies an insincerity which, I feel, cannot be denounced too often. Recently Mr Brinkhorst told me in this House that the Council would always tell the truth. There is a truth of words, but there is also a deceit in deeds, and this is what the Council practises, day after day I would almost say. And in this way it allows the citizens of our Community to go on believing that it is capable of acting, although strictly speaking it no longer is. One day the people of this Community will have a rude awakening in the face of a serious crisis or — though I certainly hope not — a real disaster. I believe that the Council must define the limits of its powers, precisely because it lacks parliamentary control, and therefore the opposition to denounce its failure. As a result its doings remain secret, and we who live in this Community simply have no idea what is going on. We have therefore placed before you these two motions for resolutions, which constitute an indictment of the Council and call upon it to face up to its responsibilities towards this Community. I would ask you to adopt the motion for a resolution.

(Prolonged applause)

7. Procedural motion

President. — I call Mr Dalyell for a procedural motion.

Mr Dalyell. — Mr Springorum said that Professor Brinkhorst said that the Council always speaks the truth. It might seem to some of us that we would be jolly lucky if the Council speaks at all, because the fact is that those benches are wholly empty. Now, my point of order, Mr President, is this: at 3 o'clock (or a convenient moment after that) could you, as President, get some explanation as to why the Council is not represented at this debate? There may be good reasons but at least we ought to have them.

(Applause)

President. — I call Mr Hougardy.

Mr Hougardy. — *(F)* Mr President, I consider it perfectly unacceptable that there should be nobody on the Council benches when we all knew that Mr Springorum's motion was on the agenda. Is Mr Springorum going to have to repeat his speech? Or did the Council know that Mr Springorum was to be so critical and preferred not to hear his words?

Hougardy

Can the President say why the Council benches are totally empty? I should like an immediate answer from him.

President. — I call Lord Bessborough?

Lord Bessborough. — All my remarks, Mr President, will be addressed to the Council, and I do greatly regret their absence as well. I strongly support Mr Dalyell.

President. — I call Mr Broeks.

Mr Broeks. — (NL) Mr President, I hope that Parliament will be particularly cautious on this matter because there are agreements between the Council and Parliament as to the times at which the Council should be present. The Council will be here tomorrow, on Wednesday. If we have placed a debate of this kind on the agenda for Tuesday (it is our responsibility and not the Council's) we cannot expect the Council suddenly to be able to be present on Tuesday as well. Nothing prevented us from placing this debate on Wednesday's agenda if we considered it important — as I do — for the Council to be present. But we, that is the Parliament, did not do so. We have only ourselves and not the Council to blame. That is the fact of the matter. We must therefore be very cautious or risk creating the impression that we are unable to keep to certain agreements.

President. — I think Mr Broeks is right in pointing out that the Council is always represented on Wednesdays and that the agenda should have been arranged accordingly if the presence of a member of the Council was required. Therefore it might perhaps be advisable to ask whether Parliament should demand the presence of the Council *stante pede*.

I call Mr Dalyell.

Mr Dalyell. — Mr President, I asked my question in rather careful terms, namely, was there an explanation for the absence of the Council. I said there could be good reasons for this and if an arrangement has gone awry, that might constitute a good reason, I am not in favour of passing resolutions condemning the Council for this and the other, but rather, in future, getting some kind of adult arrangement so that they know the agenda.

Incidentally, Mr President some of us think it is absurd to ask the President of the Council necessarily to be here himself, but we do expect the presence of an energy or industry minister and I would have thought that that could have been agreed. It is hopeless thinking that the President can be here the whole time and available to cover every subject under the sun. Parliament should get used to inviting the specialist ministers from the country that has the presidency. I would have hoped that a Dutch energy or industry minister would have been present.

President. — I call Mr Broeks.

Mr Broeks. — (NL) Mr President, I consider that it is important for this debate to be conducted in the presence of the Council and that it should therefore be postponed until tomorrow. That seems the only clear solution.

President. — I call Mr Hougardy.

Mr Hougardy. — (F) Mr President, I suppose that the agenda is forwarded to the Council once it has been fixed. The Council could have objected to the debate taking place today or asked for it to be postponed until tomorrow. It could therefore have been represented today because it knew this item was on the agenda.

President. — Ladies and gentlemen, I propose that we suspend the proceedings until 2.30 p.m. so that we may consider whether this debate can be held over until tomorrow, which scarcely seems possible since tomorrow's agenda is very full and the President of the Council will be attending for matters other than energy. Perhaps we can postpone the debate to another time when the Council can attend specially for energy problems. I suggest we decide about this at 2.30 p.m.

The House will rise.

(The sitting was suspended at 12.50 and resumed at 2.35 p.m.)

IN THE CHAIR : MR MARTENS*Vice-President*

President. — The sitting is resumed.

8. Membership of committees

President. — I have received from the Christian-Democratic Group a request for the appointment of Mr Vernaschi to the Joint Parliamentary Committee of the EEC-Greece Association to replace Mr Noè.

Are there any objections?

The appointment is ratified.

9. Abuse of the principle of the free movement of labour

President. — The next item is the debate on the motion for a resolution tabled by Mr Espersen on behalf of the Socialist Group on the abuse of the principle of the free movement of labour (Doc. 424/76).

The adoption of urgent procedure in respect of this item was agreed this morning.

I call Mr Espersen.

Mr Espersen. — (DK) First of all I would like to thank Parliament for agreeing to hold this debate by urgent procedure on a matter that has been of concern to the Danish public in recent weeks.

It concerns a case which involves free movement of labour under the Treaty of Rome.

In Denmark, unlike many other countries, minimum wages are laid down by law. Minimum wages are laid down only in agreements between the trade unions and employers or employers' organizations. We in Denmark have always regarded it as a basic principle that all important labour market problems should as far as possible be settled through direct negotiations between labour market organizations. We did not want the state, the government or the Folketing to intervene if agreement could be reached between the labour market parties. We have been able to maintain this principle for many many years because the labour market partners realized the soundness of laying down reasonable terms acceptable to both sides, including reasonable wages.

In Denmark we have three or four branches of a multinational company, the Hertz Rent a Car Corporation. The Company has operated in the country for several years but has not wanted any contact with Trade Unions or with employers' organizations; it is therefore not a member of the Danish employers' organization. The firm has 30 employees who are members of the Commercial and Clerical Employees Union. It has not been possible for this union to arrange an agreement for the Hertz employees with the Trade Union movement. Attempts have been made many times precisely because Hertz does not pay the minimum wage that the Trade Union movement has got the Employers' organization to agree to in many other cases. Hertz pays Dkr 3 600 a month whereas under the agreements the minimum wage is Dkr 4 000. There is thus quite a large gap between the minimum wage and the wage Hertz wants to pay.

The Trade Union has encountered difficulties when trying to contact the Hertz Rent a Car Corporation. Difficulties of two kinds. First of all it was difficult for it to find out who is really authorized to negotiate for Hertz. Sometimes it is told that there is a manager in Stockholm, other times that he is in London, and other times that there is a manager in New York. It is simply impossible for the Trade Union and its members to find out who can sign agreements. Secondly, when the Trade Union has almost got to the real point and perhaps found someone responsible, then it is told that the agreement proposed is unacceptable. The Trade Union, which has a reputation for being a particularly placid one and seldom has strikes, nevertheless decided a month ago to declare a strike and issued the strike notices as it is required to do by law and under the agreements. In other words there is an agreement which says there is

such a thing as a completely legal strike and a completely legal dispute and this is not being disputed by the company. But what happens is that the company either asks or orders its employees in other Community countries to go to Copenhagen and take over the work of the strikers. The company also sent employees from countries outside the Community. In the case of the latest Hertz employees sent to Denmark it was obviously possible for the Danish authorities to refuse them work permits since Denmark has no obligation towards workers from countries outside the Community. But that cannot be done with workers from Community countries: under Article 48 of the Treaty of Rome they have a right to work in Denmark.

Obviously, Danish workers knew that there was a strike and that if they took up employment in Hertz they would be blacklegging, in other words not showing solidarity with those who were striking to protect their interests. The strength of a strike and its possibility of success depend on the solidarity of other workers. But solidarity is not being shown by workers who come from other countries. Perhaps because they simply do not know that there is a strike. They are merely told that they have to go to Denmark; they are not told why or that there is a strike. The Trade Union and many others in Denmark therefore feel that the Trade Unions' legally approved methods of obtaining reasonable terms, including a very low minimum wage, is being undermined and destroyed by the rules we have in the Treaty of Rome, and I believe that everyone here must admit that when we got the Treaty of Rome and Article 48 on the free movement of labour the aim was not to weaken the Trade Union movement and lessen the wage earner's possibility of obtaining reasonable terms through legally approved action.

I believe that all who want a calm, legal and reasonable situation on the labour market will acknowledge that Hertz' practice in this case is unacceptable. It is in the interests of neither employers or employees and the Danish workers on strike obviously feel that the Community is not in their interests on this important point.

At a time when we are talking about direct elections to the European Parliament and a citizen's Europe, we must realize that if we do not somehow or other ensure that the present situation in Denmark cannot continue or occur again in the future, then it will be difficult to convince the people that the Community is in their interests.

We must take the initiative in stopping this type of abuse and in ensuring that the Hertz example is the only one of its kind. We very much hope that the Commission will take the initiative in this area. There could be various supplements to Article 48. An employee of a multinational company who is sent to another country could be told in advance if he is to

Espersen

have blacked work. Individual countries could refuse to employ foreign labour if the foreign worker was to be employed in a strike bound area.

The Socialist Group does not want to stick to any particular solution. We would like to give the Commission as much scope as possible but we also hope that the Commission will take the initiative to change the legal situation that allows abuse. It has definitely not anticipated such abuse but it does make it possible. We hope that the Commission will take the initiative to change this legal situation and I am sure that the Council of Ministers will also appreciate the point. I feel convinced that the recommendations adopted by the OECD, although not legally binding as they are merely recommendations, have also been infringed in this case. I believe it is in the interests of all, not just the workers but the employers and labour market as a whole for there to be no possibility in the future of a repeat performance of what we can certainly call abuse of the principle of free movement of labour. We therefore very much hope that the motion for a resolution tabled by the group will find support among the other parliamentary groups and that the commission will see its way to giving the resolution favourable consideration.

(Applause)

President. — I call Mr Jakobsen to speak on behalf of the European Conservative Group.

Mr Jakobsen. — (DK) I think Mr Espersen deserves credit for having seen that this example — which is obviously only a small matter involving 25 employees — is of fundamental importance.

I confirm what Mr Espersen said, namely that the Trade Union concerned is a very placid one. It has made a particularly valuable contribution towards raising the social standard of groups exposed to abuse. The Commercial and Clerical Employees Union is one of the large Trade Unions in Denmark and has always worked very scrupulously and conscientiously for Danish society.

Although this is a very small specific case, our group agrees that it should be regarded as a test case. The strike is regarded as legal not merely by the Danish Trade Unions but also by the Employers' organization and Hertz Rent a Car Corporation has, as Mr Espersen said, if not directly at least indirectly infringed the OECD code for multinational undertakings, which stipulates *inter alia* that an undertaking involved in a dispute may not transfer the blacked work abroad and that multinational undertakings should try to integrate themselves on the local labour market.

It is of the utmost importance that none of the multinational companies should be a subject for complaint or abuse if the principle of the free movement of labour is to be maintained. Obviously, it is in labour circles that there is the greatest scepticism and fear of free movement of labour. On the other hand, free

movement of labour is a fundamental prerequisite for the expansion of the Common Market in the economic field and we must obviously — and we ask the Commission to help us — do everything we can to prevent abuse.

My Group agrees that the conduct of the Hertz Rent a Car Corporation is unacceptable. But what can we do to change the present situation. It is not a matter — and I think Mr Espersen shares my view — of restricting the free movement of labour. That is not what we want, that is not what we should try to do; it is laid down in the provisions of the Treaty. But it is a question of how the labour market partners can best adapt to the common labour market created by the free movement of labour.

As Mr Espersen said, Denmark is very liberal-minded about the question of organization. In Denmark we feel that there should not be special or general laws about agreements between labour market partners. Denmark has chosen to maintain the right to negotiate and not to ask the state to intervene in labour market problems.

It is very important to stick to the rule that citizens from other countries may not be subject to conditions to which Danish citizens are not subject. In other words, if Danish workers are not allowed to take up underpaid work, then foreign workers must not be allowed to do it either. And that is where the problem lies. On the one hand we may not discriminate; on the other, we do not want Danish employers or multinational companies to abuse the basic desire for free movement of labour and hence undermine the rule itself.

I think we must first and foremost regard it as essential that European Trade Unions should have a certain power. Their task is after all to protect their members. In cases where an employee is asked by his company to go to another country to take up blacked work, it should be the employee's Trade Union in his own country that protects him in the other. This calls for cooperation between Trade Unions throughout the Community, and the Commission could promote and extend such cooperation to cover employers' organizations by taking the question up for instance at the tripartite conferences that have now started.

Paragraph 1 of the motion for a resolution is worded in such general terms that we should point out that, when all is said and done, this very limited dispute should not be over-dramatized. There should be no question about the principle of the free movement of labour. It is a principle that we regard as an advantage for employer and employee alike. My Group would also point out that there will be difficulties for the Commission since there are different definitions. A legal conflict in Denmark might not be called legal in another country. When Danish employers call in labour from other countries, is it salaried workers or is it labour in general? There can be problems here too.

Jakobsen

Parliament obviously cannot adopt a position on these problems just like that. But my Group wants to make it clear that there is sympathy for the position adopted by Mr Espersen. My Group does not want a rule on the free movement of labour to be used to force people with low wages into an even worse situation. That was never the intention of the free movement of labour and as Mr Espersen rightly said, if we are increasingly involving the people in direct elections, it is important that we make the principle of the free movement of labour clear and arm ourselves against abuse. We will support Mr Espersen in his efforts to clear the matter up and we hope that the Commission will take this in the right spirit and take any further necessary steps.

(Applause from the right and the centre)

President. — I call Mr Maigaard.

Mr Maigaard. — *(DK)* I have three brief comments to make on Mr Espersen's motion for a resolution.

Firstly, I do not think that at any time it has been of any advantage to workers in any country to accept the principle of the free movement of labour. We warned against this principle, which is part of the Treaty of Rome, before Denmark joined the Community and we now have a concrete example of how harmful it is for national authorities not to be able to regulate the influx of labour. I think this case clearly shows that the principle on which the Community is founded can never be of advantage to the worker.

Secondly, who pays for the principle laid down in the Treaty of Rome? Who in this dispute has to pay for the free movement of labour? It is some of the poorest paid workers on the Danish labour market. The people involved in the dispute with Hertz Rent a Car get 480 u.a. a month for a 40-hour working week. They have to work 40 hours and they are unsocial hours. They work at weekends and for that get the equivalent of 480 u.a. if we use the budgetary unit of account. That then is the effect of the principle of the free movement of labour: the lowest classes in our society who earn least have to pay.

Thirdly, I think that in the circumstances we should support Mr Espersen's motion for a resolution. I am against the principle of the free movement of labour. I think it is wrong, but in this particular case we should support the motion for a resolution in order to prevent any abuse. It is therefore only proper that Parliament should support the motion for a resolution tabled by Mr Espersen.

President. — I call Mr Brunner.

Mr Brunner, member of the Commission. — *(D)* Mr President, ladies and gentlemen, it was said during this debate that this subject would create difficulties for the Commission. This view I fully share.

One remark made by the last speaker seems to suggest that freedom of movement within the Community was in itself an evil. Now, I was in Turkey, in Ankara, only last week. Could I have been only dreaming when I heard that wishes of some intensity, particularly as regards the freedom of movement once promised to Turkey for a later date, had been conveyed to the Community from this country associated with it? I must have been dreaming when I got the impression that in that part of the world, which is of course a long way from a northern country like Denmark, freedom of movement within the Community is regarded as something desirable, something of benefit to the citizen, to the ordinary man. I must perhaps have lost touch with the millions of workers in the industrialized areas of the Community who all insist on freedom of movement as of right. I believe it would be a good thing to talk with these people in order to grasp to what extent, say, the Italian workers employed in Wolfsburg speak out in favour of it. I mention this in advance, just to clear up this point. The freedom of movement firmly established by the Rome Treaty has brought both economic and social benefits to millions in the Community, and has enabled the Community to develop along better lines than would have been possible without it.

(Applause from left and centre)

But I have no intention to shirk answering the specific question that lies before us. And I tell you from the outset that this question is a complicated one. On the one hand we have freedom of movement within the Community established as a principle. No limit can be set to this freedom. Here we are faced with a specific problem of another kind. It is a problem of the organizing ability of trade unions beyond the frontiers. And here the Community must naturally do something to improve the situation. The suggestion that the subject should be dealt with at a tripartite conference is therefore a good one. That is where a debate of this kind belongs, not in the strictly legal sphere; and if I understand the author of the question aright, he too wants the subject dealt with in the political and social, rather than the legal, context. This is what we must try to bring about, this is the right point of departure. We must therefore first ensure that the efforts being made to organize trade union cooperation across the frontiers are continued.

After all, if the converse were the case and a strike broke out in a particular industry in a Community country as an expression of sympathy for and solidarity with workers involved in industrial conflict in another country, we would in all probability welcome such action over the frontiers. We must therefore tread warily and not let the baby pour out with the bath-water.

Brunner

And what more should we do? This has already been hinted at in the course of the debate. We must move ahead on the question of multinational companies. The progress so far made in this area is only slight. We have tried to bring matters a little more into the open by calling for a far-reaching general balancing of these multinationals throughout the Community. We have also striven to make a further step forward in the matter of the code of behaviour for multinationals throughout the world. Mention has been made of the recommendation recently adopted in an organization of a type different from ours, which is a Community. A great deal remains to be done here, and we should use our influence to see that it is done. But I would warn against confusing two separate things: the principle of freedom of movement within the Community, in the restriction of which no one who understands it can have any interest; and the principle of better control of multinationals and better organization of trade union rights beyond the frontiers.

I believe that if we do not stray from the basis I have described and if we deal with this subject where it strictly belongs, namely within a practical, political and social framework, we shall be on the right road.

(Applause)

President. — I call Mr Prescott.

Mr Prescott. — I should like to put a quick question in view of what the Commissioner has said, Mr President. Could he perhaps bear in mind — no doubt the information is not yet available — that one of the practical applications that he could consider in this matter would be to determine whether the Commission have any accounts with the Hertz Corporation and apply proper economic pressure on the company in order to make it recognize what is accepted trade union practice in the Community?

President. — I call Mr Brunner.

Mr Brunner, member of the Commission. — *(D)* Mr President, ladies and gentlemen, I have no knowledge of that but I could easily play the ball back. This, of course, also applies to other organizations that perhaps also have such accounts with Hertz.

President. — I call Mr Maigaard.

Mr Maigaard. — *(DK)* Briefly, I agree with Mr Brunner that he must have been dreaming and that he lost contact with reality when he reaches the conclusions he does on the free movement of labour. Mr Brunner has been in Turkey — which has nothing to do with the Community — but has he visited the villages in Turkey where there are no adults left because workers were moved instead of the work

being moved to them? Has Mr Brunner seen such societies? Has Mr Brunner tried to create housing and recreational facilities, or establish contact with the public authorities and Trade Unions for foreign workers? I have, and I know that if we are to solve this problem we must not dream; we must limit foreign labour otherwise we cannot find a humane solution.

I think, Mr Brunner, you have been dreaming and you have lost contact when you tried to assess the problems of the villages from Ankara and when you talk about problems you have never tried to solve on the spot, when houses have to be built, when recreation centres have to be built, when contacts have to be made with the public authorities. You have been dreaming, Mr Brunner.

President. — I call Mr Brunner.

Mr Brunner, member of the Commission. — *(D)* Mr President, ladies and gentlemen, we could carry on into the evening discussing infrastructure problems, the burdens borne by the states, and social costs, and whether mistakes were or were not made in the past. One thing, however, I would say: for me, freedom of movement within the Community is one of the citizen's rights. If we encroach on this right in any way we shall disturb the individual citizen's relationship to the Community, and that is something I want at all costs to avoid.

President. — I call Mr Leonardi.

Mr Leonardi. — *(I)* Mr President, ladies and gentlemen, in this discussion I should merely like to confirm, so as to avoid any misunderstandings that the Italian Communist party is in favour of the freedom of movement of workers within the Community, regarding it as one of the fundamental principles of the Community. It is, however, highly critical — both as an Italian party and as a workers' party — of the way in which this principle has been applied. On this point the difference between the principle, which we approve, and its application, of which we are critical, should be perfectly clear.

President. — I call Mr Brunner.

Mr Brunner, member of the Commission. — *(D)* Mr President, ladies and gentlemen, I would rather not open up still further the rift that already exists by adding any remarks.

President. — Since no-one else wishes to speak, I put the motion for a resolution to the vote.

The resolution is adopted.¹

¹ OJ C 293 of 13. 12. 1976.

10. *Present situation with regard to the Community energy policy — Outcome of the Council of Research Ministers (Resumption)*

President. — The next item is the resumption of the debate on the motions for resolutions tabled by Mr Springorum on Community energy policy (Docs. 378/76 and 404/76).

This morning the question was raised as to whether such a debate can take place in the absence of the Council, which is the subject of the debate. I would remind you that it has been agreed with the Council that its President would attend on the Wednesday of each part-session, in particular to answer questions to the Council. Consequently, the agenda for Wednesday's plenary sitting is very crowded, especially as it includes a statement and a debate on political cooperation. It is therefore not possible to add to that agenda a debate on Mr Springorum's two motions for resolutions on Community policy on energy and research. Holding this item over until the December part-session would not allow Parliament to debate this important question before 18 November. In any case, the agenda for the December part-session is already very full. I shall contact the Council to arrange that in future it will also be present at our Tuesday sittings, but in any case you can be sure that the senior officials of the Council who are responsible for relations with Parliament consistently follow our proceedings and report on them to the Council itself.

I therefore propose that we now debate this item.

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

Mr Dalyell. — Mr President, I am the first of thirteen speakers on your list. If this debate is not to be interminable, I will be brief.

First of all, on the issue of Council representation, I think it is the agreed view of the Socialist Group that we do not want the President-in-Office to answer every kind of debate — no man can be expected to do this. What we are asking for is an answer from the energy minister, or his deputy, of the country that holds the presidency. Certainly I hope that it will be made clear to the British at an early stage next year that on this kind of debate Mr Wedgwood Benn or his deputy should be here to answer, because it is their subject and not a general subject for our respective foreign ministers.

Mr President, because there are so many on the list, I will confine myself to four questions to the Commission.

First of all, what is being done in the Commission to work out some kind of strategy for what is colloquially called 'the plutonium economy'? Unless we can get the issue of nuclear waste settled between us, we are not going to come to any meaningful energy policy.

Secondly, what is being done in the Commission on refinery policy and the rate at which electricity is to be produced from oil? Some of us are deeply worried at this spectacle of wealthy Arabs from Saudi Arabia and elsewhere coming to our respective countries and making massive purchases in arms — which some of us in the Socialist Group think they don't really need — simply in order to conduct a recycling monetary operation. Surely there is some way in which the Arab surpluses could be more sensibly recycled?

Thirdly, not only because it is topical but because it is important, I have given the Commissioner notice on behalf of the group that we would like some comment as to what the Commission are doing about the Dutch-German-British centrifuge project. Now, this is an important issue and it really dictates again any sensible attitude towards energy policy.

So those are my first three questions. I now come to Ispra. Again this is repetitive and possibly not very constructive, but it is the view of most members of the group that the absolute determinant factor should be where the fusion project has the greatest chances of technical success. Some of us are a bit impatient with simply arguing about where it should be and assuming that it is automatically going to be successful. Fusion is a very difficult technical challenge and therefore it should be located wherever the technical experts think that the greatest chance of success will lie. If I do not find a sizeable mote in the Commissioner's and Council's eye, it is because there is the mote of indecision in our own eye.

Mr President, because of the thirteen speakers I have kept these remarks truncated and brief.

(Applause)

President. — I call Mrs Walz to speak on behalf of the Christian-Democratic Group.

Mrs Walz. — *(D)* Mr President, ladies and gentlemen, the Christian-Democratic Group fully endorses both of Mr Springorum's motions for resolutions. The Council and the ministers responsible for energy policy cannot be spared the criticism that they have learnt nothing on this subject. Before the coming price demands of the oil cartel, the world and the Community are just as helpless as they were in 1973. Before 1973 one could perhaps have argued that things would not be as bad as they seemed, although our committee, our Parliament, had long foreseen the crisis and warned about it. With a little more historical sense, a little more imagination, it ought to have been possible then to forestall the crisis. For why should it have been taken for granted that the oil monopolists would not one day form a cartel to enable them to dictate prices and, in the process, impose a heavy burden on our entire economic structure?

Walz

Today, however, there can be no excuse at all for failure to plan for the future and for the resulting threat to the prosperity we have achieved through our efforts and to security of employment. The governments should know :

First, that the rise in energy prices played a part in intensifying the economic crisis in industrialized countries, in stimulating inflation and in making it harder to reduce unemployment ;

Secondly, that the blance of payments difficulties of countries like the United Kingdom and Italy were aggravated by the larger oil bill, as a result of which their chances of coping with the economic crisis became slimmer ;

Thirdly, that the quadrupling of the oil price aggravated distribution problems in our countries, for the 100 000 million dollars earned by the oil states from 1974 to 1976 resulted in a corresponding reduction of real income in our countries ;

Fourthly, that the forty-five countries hardest hit by the oil price demands — the MSA — must this year raise about 50 000 million dollars to meet their oil bill, although the public development aid received by them in 1975 amounted to only 5 600 million dollars. Disaster, for these countries, has already arrived.

Yet despite the fact that all this is well known, as is also the fact that the OPEC countries, which since 1973 have built up surpluses amounting to 150 000 million dollars, are talking about future price increases of between 10 % and 25 %, the Community has worked out no sort of approach to the problem and can reach no agreement on a common energy policy. And yet it is only by working together that we can overcome this crisis.

Our governments have allowed things to run their course, although the influence of the OPEC countries will continue to grow not only in the case of oil but also in the case of natural gas. Since the USA and Japan and Community countries are having to rely more and more on increased imports of natural gas, competition is growing still sharper between these countries as buyers from the OPEC countries and the Soviet Union.

Greater independence from crude oil has been not even approximately achieved ; substitute forms of energy have not been sufficiently developed to allow of this. In particular, nuclear energy will up to 1985 probably supply only half of the originally forecast contribution of 15 % of total energy requirements, and that can only mean still dearer oil. The joint saving in energy, to which we had as a matter of urgency to resort, has not materialized. Only next year

does the Council intend to look into specific measures to save energy and rationalize its utilization. At the same time oil consumption is again rising in our countries — in Germany, for instance, by about 7.7 %. The rate of increase in consumption is almost as high as before the energy crisis, an indication of the extent to which the aims planned have been reduced to so much waste-paper. Should events bear out the findings of the OECD study, which marked down its original forecasts of growth rates in our countries in 1979, then we shall be up to our eyes in trouble, not least because of the rise in oil prices.

I should like to single out another danger that threatens European nuclear energy, our most important alternative source of energy. Apart from the fact that by neglecting to brief the public in good time we have allowed a state of shock to be induced among its members which may have a crucial effect on the future job situation (and this is why I simply cannot understand the Socialists' proposal that any mention of this briefing should be removed from the resolution), the United States too would now prefer to prevent us from supplying nuclear power stations and ancillary enrichment and reprocessing plants to other countries, even if all safety guarantees are extended. Both Ford and Carter stated during the election campaign that no manufacturers of enrichment or reprocessing plants ought in principle to be allowed to export their products, so that the manufacture of further atom bombs can be prevented. At the same time the United States has promised to supply enriched uranium from American installations to nuclear power station owners on a reliable basis. The United States would buy back waste fuel and deposit it on its own territory so as to prevent it from being misused. In addition, it would like to reserve to itself the experimental reprocessing of plutonium for the time being.

The fact that American security interests are closely linked with the interests of its reactor industry is not disputed even in the United States. We know here that this is one of the most important industries of the future. Ought we, can we leave it exclusively in the hands of America now that we have just steered ourselves free in Europe ? The Community's energy policy must provide an answer as quickly as possible if future damage to our economy is to be averted. Safety must at all events be given high priority, but it is already adequately covered by IAEA checks. Consideration could also be given to the possibility of setting up uranium-enrichment and reprocessing plants under the management of international consortia. We can only ask the Council when at long last it intends to act.

(Applause)

President. — I call Mr Hougardy to speak on behalf of the Liberal and Allies Group.

Mr Hougardy. — (*F*) Mr President, ladies and gentlemen, following the speech by Mr Springorum this morning and the speeches you have just heard, I shall confine myself to a few observations.

First, I should like to say that the Liberal and Allies Group approves the motion for a resolution presented by Mr Springorum and hopes that it will be adopted unanimously. I would also take this opportunity of stressing the efforts that have been made by the Commission to clear up a whole series of problems in the field of energy policy. But when I told you a moment ago that the Liberal and Allies Group approved the motion tabled by Mr Springorum, it was because it proves that the Council has failed so far, despite all appeals, to draw up a plan to deal with an energy crisis.

No coordinated plan exists to deal with energy conservation; the meetings the Council should hold are not held regularly as scheduled; no plan has been revised on the basis of the updated version of the 1975-1985 plan, although studies are available in this area. There is no policy on radioactive waste. Nor is there a policy on alternative sources of energy, in which the situation is quite anomalous — I need only mention the delay in deciding on a site for the JET project. As you all know, ladies and gentlemen, Europe once had a decided edge on the United States and the Soviet Union in this area. Because of all this dithering, this procrastination and — I very much fear — the emergence at times of certain nationalistic trends, there is a danger of this lead being lost. Indeed, I am beginning to wonder whether we still have the means of preserving it. This is why the Liberal and Allies Group will vote for the motion for a resolution presented by Mr Springorum.

Applause

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

Mr Liogier. — (*F*) Mr President, ladies and gentlemen, I should first of all like to thank Mr Springorum on behalf of my Group for giving Parliament the opportunity, in the form of these two motions for resolutions, to discuss some of the most urgent and vital problems facing the Community in the fields of energy and research.

Once again we must report failure to make progress in the energy sector. The last meeting of the Council of Energy Ministers was, as on previous occasions, wholly unproductive, even though the situation is deteriorating both inside and outside the Community. Energy consumption within the Community, which was briefly checked by the economic recession, has shot up again, upsetting all the estimates for energy conservation. Efforts to develop alternative energy

sources are still so limited and inadequate that the objectives fixed by the Community for reducing its dependence on external energy sources constantly have to be scaled down. Economic prospects are less bright and the threat of a new energy crisis looms larger every day. None of the consumer countries took advantage of the breathing space afforded by the fall in world demand caused by the recession. The oil-producing countries thought at one stage that their luck was running out, and were even in difficulty, as falling profits frequently jeopardized the implementation of their investment plans. Their fears have now been set at rest, as demand has surged with the economic recovery, and they are ready again with demands previously shelved.

Thus in three years the Community's energy policy has not advanced a single inch, and the Community's needs and weaknesses are the same as ever.

No practical decisions have been taken on any of the specific proposals submitted by the Commission to the governments of the Member States for the development of the Community's energy resources and the promotion of energy conservation. And yet the international situation gives little cause for optimism. On the one hand one of the principal suppliers, Saudi Arabia, has decided to limit production, which will tend to force prices even higher. On the other hand, the United States, a keen supporter of the International Energy Agency, has made no effort to check domestic oil consumption and to develop alternative sources of energy. Its oil imports are rising briskly, thereby helping to increase the pressure on demand and hence force up prices.

The moral of all this is that Europe must first of all organize itself and introduce an effective and coherent common energy policy, and that the protection of Europe's interest implies the need to do more to secure its supplies and to create an ordered world oil market. This alone can provide a mechanism for permanent cooperation with the countries of the Third World, as proposed by the Commission.

These remarks are in no way intended as an attack on the United States but are dictated by plain common-sense. The United States has its problems, but so have we; and even if cooperation is essential, it should not mean that we neglect our own security and sacrifice our own needs. A strong partnership calls for strong partners. It is vital, therefore, that the Council shake off its lethargy. The future of the Community and the well-being of our peoples depend on it. My Group will therefore vote in favour of the motion for a resolution on energy tabled by Mr Springorum.

In the field of research the results of the Council's meetings are scarcely more convincing. We deplore the Council's haggling over what are highly serious matters and the risk this carries of compromising what Community research is beginning to achieve after a long period in the wilderness.

Liogier

The JET project, for example, is still seriously handicapped by the Council's inability to decide on the question of its location. I am reminded of the Abbé Vertot who, on receiving after a wait of several months documents on the battle of Rhodes, of which he was writing a history, made the comment, 'My battle is over.' The same can certainly not be said of the JET project.

What sort of impression must the Community convey to the world when its technological lead in a field such as thermonuclear fusion is wiped out by its failure to solve problems of secondary importance? Once again, therefore, the Group of European Progressive Democrats deplores the Council's irresponsible attitude, and fully supports the resolution on research tabled by Mr Springorum.

(Applause)

President. — I call Lord Bessborough to speak on behalf of the European Conservative Group.

Lord Bessborough. — Mr President, if we Europeans may have distinguished ourselves historically by our ability to learn the lessons of the past, then now is the time to demonstrate that ability. On four occasions in the last 20 years the nations of Europe have been assailed by sudden increases in the price of crude oil. During that time these great nations represented here, these great nations of Europe, have drawn together, spawning new political organizations to foster and strengthen the well-being of their peoples. Mr President, the European Communities will fail our peoples if we do not pursue with determination an energy policy that restores economic freedom of action to Community firms and to the governments which are sustained by their wealth-creating ability.

The resolution, on which I congratulate Mr Springorum — and I agreed with all he said in his introductory speech — draws attention to the irresponsibility of the Council of Ministers in not giving speedy effect to the energy policy proposed by the Commission. And again let me say that I support Mr Dalyell in his complaint that there is no appropriate minister present to hear us in this debate.

Mr President, this year has seen economic recovery in some Member States, accompanied by an increase in the case of France of 13.9% in its consumption of crude oil. Continued growth in the Community requires greater consumption of energy. That the growth achieved by France should require increased crude imports demonstrates increasing dependence on the oil producing and exporting countries — OPEC. Such increased dependence on a cartel whose commercial morality is perhaps, to say the least, not in the European tradition, should not be tolerable to this Community. I would say to the Council — and I ask this Parliament to issue a call to the governments of Member States — that it must heed the warning of

these statistics. If they and we are to meet the material hopes of our people then we, whom they trust to take remedial action, must not be found wanting. We must not be found wanting in committing their hard-earned taxes to research programmes into new sources of energy which will meet the longer-term energy needs and to investment in forms of energy production based on known technologies.

I will not speak this afternoon about the JET project except to say that I hope there will be no postponement of the ministerial meeting which is due to take place the day after tomorrow. I fully agree with what the British minister said in the Commons last night when he explained quite objectively the advantages of Culham but, to speak more generally, we in our group restate our commitment and we call upon the Council to heed our call for an indigenous energy target of 65%.

We call on scientists and engineers whose livelihood is drawn from the nuclear engineering industry to meet the challenge of supplying power for our industries and heat for our homes in the massive quantities required to reduce dependence on hydrocarbons. The Community must achieve a partial switch from oilfired to nuclear generation of electricity. The means must be found to encourage the financing of nuclear plant construction on a larger scale than the present rate of commissioning. Member States lacking a nuclear power programme must realize that they fail their people and their friends in other Member States by not getting this programme going. They will fail generations to come, they will fail themselves too and they will, of course, lose their jobs.

The first motion draws attention to the structural crisis that could occur in the Community on account of increasing dependence on hydrocarbons. Hydrocarbons and natural gas are essential chemical feedstock for other important sectors of industry. These industries and those employed in them will suffer if unthinking and excessive use of these raw materials is allowed to continue. It is essential that Member States endowed with coal should be encouraged to increase their coal-fired capacity and the Community might provide, I think, even greater financial encouragement. The failure to implement energy saving programmes highlighted in Mr Springorum's excellent motion for a resolution reveals the lack of business acumen among ministers. Those who manage manufacturing industries understand well the need for the saving of assets, in whatever form, and their recycling.

When will Member States produce programmes to harness the waste heat of steam-raising power stations? When will Member States supply the Commission with applications to sanction development programmes to use waste heat in all its form? Some of our leading politicians are transparent by

Lord Bessborough

their lack of perspicacity. Paragraphs 7 and 8 of the motion lie at the heart of the remedial action which the Community and Member States must take. The recession which began in 1973 resulted in an apparent over-capacity in electrical generation but, as the latest statistics show, only slight economic growth results in a disproportionate increase in energy imports. But the existing danger of increased dependence on OPEC is worsened by the shortfall in ordering nuclear generating capacity. The difference between the minimum required nuclear capacity in 1985 and that which current ordering will create is, I think, about 35 gigawatts — a shortfall which can only be filled by imported energy.

Well, from a longish political career (partly in government), I cannot emphasize too strongly the economic and political dangers to the Community when they illuminate the paths to be taken like searchlights in a war. My own experience teaches me to distinguish important signs and to orient myself accordingly. The people of Europe need energy to heat their homes, they need energy to transport them to and from work, they need it to produce the goods and services on the sale of which they live. To the Members of this Parliament and to the press that may be gathered here, I would say: tell our people that their support and their taxes are needed to finance an investment programme that would provide a minimum nuclear capacity in 1985 of at least 125 gigawatts — a target which is low in that there is no margin for safety. The long lead-time in building nuclear plant calls for a go-ahead to be given now, particularly in those Member States where there is excessive investment in oil-fired capacity, and increased dependence on oil, which is distressing. It has been estimated that the cost of replacing all oil-fired capacity by nuclear generators in the Community would be 36 000 m u.a. But a 1% increase in the crude oil import bill of the principal industrialized countries is 900 m u.a. on an annual bill of 90 000 m u.a. This is the measure of the wealth to be created to meet the imported energy bill.

Have we the wisdom, Mr President, to commit the necessary funds on behalf of our citizens to large-scale nuclear building? Will the environmentalists — and I have some sympathy for them — have the wisdom to accept the economic facts? Because poverty is only relieved, and the appreciation of beauty I may say, only achieved by a firm economic base. Mr President, time is leaving this Parliament well behind. We are being left behind. This motion for a resolution calls for decisions that should have been made 3 years ago, as I am sure Mr Springorum agrees. Let us hope that this resolution will be heeded and appropriate action taken.

(Applause)

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

Mr Leonardi. — *(I)* Mr President, ladies and gentlemen, our experience over many, many years during which we have discussed energy problems, the gravity of the present situation and the threat of a possible crisis lead us to give our full support to Mr Springorum's two motions for resolutions.

Nevertheless, it is no consolation to us to know that this Parliament is at last becoming decidedly conscious of the seriousness of the situation after having too long believed, and cherished the illusion, that things could have been allowed to sort themselves out without any steps or decisions of a political nature, and relying on the wisdom of governments — a wisdom, it is at last being recognized, of which there has been no evidence.

The situation has steadily worsened. The fundamental reason for this is that the world around us is changing while we do not know how to adapt ourselves adequately to these changes in an international situation which our countries and the Community as a whole have to live with. The individual countries think they can find individual answers, based on a national approach, whereas in fact the real change, the real remedy to this problem can be found only at Community level.

This, I think, is the point to which we ought to devote most of our attention, since only in this way shall we be able to bring home their responsibilities to the governments of our countries.

Mr Springorum rightly pointed out that the Treaties of Rome set limits on the scope for working out and implementing national policies, while at the same time, at Community level, the governments have been unable so far to find a solution. There is a contradiction here which puts up yet another obstacle in the way of a Community solution to a problem which has such a vital bearing on the lives of our people.

There has always been a lack of political will. Government representatives have tried to dodge the problem itself, and as Mr Springorum rightly points out in the motion for a resolution, they have avoided looking each other in the eye. In two years, instead of meeting twelve times, they have met on only six occasions, thinking, perhaps, that in this way they could avoid drawing attention to their incapacity. There has been a lack of Community spirit and every country has tried to go it alone, seeking out excuses, first in one and then in another direction. As a result, less and less attention has been paid to the reasons underlying the establishment of this Community, that is, the interests largely shared by our countries, all of which depend for their existence on the processing of raw materials imported from other parts of the world.

This individualistic and misguided nationalistic approach has led to constant attempts to get the utmost possible out of the Community without contributing anything to its shaping and development, so that the things that really matter have been lost sight of and the aim has instead been to conclude miserable bargains. A typical example is what is happening

Leonardi

about the JET project, where the governments are asking for a reduction in the staff of the Joint Research Centre without giving any reason other, perhaps, than the implicit one of providing themselves with a bargaining weapon in discussions on the siting of the JET project itself. Meanwhile the project, which should be receiving our undivided attention, is marking time and the Community is losing ground to other countries of the world.

Meetings have become more and more numerous and there has been a profusion of documents. The Commission has made proposals that show that it is becoming less and less aware of the seriousness of the danger, to a point where, in its most recent document, it states quite clearly that the aims we set ourselves in the past will not be achieved, and that the independence at which we aimed will not materialize.

The consequences of this political irresponsibility will be of a serious nature for our people because the energy crisis weighs not on the Community as a whole but, in varying degrees, on its members, and this has a divisive effect on the Community as a whole. The price of oil, for instance, is a heavier burden on the balance of payments in some countries than it is in others, so that, in the absence of a common policy, they react differently to the situation, above all through currency movements and monetary instruments. These transactions in turn have an impact on all the other Community policies, above all on the common agricultural policy, leading to costs which at a certain point become intolerable, like the compensatory amounts. Here we have the absurd situation that one week of compensatory amounts is equivalent to Euratom's yearly budget. It is in these terms that we ought to see the energy crisis: the energy crisis is a glaring example of a crisis capable of breaking up the Community.

The price paid by our people is therefore a very high one, and can be traced to the political irresponsibility of the governments. The very possibility of an economic upturn is put at risk because the balance-of-payments deficits caused by larger imports to cover increased consumption tend to act as a brake on economic recovery, as is at present the case in Italy. All this creates a vicious circle which can only be broken through a common energy policy suited to the needs of our countries which would limit specific consumption per unit of product, develop alternative sources, and increase the autonomy of our Community.

Consequently our people are becoming more and more dependent on the decisions of others. Because the Community failed to transform into a position of strength its position as the main consumer of imported oil — a fact clearly brought out in the draft energy programme of 1969 which this Parliament discussed when our lamented colleague Mr Leemans was

chairman of the Committee on Energy — it has become the goose that lays the golden eggs, as defined by a number of oil producers.

The incapacity of our governments to make decisions, our inability as a Parliament to force them to do so, and a tendency to live in a world of illusions, is today costing all of us dear because, I repeat, the lack of a common energy policy is not only harmful to our people but is a disruptive force in the Community. The sacrifices made vary from country to country, and inevitably each of them tends to defend itself in a different way.

How, then, can an identity be claimed for this Community when, faced with a problem such as this, it has not even been able to reach agreement on common rules to limit consumption with a view to increasing the possibility of utilization of energy per unit of product? It has not been possible either to reach agreement on a common research policy which, when all is said and done, represents only 1 % to 2 % of the total cost of research in our countries, a negligible proportion. Nor has it been possible to find a way of inculcating a spirit of solidarity among our countries with a view to giving help to its weaker members.

This is why we pledge our full support for Mr Springorum's motions for resolutions, and we hope, like others that — even at this late hour — this Community will finally become aware of its true responsibilities.

(Applause)

President. — I would remind the Assembly that there are a further 11 speakers listed, which means the debates will last a few hours if everyone uses his full speaking time.

I call Mr Jahn to speak on behalf of the Committee on the Environment, Public Health and Consumer Protection.

Mr Jahn. (D) — Mr President, ladies and gentleman, as the President has already told you, I am speaking for the committee about the multiannual research and development programme which is being debated here today. Even as regards the approval of a multiannual research and development programme of the European Economic Community in the environmental sector — indirect action — the Council made heavy going of keeping to the scheduled time-limits and providing the requisite staff and material facilities.

The Commission submitted its draft to the Council on 22 July 1975. This programme, as we all know, aimed particularly at acquiring the scientific and technical knowhow needed to implement the Community's action programme in the environmental sector. For this programme the Commission requested the fairly modest sum of 18.5 million units of account and a staff of eleven officials.

Jahn

The 18.5 m u.a. are spread over five years, that is 3.7 m u.a. a year. The programme was to have begun promptly on 1 July 1975 and, quoting this date, the Council — yes, the Council — urged Parliament to act swiftly. Parliament delivered its opinion punctually on 14 November 1975 on the basis of a report by the Committee on the Environment Public Health and Consumer Protection. In the resolution unanimously adopted Parliament, in agreement with the Advisory Committee on the Management of Environmental Research Programmes, urged that research in the fields under consideration should be sufficiently broad-based and intensive to yield significant results. It further insisted that the Council approve, without any cuts, the multi-annual environmental research and development programme proposed by the Commission by the end of 1975. As so often before, however, the Council ignored the unanimous vote of this House. Only much later, in March 1976, was the Council able to reach a decision. Of the 18.5 m u.a. requested, only 16 m u.a. were approved. The Committee on the Environment, Public Health and Consumer Protection is prepared to grant that, in this instance at least, the Council did take a decision.

Much the same happened with the Commission's proposal for a multiannual programme for the Community for 1976-1980 (Biology and Health), the course of events being as follows: Commission proposal submitted on 30 July 1975; implementation of programme scheduled to start on 1 January 1976; Parliament's opinion on the basis of a report by Mr Meintz of 14 November 1975. In other words, Parliament and the Commission kept to the scheduled time-limits but the Council delayed a decision and scaled down the 47.6 m u.a. asked for to 39 m u.a. The same applies to staff. The Council thus cut down the appropriations for both the facilities and staff for which Parliament had applied to the Commission.

Finally, in its resolution of 14 September 1976 on the multiannual research programme (1977—1980) for the Joint Research Centre, Parliament stressed that this direct research action in the environmental sector should be a meaningful addition to indirect action in that sector. This research programme is due to start on 1 January 1977, so that the Council must take a decision some time this year.

Estimated expenditure on research in the Community budget for 1977 is 180.3 m u.a., or 2.18 % of the general budget. When compared with public research expenditure in the civil sector in the Member States, the share of Community expenditure turns out to be extremely modest, i.e. 1.9 %. Environmental research accounts for 8 % of total Community expenditure, energy for 74 % and services for 18 %. In accordance with the Commission proposal of 5 May 1976, four of the ten individual programmes cover aspects of environmental protection and nuclear safety: (a) environ-

ment and resources, (b) reactor safety, (c) plutonium fuels, (d) control of nuclear material and radioactive waste.

In the opinion drafted by Lady Fisher of Rednal on behalf of the Committee on the Environment, Public Health and Consumer Protection, it is noted that, as an independent, neutral public institution, the JRC has an important job to do in introducing, after experimental research in collaboration with national research projects, adequate common safety standards so as to offer the public and the environment the optimum level of protection against risks. In view of the importance of this research project for the health and safety of people working in the Community, it is to be hoped that the Council will act with unwonted speed and on this occasion approve the relatively modest Commission proposals promptly, that is, by the end of 1976, without cuts of any kind, so that our skilled research workers can get down to the job.

(Applause)

President. — I call Mr Radoux.

Mr Radoux. — *(F)* Mr President, ladies and gentlemen, Parliament should be grateful to the chairman of the Committee on Energy and Research and its members for these two resolutions. I should like to ask Mr Springorum an additional question on thermonuclear fusion. I am thinking of paragraph 4 of the motion for a resolution Doc. 404/76 in which the Council — that is, the Council which will be meeting in 48 hours' time — is urged

'to get the JET programme under way immediately, which includes taking a decision on the objectively most suitable site, and to bear in mind that rapid and positive action alone can help secure the long-term energy supplies which the Community so urgently requires.'

While I am going to vote for Mr Springorum's resolution, I should like to be quite clear as to what is intended in paragraph 4. I could have wished that it had been more clearly worded, for 'immediately' does not necessarily that a decision is being asked for within 48 hours when the Council next meets.

I also feel that the call for speedy action is weakened by the words 'which includes', which suggests that if it has not been taken at a particular moment it can always be taken at another. This is in fact confirmed by the words 'rapid and positive action' in the third line.

Mr Springorum, are we asking the Council of Ministers to take the only decision that matters at the moment, regardless of any other consideration, namely that on the site of the JET project? It is this and nothing else that ought to concern us here today. If you reply that you want this decision taken within 48 hours, well and good. If you say that you want the Council to take the decision at an early meeting, I

Radoux

could accept this. But, whichever is the case, I should like to know one way or the other.

Should the Council fail to take a decision this year, I should like to see the committee of which you are chairman shouldering its responsibilities and putting forward proposals, which would then be submitted to Parliament at one of its earliest part-sessions next year.

President. — Thank you Mr Radoux. You have shown that a brief speech can be very pertinent.

I call Mr Burgbacher.

Mr Burgbacher. — *(D)* Mr President, ladies and gentlemen, we are calling this debate on energy policy. We thank our chairman Mr Springorum for his work and for his resolution, which I personally endorse, but in reality this debate is the key debate both for our economic policy and for our social policy. Perhaps it is worth mentioning this in order to arouse a slightly keener interest in this problem than, for example, has been displayed here today. The problem of energy is at the very root of economic policy, for without adequate and secure energy supplies of every kind, which must always exceed demand to ensure the best possible conditions of competition — and we need competition in this sector too — any growth of GNP is ruled out. Why? Energy, even when it is dear, costs less than human effort, and this will increasingly prove to be the case, so that the demand for energy will continue to rise. In this connection the wage policy pursued by the workers' representatives helps to raise demand for energy, not bring it down. This is not meant as a reproach but is a simple statement of fact.

The availability of energy supplies, without which economic growth is impossible, is also naturally essential if real wages are to rise. This can only happen if there is a positive difference between energy costs geared to growth and the product value of growth which can then, as it were, be distributed among the workers. Without this difference there will be absolutely nothing to distribute. You cannot get a quart out of a pint pot. And since this is the key to the whole problem, it should be given priority, both in our economic debate and in our debate on social policy.

The Commission and most of the Community Countries have prepared programmes. All aim at reducing dependence on oil imports — now standing at 60 % and more — to 40 % to 45 % of total demand. But all this is nothing but paper. Neither the national governments nor the Community have made any discernible effort to create alternative energy sources, which are essential if oil imports are to be reduced. Nor has industry done anything. There are many reasons for this. Above all, the minimum safeguard-price or basic price system is a ticklish problem which we must, however, get down to tackling. If we do not,

there can be no energy substitutes. And what that would mean you can all picture for yourselves. Have you yet worked out how much more currency is flowing into the oil-producing countries? I estimate the amount to be between 27 000 million and 30 000 million dollars more a year.

And have you ever considered that schizoid contradictions exist in our policy? The whole world is hoping for, demanding and announcing the economic upswing. But who worries about the fact that economic recovery of necessity entails an increase in the demand for energy? Economic recovery will be splendid! But of what use will it be to the people who carry out the work if a large slice of the GNP is absorbed by increased oil prices? When the oil-producing countries say today that what they want is not higher prices but only compensation for the rate of inflation, then I would politely point out to them that three years have passed since the last price revolution in 1973. What inflation rate should then be taken as a basis, the German rate, the Italian rate, the French rate, the British rate? And multiplied by three? An increase in oil prices is inevitable. We can only hope that it will not be an immoderate one.

Since a price rise is unavoidable, I can no longer understand what is in the minds of our Community countries. The oil-producing countries have again and again made it clear, both in writing and by word of mouth, that they would like to see alternative forms of energy in the Community becoming an economic proposition as they do not want forever to have to supply more and more oil; that they want to husband their oil stocks and not squander them; that they do not want in ten years' time to be left with nothing but sand, but that they do want then to have at least some of Allah's people in the desert. If this demand for oil continues to climb, a point will be reached when the oil-exporting countries say: so far but no further.

Why do we not allow the oil-producing countries to play a part in the development of alternative sources of energy? I believe they would be ready to help because they are not interested in insolvent customers. The Community is their best customer, and that is why they would like it to remain solvent.

I shall answer the Presidents' appeal and be brief, even if not as brief as Mr Radoux. I would just say that the appeal we are here addressing to the Council is first and foremost also an appeal to our governments, whom the Council after all represents. We should have the courage to present our case in our national parliaments. For nearly fourteen years now I have been warning people in this House and in the Committee on Economic and Monetary Affairs of the danger of dependence on a single source of energy. And with the same success as now — that is to say, none at all. It is being said: that is all very well. Paper is flowing through the presses by the ton. If the oil

Burgbacher

crisis could be resolved with a paper-mill, then probably the energy policy would be far less of a problem.

If we do not now make a start, in practical terms, on creating alternative forms of energy — which at the same time would help to create jobs and to save currency — then we will be making things awkward for ourselves. Admittedly not every country complains of currency troubles; there are still one or two who are proud of their currency holdings, but they can themselves calculate, watch in hand, how soon they will evaporate with a rise in oil prices. All these things — job creation, currency savings, and the need for alternative energy sources derived in the main from our own materials — are the pressing need the recognition of which was long overdue. Any plant for substitute forms of energy needs a period of between 6 and 10 years before the product comes on the market. Today we are nearly in 1977, plus 6 = 1983, plus 10 = 1987. Any product not on the market by then will not prevent a fresh oil crisis in the eighties, and what we have experienced up to now will be child's play to what will happen in a market in which labour will be a highly critical factor. If such an oil disaster befalls us, then the punishment will be long overdue.

I cannot speak too earnestly on this subject and would beg you to have done with words and to see to it, each in your appointed place, that action is taken and that a start is made not on declarations, but on practical measures to deal with the energy crisis.

(Applause)

President. — I call Mr Vandewiele.

Mr Vandewiele. *(NL)* Mr President, I shall try to comply with your suggestion and confine myself to the essentials. As Mr Burgbacher and others have said, we are addressing ourselves today to the Council rather than to the Commission. We have plenty of proposals from the Commission but we are disappointed at the outcome of the Council meeting of 19 October. In fact we are addressing ourselves also to public opinion in the nine Member States and — has just been pointed out — to our national parliaments where the discussions are also progressing slowly and more rapid decisions are called for. The failure of the Council is in reality a consequence of the weakness of our own national parliaments.

(Applause)

However, as many speakers have pointed out, we are failing to take sufficient account of the disastrous situation which lies ahead of us if action is not taken rapidly. For the past three years the Council has not been able to pursue a genuine Community energy policy, despite the fact that the energy crisis is continuing unabated and that the targets for 1985 will, as Mr Leonardi just stressed, not be met. The consequences will be far-reaching perhaps also for employment. Our whole economic system is at risk. Unless rapid and

vigorous action is taken we shall be confronted with a situation of which the population of our Member States has no inkling whatever at present.

Those are the dramatic facts and even Parliament is not aware of them!

(Applause)

In the Committee on Energy and Research led by Mr Springorum we are constantly having to face this problem, we hear the warning voice of the European Commission and find that the Council itself does not recognize how disastrous the situation in fact is. Our debate on this occasion must find a strong resonance in public opinion and that the Council's meeting the day after tomorrow. We are well aware that the urgent questions and criticisms directed here at the Council apply also to us and our own future interventions in our national parliaments. Ultimately the Council reflects in no small degree what is considered necessary in the individual Member States. If there are doubts about the siting of JET and hesitations over marking sufficient funds available for research, that is because our own ministers in the Council adopt nationalistic viewpoints and defend national positions and interests instead of a Community approach. When they talk in public about Europe they show a real Community spirit but when it comes to decisions, each minister thinks first of his own national pressures and this Parliament alone can urge or compel the Council to act differently.

We expect the Council to decide without further delay on a multiannual programme for the joint research Centre and not to squabble, as Mr Springorum rightly stressed, about a few officials more or less. If we believe in a multiannual programme, the resources and staff must be made available. If there are now doubts and everything is to be organized at national level, it is no good talking about a few officials; just abolish the whole Research Centre! That would be a clear approach and we should all know where we stand in Europe.

I come to my conclusion, Mr President. We want it to be made today that this Parliament wants a decision taken on the JET project, on its siting and on the resources to be made available for it. When we take the amendments tabled to Mr Springorum's report I propose that we should be watchful and consider carefully whether it is desirable for Parliament to attempt at this stage to solve a problem which does not lie within our own responsibility. We do not have the power to decide. The Council decides.

Those Members who have tabled an amendment seeking a clear statement on the site must recognize that clarity can only be possible in this matter after we have seen the Commission's report.

That report has not been distributed yet and a statement by the European Parliament on the siting of the JET project was on our agenda on Monday.

Burgbacher

I am afraid that the inadequate attendance here may lead to a surprising result in the vote that we might not ourselves have expected. I therefore urge the authors of this amendment to seek again the opinion of the chairman of the Committee on Energy and Research, which adopted a clear position on this matter at our last meeting and will take a decision on possible action by Parliament if the Council fails to meet its obligations; we could then deal with this matter in December with a fuller knowledge of the facts.

(Loud applause)

President. — I call Mr Osborn.

Mr Osborn. — Mr President, this debate, introduced by Mr Springorum and followed by Lord Bessborough and other speakers, has been about a very serious crisis, but I do feel that many of the speeches are the speeches of prophets still shouting in a wilderness of unbelief amongst the citizens of Europe. This debate is about the heads of state of the Community and the Council of Ministers, including the energy ministers, and their ability to reach decisions in the interests of all of us based on recommendations of the Commission; and I very much hope that the decisions will be more effectual in November and December than they have been so far this year. This debate is about the will of governments and peoples, primarily of the Nine, but because of the International Atomic Energy Agency, the OECD and the existence of the Council of Europe it also concerns the wider field of the Western developed industrial world and their ability to determine an energy strategy — I dislike the word policy — and a research programme in the field of energy. Following Mr Vandewiele in, if I may say so, a very forceful speech, if I am critical at times of the insularity and nationalism of independent France, particularly their programme, if I am critical of the persistency of Germany as a Member of the European Parliament, I am alarmed at the Little Englander approach in some of the debates I have heard in my own Parliament and some of the leads taken by Mr Wedgwood Benn which we term as 'Bennery'. There is an energy debate going on in Britain, too isolated from the concerns in Europe, the Community and the Western World, and there must be other debates going in other Community countries. In Britain there is a committee under Walter Marshall and some excellent papers following an initiative in July. Is it not time these national debates in the Community were merged into one and we thought of the interests of other member countries at parliamentary level in our own countries? My colleague, Mr Normanton, was at one debate in the House of Commons last night.

But their debate is a serious one. Sir Brian Flowers, whom the British respect, has warned that there should be not commitment to a large nuclear programme until the issues are appreciated. I have the

report here and have studied some of it. Last week I was with the National Radiological Protection Board under a Dr McLean and saw some of the issues deciding the extension of the British Nuclear Fuels project at Windscale in Cumbria.

The chairman of the Central Electricity Generating Board in Britain said we have enough electricity for foreseeable requirements, but while industrialists in Britain are concerned that a lack of an energetic nuclear programme in the 80's and 90's may give them a higher cost for their electricity, some in Germany and France are concerned that they may be too dependent on nuclear processes. There could be a case, therefore, for greater use of coal throughout Europe. What is important is that the North Sea oil, which in the 80's may give Britain independence, will not cover all the needs of the Community and Western Europe. I must confess that in some of the policy discussions I have had with my own Conservative colleagues in Britain I have been concerned at the 'I'm alright Jack' attitude and certainly this has emanated from Scotland.

But during the last few weeks I have spoken to many scientists, engineers and those in industry who have a philosophy for the future and they are anxious for the Community to take a lead. Mr President, I would suggest that after this debate, the debates on Mr Pintat's report, and Lord Bessborough's report on Friday about material resources, Mr Spénale should write to the incoming President of the Commission, Mr Roy Jenkins, and the new President of the Council, Mr Tony Crosland, to point out the concern of those dealing with energy resources about the future employment prospects and the way of life in Europe. If we want to keep our homes warm, cook our food, ensure that we have transport and communications, energy for our factories, we have a problem to be dealt with.

Mr President, I primarily wish to speak on the fusion programme and the multiannual research programme. The nations of Europe are powering their industries and the people their lives non-renewable sources of energy. We are not agreed as to the time when the world's natural resources will die out. In the medium term, nuclear and coal-generated electricity, which are known methods of energy generation, must supply the growth of the energy market. This argument has been put forward but there are limitations, including the limitations of uranium. Prudent politicians, in my view, must look at what is feasible in the future. Perhaps the fast breeder reactor provide the answer but of course there is also the fusion process which I have referred to. The Commission has formed a view on the location of this project, namely Ispra. I have held the view that we should make a decision quickly and I do not mind where this JET Project goes, provided we get a move on and provided objective considerations are taken into account. The physicists to whom I have spoken require experience in plasma physics for a fusion programme. If the problems of

Osborn

fusion are to be tackled well, then there must be success in plasma research. There must be centres of excellence in plasma physics. Garching is one such place but it already has the Tokamak machine and experienced manpower is tied up. If Garching were not to be a suitable site, where else is there one? Lord Bessborough and I have obviously considered — and have tried to do this objectively — the merits of Culham. Of course I would oppose the amendment put forward by Mr Laban, Mr Patijn and Mr Albers and I hope they will not press it. This is not a prototype fusion reactor, the construction of which will not come until after successful development of the Joint European Torus. The task of the JET programme is a demonstration that fusion can be achieved. And there is no certainty as yet of success. It is faith in that we will have a success in the future. And therefore I think that on objective grounds, bearing in mind the work going ahead at Garching there is still a good case for Culham. And being objective does not mean that I should reject the virtues of Culham at this time. The point is that this Parliament is calling for a fusion programme to go ahead. It is calling for decisive measures in the field of energy. Time is running out. We are dependent on our Heads of States and the appropriate energy ministers reaching firm decisions quickly and in our own national governments there being adequate debate of national issues in a European context. Therefore I support these two motions for resolutions.

(Applause)

President. — I call Mr Ellis.

Mr Ellis. — Mr President, I would like very briefly first of all to congratulate Mr Springorum and the Committee on Energy and Research on their two motions for resolutions. Lest somebody might think I am congratulating myself because I happen to be on that committee, I would like to say also that my congratulations are a little muted in respect particularly of paragraph 4 in the resolution on the meeting of the energy ministers. I will come to that point in a moment.

I do not think I need say very much about the merits of the case. There have been many excellent speeches — I thought Mr Springorum's speech was a remarkably forceful statement, which was irrefutable, it seemed to me, in its main argument, as indeed was the passion shown by Mr Vandewiele, which came across even in translation. So I will not pursue the broad theme of the debate. What I would like to do very briefly, Mr President, is to concentrate on the two amendments, one in the name of my own group and one in the names of some of my colleagues, also in the group.

I am sorry that both have been tabled, and I think that the Socialist Group one was tabled really on rather nebulous grounds, to do with procedural matters such as whether or not the Commission had authority in giving directives on this issue and so forth. But that was not really the point of the motion for a resolution. The point essentially is that we have appeared here to have a full-ranging debate on this very, very important subject. I think we have had that, even if I must say I was a little worried earlier this morning that Parliament might adopt a self-righteous posture when it was talking about the absence of the Council although I agree entirely with my friend, Tam Dalyell, that there should at least have been somebody on what was a row of empty benches.

Parliament itself has not, in my view, taken the matter sufficiently seriously in the past. And, indeed, only in the part-session prior to the one when we debated the budget, I had the privilege and honour of presenting a major report on behalf of the Committee on Energy and Research dealing with a huge chunk of energy policy — the whole field of the rational use of energy. And that extremely important subject — in my view the most important subject that was up for debate that very week — was put on at very tail-end of the parliamentary week — on the Friday morning at about 12.30 p.m. And, if that was the approach of the Parliament, then I felt it would be a little self-righteous had we insisted on somebody being here for the Council. But that is by the way.

I want to speak briefly about the two amendments. First, the one calling for paragraph 8 on information policy to be deleted. I think there is an absolute need for a substantial increase in information on this issue, because arguments are being deployed, lobbies exist, which, in my view, are doing a great disservice in not being objective on this very, very important issue. For example, we have the environmentalists, who may well be presenting very important questions that need a reasoned answer. But the point is that the nuclear energy industry is a very young industry — it is less than 30 years old — and its advance has been absolutely remarkable. The nuclear power station today is an extremely complex thing, comparable with Concorde or landing a man on the moon. And the fact that this technological achievement has come about with very few accidents indeed is, I think, something that really needs to be put across to the public at large. Calderhall, our first nuclear power station, has produced electricity for 20 years without a stop, except for routine maintenance and inspection. Now that is a remarkable achievement of precision in engineering and, accordingly, in safety.

Ellis

I would like to mention very briefly two aspects of this very important subject. Sir John Hill, an eminent man who has spent his whole working life in this field, and who is the chairman of British Nuclear Fuels and the United Kingdom Atomic Energy Authority, stated in respect of major accidents — fatalities and so on — at the end of last year :

We have of course had accidents and we will have more but, as far as I know so far, not one case of death has been positively attributed to radiation associated with the British nuclear power programme.

To contrast that to the 30 fatalities that have already taken place in the North Sea in the last three years gives the measure, in factual record of the safety so far of this particular industry.

(Applause)

The other aspect is radiation. It is important that we get radiation into perspective, although do not want to try and baffle this Parliament with science, Mr President, I am much more likely to baffle myself. I shall just quote a few figures from Sir John Hill. He points out that a person living in London receives about 67 millirads of radiation each year from nature — cosmic rays and so on. He will also receive, on average, about 14 millirads from his medical advisers by way of X-rays and so forth. He will receive unwillingly 2 millirads from fallout from weapons tests, and he will also receive — willingly — 0.7 millirads from the luminous dial of his watch and television set. If he lives in Aberdeen, he will have a slightly higher intake of some 40 millirads because of the particular location of that city. And in total, he will have an intake of radiation, virtually all from natural sources, of some 120 millirads. Now the radiation he will get so far from the whole of the nuclear energy industry is 0.1 millirads — $\frac{1}{7}$ th of what he will get from his wrist-watch. Now that brings a kind of perspective which seems to me to have been lacking.

(Applause)

That is why I deplore the proposal to take out the need for information that will enable an objective discussion of the matter to take place.

The other point — and I will finish very briefly on this — concerns Ispra. I personally have felt and have said here previously that JET ought to go to Ispra for all kinds of reasons, which I will not bore Parliament with. But I do appeal to my very good friends and colleagues to withdraw this particular amendment, especially in view of the understanding, as I take it, of our chairman in the Committee on Energy and Research that, failing a decision on Thursday, the committee will strive to its utmost to decide on a site, and I personally think that it is quite feasible and likely that, if we settled on Ispra, the committee would agree and this Parliament would agree.

(Applause)

President. — I call Mr Noè.

Mr Noè. — *(I)* Mr President, Mr Commissioner Brunner, dear colleagues, in supporting, together with all the members of my group, the two resolutions tabled by Mr Springorum, I shall confine myself to a few points because many of the remaining questions have already been amply discussed.

I should like to deal with point 4 which draws attention to the fact that developments in the world market in hydro-carbons may produce a structural crisis in the Community's supply of these products, and with points 6, 7 and 8, concerning measures which would enable us to avoid the difficulties indicated in point 4. The fact is that we have reason to be very anxious about the future availability of oil, and the reason is very simple: the recession we experienced in 1975 and 1974 meant that for a brief period we had considerable oil stocks and the question of supplies did not arise, indeed occasionally the prices dropped.

Now, however, the situation is changing; the beginnings of recovery have led the producer countries to raise the prices once again and, above all, the United States which used to import approximately 15 % of their requirement of crude, now import 40 %. This has drained from the market a substantial part of the crude supplies which otherwise would have come to the Community and in future the trend is bound to be stronger. It is calculated that in 1985 United States imports from the Middle East, now equivalent to 12 % of their total consumption, will have reached 38 % of their total consumption. It is obvious that, with such an increase in consumption, a mini-crisis is likely as early as next year, because in 1977 the considerable supplies expected from Alaska and the North Sea will not yet be available. But that would be a transient crisis, which imports from Alaska and the North Sea can obviate until the 1980's. Later, however, about 1985, United States plans for importing from the Middle East such huge quantities of crude oil will result — unless the Middle Eastern countries increase their productive capacity — in considerable pressures. Saudi Arabia, now producing about 8 and a half million barrels a day would have to go up to nearly 12 million. Increasing its productive capacity would be contrary to the interests of Saudi Arabia — which could in fact perfectly well carry on at the present level of production or even decrease it, because it has no other needs. And it would be enough for Saudi Arabia to fail to increase its production to unleash very serious crises, with the very grave repercussions on price levels to which Mr Springorum points in the early part of his report.

These few facts alone are a measure of the dramatic supply situation for a fuel which is still the most commonly used. Our committee obviously had to take a stand on this, because from December 1974 until today, that is in two years, the measures for energy

Noè

saving and for faster development of secondary energy sources have not in the least progressed at the required pace. We only need to look, Mr President, at a document from the OECD Energy Agency in Paris, to which all the nine Member countries here represented belong, and read what it has to say about the programme for energy saving and fast development of alternative resources, to realize how large is this intolerable gap which it is our duty to denounce.

Of course, given the shortage of time, I cannot enter into the details of the two prongs of the programme, each of which would require a thorough study to itself. I shall only say that, given the fact that alternative energy sources, including nuclear power stations, for various reasons, are not yet making a substantial contribution, we must try to extend the petroleum age as long as possible. Now, if we look for possibilities for exploration and subsequent exploitation, we see in the western part of the North Sea a whole marine area, with depths from 200 to 1000 metres, where the Community has subsidized exploration, particularly exploration at great depth. But all these are leisurely long-time projects, resulting in none of the feverish activity for which the situation calls. This is the essential reason for the alarm which our committee felt bound to express.

Let me just dwell for a moment on point 8 of the resolution. This calls for a clear stand from the governments on the use of nuclear energy. I should like to be permitted, Mr President, to quote here a few figures: a 1 000 MW station, that is of the size now commonly in use, gives a fuel saving shown by the following data: for each kilowatt-hour produced, a conventional (i.e. oil-fired) power station consumes 15 Italian lire's worth of fuel; for every kilowatt-hour produced by the use of enriched nuclear fuel, the fuel consumed costs 3.50 lire. The difference for each kilowatt-hour produced is approximately 11 lire which, multiplied by the 6 000 hours of annual operation, represents an annual saving of 60 000 to 70 000 million lire. In other words, by installing a 1,000 MW nuclear power station we can, compared with the conventional system, save 70 000 million lire on fuel imports. The power station itself is more expensive, but the power station is built by Community workers, even if it is built to a foreign licence, and represents a considerable added value which is kept by the member countries and not exported. If we multiply this 70 000 million lire by, say, the 20 power stations which a country like Italy or France would be likely to build under its programme, we get an annual average saving of 1 billion 400 thousand million lire in the ten to fifteen years which it will take to complete the programme.

These facts have never been sufficiently reorganized witness the trade-balance debates in our countries concerned with finding short-term solutions to our present difficulties.

As I said, this strategy for reducing the Community countries' expenditure on imported fuels has never been given enough consideration. And another issue is linked with this: the fact that the petroleum which power stations would no longer need would ease the situation on the oil market, lowering prices and making the product available for other uses. Let me quote just two figures: with twenty 1000 MW stations it would be possible to reduce imports by 30 million tons a year. My own country imports 100 million tons, so each year one-third of the total crude oil imports of a country like Italy could be saved by the construction of 20 nuclear power stations.

Mr Ellis spoke very eloquently about safety problems. I have been speaking, briefly, about the economic consequences of deciding whether these programmes are to be implemented or not. There is already a profit on every kilowatt-hour produced today. When allowance is made for the overheads and the cost of the fuel, even today the power produced by nuclear power stations is slightly cheaper than that from conventional ones. But the difference is bound to increase — it is, as I said, 15 lire as against 3.50 lire — and the gap would increase further when the OPEC countries raise their prices.

Obviously, Mr President, in the face of such situations two things are needed at least. First: full and adequate information of the population which forces opposed to us may be trying to subvert. To begin with, there may exist foreign countries in whose interest it is to keep the Community in a state of backwardness in this field; then again it is obvious that the oil-producers also have an interest in the issue. Perhaps the most enlightened among them do not reason like this, looking forward to the time when their own resources will have become exhausted and then would prefer to see us pursuing a more active policy. But, then, not everybody can be enlightened... This is why better information of public opinion and a clear stand by the Community would carry greater weight than actions undertaken independently by individual governments. Secondly, we need strategy. At the moment we seem to be living from hand to mouth. Now we have light water reactors and we hope that the fast reactors will come along. Once we have the fast reactors, it is being said, the problem of fuel supplies will no longer exist, because the efficiency of fast reactors is 50 to 70 times better than that of present-day reactors and so everything will be fine. But what happens if the fast reactors do not come along, if for reasons of safety or of insufficient competitiveness they do not become commercially viable soon enough? What do we do then? I wanted to mention in concluding an alternative solution which seems to me reasonable: that is the use of CANDU reactors, and the recycling of

Noè

plutonium instead of enriched uranium, which could reduce the consumption of uranium to a third. Otherwise, if we refuse to think in terms of a long-term development strategy, even nuclear fuels may become a problem.

To end with, Mr President, one final remark. Professor Burgbacher has often told us that no energy is so expensive as the energy we do not have. He has taught us this formula and now we all believe its truth. But perhaps today, after hearing Mr Springorum's reflections, we ought to add another theorem to this: that no decision is so wrong as a decision not taken at the right time. The rapid progress of technology means, unfortunately, that we cannot afford to delay decisions: and promptitude in decision-taking should become a rule for the Council of Ministers. The Commission, of course has submitted general proposals and then chose this particular way, but we should all be clear that if decisions are not taken at the right moment the whole welfare of future generations will be jeopardized. In another five, ten or fifteen years our situation will inevitably become dramatic if certain decisions are not taken now. I am not asking for rushed decisions; we should take the decision that is the best, but, above all, we must *take* it. The example of JET is typical here — but I shall not be going again over ground covered by many previous speakers on this subject.

(Applause)

President. — I call Mr Normanton.

Mr Normanton. — Mr President, I propose, if I may, to speak in support of the Springorum motion for a resolution on energy policy and leave the other one to my colleagues.

Here we are this afternoon, sitting back peacefully, presumably replete with good food and good wine at midday, we are warm, comfortable, and enjoying the atmosphere of a well-illuminated, air-conditioned hall, and I think it conveys the impression that we are all looking with complete confidence and perfect peace of mind to the future of our families and our peoples. But, Mr President and honourable Members, if that is how we see the future we are deceiving ourselves, we are betraying the trust of our constituents in particular. Europe is, in fact, faced with the biggest single threat in our long, long history. Not simply a threat to our living standards of today or tomorrow but a threat to our very existence. Let us just ask ourselves briefly how many steel-mills and major industrial enterprises, for example in Germany, can be closed down not by the threat of an attack by vast military forces behind the Iron Curtain, but by a mere handful of Soviet technicians or even by a handful of dedicated saboteurs or anarchists. Turn off 6 pipeline valves supplying oil and gas to Western Germany from behind the Iron Curtain and at a stroke you close down 25 % of

Germany's industrial capacity! One small limpet-mine placed at a strategic position on each of four oil and gas pipe lines on the bed of the North Sea and the industrial furnaces of Britain go cold and with them every single gas cooker in British homes. No more gas, no more employment, no more life — because that is precisely what we as Members of this European Parliament, we as governments of the Member States, we as members of the European Commission and the Council of Ministers are gambling with. How utterly irresponsible can politicians be, to dice literally with death?

My sole and single contribution to this debate is to try to add extra emphasis to what has been voiced by a number of our colleagues today, to make the most passionate appeal through this European Parliament to the peoples of Europe and to our national parliaments to wake up to the dangers before it is too late. Pipelines can be cut, completely and permanently, in a matter of hours. From strategic bases in Somalia and Zanzibar covering the Gulf, the oilwell of the world, from Angola covering the South Atlantic, from Cuba covering the Caribbean and the Western Atlantic, the Soviet fleet, which is the largest and most modern naval force in the world, with the biggest submarine fleet of all history, bigger than the grand total of all the U-boats which were engaged in World War II, is poised, ready to cut completely the oiltanker fleet lines of the free world upon which Europe depends for 90 % of its oil. And, gentlemen, we sit here as if the sun will shine peacefully in perpetuity!

Quite frankly, Mr President, I believe that the governments of the Community want their heads examining. Until the Community has a realistic and forward-thinking energy policy covering sourcing, storage, production, distribution and consumption, and that in effect means conservation, and with it the establishment of a European energy agency with powers, with guts, with the ability, to implement that policy, so long will our political leaders and governments deserve, and rightly, to be indicted by this Parliament and by future generations, Europe is living like the grasshopper in Aesop's fable, dancing all day because tomorrow can take care of itself. We are all bitten by the squanderbug, wasting energy in its production, wasting energy in its distribution, wasting energy above all in its consumption. Europe is literally drifting, daily, deliberately, as it were, to its ultimate economic and therefore social disaster; and until we as a community take our courage in both hands, as politicians, as statesmen, and display evidence of the political will, the political guts, to check and reverse that drift, that drift will continue with absolute certainty until we reach total collapse. Mr Springorum deserves our unanimous, wholehearted support in bringing this resolution before this House, and I am sure that we shall give it him in full measure.

(Applause)

IN THE CHAIR : Mr BEHRENDT

Vice-President

President. — I call Mr Cifarelli.

Mr Cifarelli. — *(I)* Mr President, I was wondering as I rose to speak what contribution I can make to this debate in which the technical experts of this House have already had their say: Mr Burgbacher, Mr Noè, Mr Leonardi, to name but three who have given so much of their time and attention to this problem, and, last but not least, the chairman of the Committee on Energy and Research, Mr Springorum, to whom I should like to express my thanks for the profound grasp of this problem he has consistently demonstrated and for the spirit in which he deals with it.

This morning's events, Mr President, show that even when we are acting with the best intentions, we end up contradicting ourselves. When we decided to include this subject on the agenda, we chose the Tuesday sitting for the debate, thus showing that we are unable to rise to our task even in small things. This morning we were bemoaning in the absence of the ministers — who are always made the scapegoat — but the fact is that it was by our own decision that we found ourselves in a position where this small but important question cannot be resolved.

It is my view that when the situation of a country becomes particularly serious it is time for the technicians to remain silent, and for the politicians to speak and it is in this light that I should like my speech to be taken as proof of political responsibility. The situation is grave, but it is for us to draw conclusions from this. I was reading only today that the King of Saudi Arabia, or his spokesman, is supposed to have said that he was prepared to wait a little longer before raising the price of oil, but that the other OPEC countries would not delay any more. Then he added: 'The European countries, beginning with Italy and the United Kingdom, should put their houses in order'. We would not deny the King of Saudi Arabia his right to comment on our political problems. But the fact that this is happening at a time when the price of crude oil is about to be raised, is further evidence of the bitter reality of our situation: from independent nations we are gradually being turned into colonies. The only thing in doubt is the identity of the protector or colonizing power: according to some it is red, according to others it lies across the Atlantic, for others still, it is the Third World. I only know that if we want to preserve the last remnants of Europe's dignity we must make bold decisions to meet the challenge of the prospect that looms before us.

I should like to add that it is particularly significant that this debate should be taking place in November 1976, exactly 20 years after Khrushchev's tanks crushed Hungary, but also 20 years from the Suez adventure

which, as an Italian journalist recently put it, ended the gunboat era. The British and French Governments' attempt to re-establish international control over the Suez Canal failed in the face of President Eisenhower's determination, in the face of the will of the American superpower. What began then was the crisis of the old colonial system. That is a historic fact and it is for history to judge it. Certainly, we neither can nor should wallow in nostalgia or embark on adventurism to bring back the past. The time of gunboats is gone, but Mr Normanton has told us what naval power, what strategic positions, and what sinister prospects we have to reckon with when considering the defence of the freedom and independence of each of our countries.

I do not wish to embark on this theme, if only because the little time available to me would not permit a thorough treatment of these questions, but I do recall that in 1956 Euratom was created. The Treaty of Rome which established Euratom was in fact inspired by a shortage situation in oil supplies. All the problems we faced then: the closing of the Suez Canal and the need to circumnavigate Africa, the question of the oil companies' stocks, the problems of price and availability, are still with us, 20 years later.

It is with anxiety that tomorrow or the day after I shall be going away from here to return to my national parliament; with anxiety, because although the price of petrol, its side-effects and consequences for the development of Italy's economy are being discussed in my country, the fundamental problem of energy, of alternative sources and of measures related to them, has not yet been put in sufficiently urgent terms. Awareness of the dramatic realities of our future prospects which we have been discussing in this House must percolate from the European Parliament to the national parliaments and reach public opinion. At every turn we find sacred cows the value of which needs to be re-considered: we should, for instance, re-consider, in relation to the energy problem, the philosophy of freedom of the market and of free competition, which is the basis of the Community's existence and to which, I must say, I am personally fully committed. We should review, calmly and systematically, figures in hand, disregarding individual interests, forgetting doctrinaire 'isms' of the Left and the Right, the policy for the protection of the environment (to which I am personally almost fanatically devoted), so that we can cope with this energy problem. Obviously, when we concentrate our attention on pollution, without considering, for instance, what is happening in armaments, then, of course, we end up fearing the spread of nuclear energy which could make the air unbreathable and life extremely difficult for future generations. But at the same time we ignore the fact that we ourselves are selling nuclear power stations even to countries where the political situation is highly unstable, that one of these days

Cifarelli

someone somewhere is going to make himself a little atom bomb to blackmail someone else and commit God knows what other iniquities.

This is why I think, Mr President, that we should profit from this occasion at least to reassert our resolve and use the democratic process to support those who have had the courage to speak out. This is an indictment, Mr Springorum said this morning. Speaking, in the name of the Committee on Energy and to the face of the Council of Ministers, he called it an accusation. We approve this act of indictment.

Finally, Mr President, I trust that we shall do more than simply forward the appropriate documents to the Council and to the Commission, but exploit all the means at our disposal — including the communication of our debate to the Heads of the national Parliaments — to draw the attention of what I believe to be a force even more powerful than that of nuclear energy. I mean public opinion. Before we become protectorates, not merely in fact but also in name, let us appeal to public opinion so that it may awake to the extreme danger threatening us.

(Applause)

President. — I call Mrs Ewing.

Mrs Ewing. — Mr President, may I also thank Mr Springorum for bringing this important subject before the Parliament, and say that it is clear from this debate that far from being a debate on a energy policy, it really is a debate on the lack of an energy policy. And there is a *cri de cœur* coming from very many different quarters about this fact. This is nothing new to me after a fairly limited experience as member of one national parliament in two sessions, for we have never managed to find a common energy policy in the United Kingdom. And if one cannot achieve this in the United Kingdom you can see how difficult it is to try and do so in the EEC. You would think it would not have been beyond the bounds of possibility many years ago to have decided on so many million tons of coal a year, so much dependence on electricity, so much dependence on the new form of nuclear energy, and this — I am speaking of my early parliamentary days — was before we were fully aware of the extent of the energy in the North Sea. But it was not done, and many people from all parties, if I remember aright, kept asking why we could not have a plan for energy so that in future we would not make mistakes by putting too much money onto the wrong bet. As I said, that was never done in the United Kingdom. So it seems to me that we have a very difficult subject which does not get any easier by putting it under the carpet.

I would like to support my colleague Mr Dalyell, who mentioned that there is no one here from the Council of Ministers. If this Parliament is going to be a parliament, then I am afraid it must be able to control the

executive to some extent, and I am happy to see the faces of members from the Commission benches looking at me as I speak. This is a very serious matter as we approach the time of direct elections, and before that time comes it is as if the Council of Ministers were treating us with a certain degree of levity. On a debate on energy it seems to me extraordinary, since they must have known it was taking place, that they should not have been able to spare someone to come here and listen — unless we are just to be patted on the head at the end of the debate and told that it was a nice useful exercise. I think most of us here, whatever motivation we have, want the Parliament to be a place not only where useful debates take place but where our views have a direct impact on the two arms of the Executive, be it the Commission or the Council of Ministers.

Could I now say that there has been a certain hint from some of my Conservative colleagues that Scotland is to blame for nationalistic noises. I think all sections in this Parliament make nationalistic noises, Mr President, from time to time. I noticed it from the Germans, who, with hardly any fishing waters of their own, solemnly defeated a very sensible compromise on the use of fishing-grounds which had nearly reached a conclusion. So I think name-calling at national level does not become anyone particularly, but the hint about Scotland is there and I am, as you know, a representative of the Scottish National Party, for which I make no apology. In Scotland the man in the street — and we have heard much about giving information to the man in the street — would find this debate slightly unreal, whatever political party he belonged to, because he knows that he has been the recipient, rightly or wrongly — or perhaps unwillingly — of a vast amount of oil dumped more or less on his doorstep in the North Sea, with all the consequences that has of, possibly, industrial development in what have been rural areas, the consequences of infrastructural upheaval, the consequence of a rapid total change in ways of life.

In addition to the oil there is the question of the very large nuclear centre in Dounreay, where I think we have shown there has been a tremendous story of technological success, but people on the nuclear side have certain fears and I would agree with some of the speakers here that these fears have not been properly allayed. We have just been reading in our newspapers in Britain of the problem of disposing of nuclear waste and as far as I understand it they are going to dig into Scotland's remote places to dump it. People are concerned, perhaps wrongly, about the safety of this kind of thing. So I am all in favour of disseminating more information to show whether or not we really should have any fears about safety.

Could I turn back to the question of oil, however, and say that it would ill become me, as a representative of

Ewing

my party, if I did not say how unreal I find this debate to be. We have Lord Bessborough, for example, talking about the fact that Europe is going to be dependent on oil and another of my colleagues in the Conservative delegation saying that Britain will be independent in oil shortly because of the oil in the North Sea. Now, if that is all true, as I believe it to be, it would ill become me if I did not say so, coming as I do from Scotland and from a party that is running very close to the Labour Party there, and, in the view of many serious commentators, about to win the next election, giving us a mandate for independent statehood. I would remind the friends I have made here from all the different countries that this is to us serious, however amusing it may be to some other people. It is serious to those who sent me here and to the large section of Scotland which I stand for. And, if the serious press are right, and my party is about to arrive at that situation (at least the right to negotiate for that situation) when we have a decision to make, are we going to be treated fairly by the Member States, having regard to the fact that so far the oil is more or less in the sector of the North Sea assigned to Scotland by international treaty, or are we going to be treated unfairly and just regarded as a useful area for the production of this costly item, with all the social problems which we are facing at this time? Are we going to be treated unfairly, as my party ventures to say we have been so far treated by our colleagues in Westminster? I make the point because any debate on this subject without this point being made, as long as I am a Member of this House, would be totally, totally unreal.

Could I now turn to research. If there is to be research, and in all the speeches about research I found nothing to disagree with, and if we are the people who happen to have the resource at the bottom of our garden — it is not the result of skill on our part, it is one of those accidents of history and geography — then I suggest it might be a very fair act if the Member States here were to decide that the research should be done in Scotland, where the oil happens to be situated, and where a great nuclear energy industry is situated. And I would suggest, in argument, that we are not without technical graduates and, indeed, are rather famous for producing perhaps too many of them. So, we are well able to assume, if we were given the privilege, an obligation to undertake research into the best use of this resource for the whole of Europe.

President. — I call Mr Brunner.

Mr Brunner, member of the Commission. — (D) The picture you have painted in the course of this debate is very black indeed. This is only right. The situation facing us today is perhaps a repetition of the one we had at the time of the first oil crisis. This can be readily demonstrated with the aid of a few figures. We have calculated the effects of the balance of payments

of the Member States and the Community as a whole in the event of a rise of 10 or 15 % in the price of oil. Comparing the 1976 figures with the estimates for 1977, we find that the Community's balance of payments deficit would rise from 3 700 million dollars in 1976 to 4 700 million dollars in 1977 if oil prices rose by 10 %. With a price rise of 15 % the deficit would amount to 5 400 million dollars.

In such a situation it is, as always, the weakest who are hardest hit. It will again be these weakest members of the Community who will have the greatest balance of payments difficulties, unless they themselves are oil producers. It is these countries which will suffer the biggest rises in prices and also the most serious unemployment. I consider that Parliament and the Commission would be guilty of irresponsibility if, in this specific situation, in which increases in the price of oil are being discussed and negotiated they failed to state their position plainly. In my opinion it is not enough to do so in debate. In my opinion — and I hope I am not being presumptuous in putting forward this view — it is right that Parliament should express its concern in the resolution before you.

There is another situation in Europe connected with the oil problem, or rather with the development of nuclear energy, which we hope will help us to solve the oil problem. I do not have to tell you what happened last Sunday in the Federal Republic. The demonstrations in Schleswig-Holstein left behind a hundred injured persons. I do not need to tell you what happened last weekend in a French uranium enrichment plant, or describe the damage which resulted. Mr President, ladies and gentlemen, this is the beginning of something already referred to in your speeches, something which none of us as yet fully understands. The citizens of our Community are rightly concerned by a situation which we are not bringing under control and which is threatening the Community's economy. At the same time they are concerned at the need to develop nuclear energy as a substitute for other sources. None of us should take this situation too lightly. The movement now gathering strength may over the next few years create acute problems for all the parties in Europe. What is happening now brings to mind earlier developments in the political spectrum of Europe, the time when people refused to pay taxes, the political currents which are still felt in the Member States today, and also another current, beyond the precincts of our parliaments, which burst upon us in 1968. At the time, too, strife broke out, beginning with the students, because people had the impression that the political leadership, the democratic institutions, had lost control over the changes taking place in the world.

I am deeply concerned at this development. I believe that these points must be brought up in a debate such as the one we are conducting today. They belong to this debate because we have to admit quite openly to the European public that virtually nothing has been

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achieved in the energy sector. The Commission has failed to get decisions from the Council of Ministers. We have no decision on a crisis mechanism in the Community. We have no decision on the Euratom loan. We have no decision on aids in the coal sector. We have no decision on energy conservation. We have no decisions on guidelines for the development of alternative energy sources. This is the reality staring us in the face, and we cannot get away from it, no matter how many eloquent justifications we may cite.

Time is now at a premium. If we carry on in this way with the Community's energy policy — which still does not exist as such ; if we carry on in this way with research policy, where it is universally agreed that the proposals placed on the table are fine, but that we don't take any decisions ; if we carry on in this way, the time will come when the citizens of the Community will feel that they are no longer properly represented. When that happens, then the rumblings we hear today, and which we have been hearing for years now, although it is only in the last few days that their existence has been so dramatically demonstrated, will give rise to a real and serious danger.

These people are not just blind. It is quite understandable that they should be concerned, for nuclear energy is something hazardous. It is associated with risks. People are entitled to guarantees of safety, to minimization of these risks. This is why we have also put forward proposals for research projects. What have we proposed to the Council in the four-year programme for the Joint Research Centre ? We have said to the Council that 30 % of our projects should be directly concerned with research on nuclear safety. We have told the Council that 10 % of these projects should be directly concerned with research on the storage of nuclear waste, and we have also told the Council that we want to devote a further 12 % of the research appropriations to the study of alternative energy sources. Now what has been the Council's response to these proposals ? The Council met on 21 October. It told us that we had done a fine job. We had managed things well. We had restored social peace in the Community research centres. We had reduced the projects to ten clear-cut individual actions which could be properly coordinated. What we are asking for was by and large right. But now to the proposed cutbacks.

The preparatory work done by the governments cannot have been very thorough, for now we shall never fight our way out of this jungle of proposed cutbacks.

The individual governments are not even agreed on where the axe should fall. Each one wants a cut at a different place, though sometimes attention focuses on a single area. That is the case with nuclear safety. I should like to see what would happen if the proposed

cutbacks in the nuclear safety programme were adopted in the present form. I should then like to see how those responsible for the cuts would justify them to the European public in the situation as it is today.

We cannot accept such indiscriminate cutbacks. We have said to the Council that the saving achievable with the proposals put forward by the individual Member States are so disproportionate as to be quite grotesque. Cutbacks in staff are proposed which, if accepted, would bring the country in question a saving of £66 000 per annum. I ask you, what sort of an amount is that ? Another country has asked for cuts that would give it a saving of DM 182 000 per annum. A third series of proposals would save 418 000 French francs per annum. It is on account of sums like that that we are getting nowhere.

It is surely not asking too much of the Council to demand that, at its meeting the day after tomorrow, it should put an end to this situation. The research workers have a right to know what they are going to do. The European public has a right to see these projects finally getting under way. The same applies to fusion research and the JET project.

We are all agreed that fusion research is important, for it would bring us an energy source that is both safer and environmentally more acceptable. They all nod their heads and say that this is correct.

They then look at our proposals and say that they are perfectly sensible. In some areas, even, progress is made. Agreement is reached on a financing formula. A decision is taken on the structure of the Joint Undertaking, to give Europe for the first time a Joint Undertaking subject to European law, pursuant to Articles 45-51, of the Euratom Treaty. They go on to say that it should be possible to agree on something as far as staffing is concerned. They even tell us that we can already now get together to decide what will happen with the plasma machine when it has served its experimental purpose some fifteen years from now. And then they come to the next step, the decision over the money. At that stage they find that what they really need is some more calculations, after which they get to the point where a decision has to be taken on the site for the machine. And, suddenly, complete standstill. So it goes from one Council meeting to the next.

I tell you quite frankly, the Commission is powerless to do anything further. It is senseless that this project should be continually put off simply because of the ulterior motives involved. For it can no longer be said that there are differences of opinion as to the basic merits of the project, or that it is not yet ready. Everything has been carefully prepared. No, secondary considerations come into play in connection with the advantages that may be derived from the siting of JET, and it is these which are barring the way to further progress.

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I believe that the European Community can no longer tolerate this situation. I believe that, if the next meeting of the Council fails to produce a decision, Parliament will have an obligation in the matter. I do not have to tell you what that obligation is. I am quite sure that you will see clearly where the interest of Europe lies in this issue, which is important in the context of our energy situation, in the context of the Community's position in the world. And I am sure that you will discharge your obligation to the full.

(Applause)

President. — Since no-one else wishes to speak, we shall now consider the two motions for resolutions tabled by Mr Springorum.

We shall begin with the motion for a resolution on the present situation with regard to a Community energy policy following the Council meeting of 19 October 1976 (Doc. 378/76).

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 2 tabled by Mr Springorum aimed at adding the following to this paragraph :

'... of these products, and expresses profound concern at the plans of the oil-producing countries for a possible increase in the price of oil.'

I call Mr Springorum.

Mr Springorum. — *(D)* The amendment has been tabled in response to a request from Mr Brunner, and at the same time serves to bring our motion for a resolution up to date in that we are plainly voicing our immediate regret and our immediate concern at the prospect of an increase in the price of oil. This point needs to be covered in the motion for a resolution.

President. — I put Amendment No 2 to the vote. The amendment is adopted.

I put paragraph 4 so amended to the vote.

Paragraph 4 so amended is adopted.

I put paragraphs 5 to 7 to the vote.

Paragraphs 5 to 7 are adopted.

On paragraph 8 I have Amendment No 1 tabled by Mr Patijn on behalf of the Socialist Group and aimed at the deletion of this paragraph.

I call Mr Patijn.

Mr Patijn. — *(NL)* Mr President, Mrs Walz has just said that this is an incomprehensible amendment. The matter is as follows. Point 8 of the resolution calls for two things. Firstly the Commission and Council are asked to urge governments to adopt a clear policy on nuclear energy. Secondly they are asked to provide full information. This is intended to mean that the Member States would pronounce in favour of nuclear

energy and that information should be provided on this pronouncement. A number of states are still quite a long way from making such a pronouncement. In a number of states the development of nuclear energy is still a very hotly debated point and the question of whether information should be given about possible decisions and whether there should be suitable directives will not be discussed for some time. So I would maintain that it is the text of the resolution, rather than my amendment, which is incomprehensible since it contains conflicting elements. I am not against information on energy or the economical use of energy, but I am against information on nuclear energy in this connection, and would therefore recommend the House to delete this point.

President. — I call Mr Springorum.

Mr Springorum. — *(D)* Mr President, I think Mr Patijn has misunderstood what was in our minds. The governments must reach a decision. If they have so far failed to reach a decision, then they should work one out. If, however, they have reached a decision, then they should say so clearly and plainly. I may cite at this point the example of Sweden, where one government began by saying one thing, and the next one another. If we want a clear energy supply policy, then we cannot have it changed as soon as this or that party comes to power. Mr Brunner spelt out quite unmistakably the dangers that lie ahead. If governments try to change direction like a weather-cock according to the apparent mood of the population — I stress the word apparent — then the situation will go from bad to worse. In the USA the matter was put to referendum in six of the States. The decision was firmly in favour of nuclear energy, as it would be here in Europe — you will recall what happened in Switzerland — but fear of citizens' action groups, of occurrences such as we had in Brokdorf, brings the danger that governments may retreat. This is the point we wanted to make in the first sentence. Furthermore, governments should provide all the relevant information to their citizens, who should then be given an opportunity to decide themselves what course they think right. They should not be made the target for campaigns in which clergymen in their robes ...

Mr Haase. — *(D)* And scientists !

Mr Springorum. — *(D)* ... and scientists preach theories that are not in accord with the facts. The population must itself know what it wants, and in this connection I believe that the Commission and Council, both of which have a considerable stature, should play a leading role in disseminating the facts. I therefore request that this point be retained.

(Applause)

President. — I call Mr Dalyell.

Mr Dalyell. — Mr President, in the Socialist Group there was some embarrassment over paragraph 8, because, you see, it is all very well to talk about taking a clear stand, but who can say that on any of the thorny, difficult issues many of us, even in our Committee on Energy and Research Mr Springorum, have taken a very clear stand? Before we talk about the mote in a ministerial eye, we had better do something about the beam in our own eye when it comes to making up our minds.

Having said that, I would like to repeat a question which I asked earlier of the Commissioner. For example, what decision has the Commission reached on this very important, topical, urgent and difficult question of the Anglo-German-Dutch centrifuge? This is the sort of question we had better answer among ourselves, we and the Commission, before we criticize the Council too much.

President. — I call Mr Waltmans.

Mr Waltmans. — *(NL)* Mr President, Mr Springorum has now revealed himself to be a representative of the nuclear energy lobby. He refers to the example of Sweden. But Sweden has had elections, there has been a change of majority in the Swedish Parliament and this is the reason for the change in the Swedish Government's policy. If it is really the intention that national policies should be discounted in this way by the European Parliament, then the matter is beyond my understanding. I would also like to say that the 'information' we are talking about here is in fact not information at all but rather clarification. And finally I would like to say that if my party were to win an election, all nuclear power stations would of course be closed down since no one can or will guarantee their safety for present and future generations.

(Protests)

President. — I call Mr Brunner.

Mr Brunner, *member of the Commission.* — *(D)* Mr President, I should like to make this reply to Mr Dalyell: the Community has not been directly concerned with the two plants working in this sector. Both plants, the separation plant and the gas diffusion plant, are working satisfactorily. To the best of our knowledge both have adequate reserves. At the moment the Community has to rely largely on imports. As this capacity is developed, both at Eurodif and at the gas ultracentrifuge plant, then in the 1980's we shall have a rather greater enrichment capacity of our own. That will be necessary, but this is a case where we as a Community can rely on cooperation between the Member States. In this case we feel that, as things are developing, it is not necessary for the Community to become directly involved in the very high investments that are required to build such plants.

President. — I put Amendment No 1 to the vote. Amendment No 1 is rejected.

I put paragraph 8 to the vote.

Paragraph 8 is adopted.

I put paragraphs 9 to 12 to the vote.

Paragraphs 9 to 12 are adopted.

As no-one else wishes to speak, I put the motion for a resolution so amended to the vote.

The resolution so amended is adopted.¹

We shall now consider the motion for a resolution Doc. 404/76.

I put the preamble and paragraph 1 to the vote.

The preamble and paragraph 1 are adopted.

On paragraph 2 I have Amendment No 2 tabled by Mr Springorum and aimed at adding the following:

'... on 18 November 1976, and expects this date to be respected.'

I call Mr Springorum.

Mr Springorum. — *(D)* This is merely an amplification. Rumour has it that some members of the Council would favour a further postponement and I would like Parliament to issue a plain warning discouraging attempts to fix a deadline for next year or heaven knows when, and ensuring that the present deadline is observed. I therefore request Parliament to approve this addition.

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

I put paragraph 2 so amended to the vote.

Paragraph 2 so amended is adopted.

I put paragraphs 3 and 4 to the vote.

Paragraphs 3 and 4 are adopted.

On paragraph 5 I have Amendment No 1 tabled by Mr Laban, Mr Patijn and Mr Albers and worded as follows:

Paragraph 5 to read as follows:

'5. Takes the view that Ispra is the site which best satisfies the criterion mentioned in the previous paragraph.'

I call Mr Laban.

Mr Laban. — *(NL)* Mr President, I would like to explain the reason why we tabled this amendment. My colleague Mr Dalyell has already pointed out that there was some irritation in the Socialist Group — and rightly so. We have explicitly underlined the fact that JET is a highly advanced project which is very important for our energy supplies in the future and offers a high degree of safety. In this field we enjoy a lead over other countries. We have a group of researchers who have been unable to get down to work for

¹ OJ C 293 of 13. 12. 1976.

Laban

a year and a half. The European Parliament entered the necessary appropriation in the budget, but, as Mr Springorum has stated quite correctly, the question of a site is still undecided. The designation of a site is a matter for the Commission. My colleague Mr Dalyell has also pointed out that most of us are unable to form an objective judgment of where would be the best place. It is a question for the experts. The Commission has experts on its staff and they have already selected Ispra as the best of the available sites, on two occasions. Mr President, Ispra has the capacity, it has offices and work-rooms, and it has housing and a European School. But now the Council has taken up the matter and taken over from the Commission. We discussed and denounced this procedure at our last part-session, but the President-in-Office of the Council parried by saying that the European Parliament should state its view on the matter. Mr President, I believe the President-in-Office of the Council was right. The tablers of this amendment are of the opinion that the repeated postponement of the matter — and the risk that our researchers will be offered better jobs elsewhere —, is no longer to be squared with our responsibility as parliamentarians. On the other hand, Mr President, I listened with interest to the viewpoint put forward by Mr Springorum on behalf of the Committee on Energy and Research and I agree with him that the Council must indeed reach a decision on 18 November. If they do not, then the Committee on Energy and Research should submit a proposal for a site to this Parliament. Mr President, the tablers of this amendment are of the opinion that we must not risk creating a distorted picture of our views. We were also struck by Mr Brunner's particularly penetrating speech, and under the circumstances we consider it more reasonable to accept the postponement and to withdraw our amendment.

I would however like to make this subject to one condition. We have asked for the deletion of paragraph 5 since this calls on the ministers not to resort to political bargaining. We think that this is going a bit too far since anyone who is conversant with what goes on behind the scenes in this Institution knows that this Parliament itself is hesitant because everyone has half an eye on his national interests and political advantages. So we have failed to reach a decision for the same reason. In withdrawing our amendment I would therefore request the rapporteur and Parliament to take paragraph 5 out of the resolution, since this text exposes us to reproaches from the Council.

President. — The amendment is thus withdrawn.

I call Mr Springorum.

Mr Springorum. — (D) I should like to offer my personal thanks to the author of the amendment, Mr Laban, for withdrawing it, since Parliament would have found it very difficult to vote on it today. I feel that such a vote must be thoroughly prepared, so that

everyone here can put the necessary questions and knows exactly when the vote is taking place. And if the Committee on Energy and Research proposes to you that such a vote should be held in December, then it is essential that we lay down beforehand the precise conditions under which the vote is to take place.

I have the following comments to make on point 5. Our use of the conditional here was quite deliberate. We do not deplore it, but we *would* deplore it if ... The aim was to comment on suggestions in the press according to which the failure to reach a decision on JET is due to political wrangling, which is precisely what we want to avoid. We believe that a decision must be taken on merit, and that we do not want bargaining on the basis that 'if you give me this, I will give you that'. However, it is possible that this fear is unfounded, and that is the reason why we have used the conditional. This was exactly the view of the committee, so that I do not personally feel in a position to endorse the deletion of point 5. I am not the author of it and I therefore request that a vote be taken upon it.

President. — I call Mr Cifarelli.

Mr Cifarelli. — (I) Mr President, I just want to raise a question of wording: in paragraph 5 of the motion for a resolution the Italian text states that Parliament 'deplores', whereas the form used in the other languages is the conditional 'would deplore'. Since I believe that language is not subject to political haggling of this kind, I should like to have this point cleared up.

President. — The German text is the authoritative one and it reads:

'würde es bedauern, ...'

I put paragraph 5 as worded at present to the vote.

Paragraph 5 is adopted.

I put paragraph 6 to the vote.

Paragraph 6 is adopted.

I put the motion for a resolution so amended to the vote.

The resolution is adopted.¹

11. *Four-year technical education programme*

President. — The next item is the report by Lord Bessborough on behalf of the Committee on Energy and Research (Doc. 379/76) on

the proposal from the Commission of the European Communities to the Council for a decision on a four-year programme 1977/1980 in the field of scientific and technical education.

I call Lord Bessborough.

¹ OJ C 293 of 13. 12. 1976.

Lord Bessborough. — Mr President, although this debate is not going to generate as much heat as the previous one did, nonetheless I would like the attention of those who are still here.

The programme which I introduce in support of the Commission, with one amendment to it, aims at promoting the training of young scientists and technologists in both the nuclear and the non-nuclear sections. In my view it is a wholly admirable programme and I think basically non-controversial. It will use existing training centres in the Community countries and where better than at Ispra, that beautiful centre which has already been mentioned in the previous debate, near the shores of Lake Maggiore? This programme will bring together scientists and engineers of this generation and give them an opportunity of working together and learning each other's ways and, indeed, developing a European élite for the future in the kind of research work in which the Community is already engaged. Its main emphasis will be laid on exchanges of already qualified researchers, scientists and engineers between training centres and industry in one Member State and research establishments in another. The programme is a continuation of the training work started by the Community as long ago as 1958 and it follows on previous reports and recommendations by Mr Springorum himself, by Mr Gerlach and Mr Glesener. The programme will succeed the one which is now coming to an end on 31 December 1976, and the present proposal differs in some important respects from its predecessors. It no longer concentrates purely on training in the nuclear field, but, as I say, would cover all aspects of research and development undertaken by the Community either through direct or indirect action.

I note with approval that the programme is the first to be based not only on Article 7 of the Euratom Treaty but also on Article 235 of the EEC Treaty. This corresponds to the wishes of the Committee on Energy, as Article 235 of the EEC Treaty, unlike Article 7 of the Euratom Treaty, provides for parliamentary consultation, which I consider very important, as indeed does my group and of course the committee.

About 8 % of the total funds would be reserved for scientists or engineers from non-member countries with which the Community has relations in the scientific and technological field. Grants would be awarded in respect of work for theses, doctorates and post-doctoral research projects so as to encourage more industrial scientists and engineers to take part: hence the amendment proposed in my report and fully endorsed by the Committee on Energy and Research. I might note that as a general rule the work for which grants are awarded must be carried out outside the candidate's country of origin. In addition, further training courses in sectors of especial importance to the

Community's research and development policy would be organized. These are to include *inter alia* courses in radiobiology and data-processing. The Community's contribution would not exceed 50 % of the total costs of such further training courses.

The Commission proposes an upper limit of expenditure of 5 million units of account spread over the four years of the programme. The Committee on Energy and Research feels very strongly that this scheme should be more heavily biased in favour of young scientists, technologists and engineers working in industry in the Member States, though without excluding academic recipients of grants. It is therefore proposed to increase the appropriations for this programme by 400 000 units of account over 4 years, thereby bringing the total to 5.4 million units of account over those 4 years.

It would seem obvious that every possible step should be taken to encourage the development of European scientific and technological research, since this is the only sound basis for the continued development of European industry. The programme constitutes a small but very important step in the right direction, and I would like on behalf of the Committee an Energy and Research to commend it for your approval.

(Applause)

IN THE CHAIR : MR LÜCKER

Vice-President

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

Mr Ellis. — Mr President, I am happy to congratulate Lord Bessborough on his report and to say that we in the Socialist Group welcome it unreservedly and support it wholeheartedly. We welcome the Commission's proposals for a continuation of the training and education programme in the scientific and technical field and we attach a great deal of importance to this programme because, of course, it is manifest that our economic well-being in Europe depends very greatly, increasingly so, on a high-technology background to our economy. Increasingly, we in Europe have to live by our wits, by our scientific and technological wits and I think it would not be overstating the case if I were to say that the kind of second-generation industrial society work, the kind of assembly-line work like electronic assembly, the manufacture of textiles in many cases, is already under severe threat from parts of the world where the work is being done with a greater degree of competitiveness than we seem able to achieve in Europe. Therefore the training programme for improving our scientific and technological capacity and its inventiveness is very warmly welcomed indeed by the Socialist Group.

Ellis

We are happy too that the programme no longer concentrates solely on training in the nuclear field, although I would like to stress that we still acknowledge the supreme importance of this field. Although we have just had disagreement on certain issues in the nuclear field, I personally feel that there is a great need in our politics in all our member countries for a much more pronounced intellectual honesty than has been apparent so far. However, that is by the way. Since the Community research programme has now been channelled into a number of fairly well defined areas of work, then clearly it is right that the training programme should reflect this as well and, of course, we welcome the proposal to channel the work of research and education into fields other than simply the nuclear field.

I was disappointed that the rapporteur failed in his original intention to spell out a little more precisely a definition of how well qualified a scientist really is, particularly the attempt to say what 'well qualified' means in all the various countries. We did fail, I think, to get a comparative chart that a good honours degree in Britain is equal to something else in France, is equal to something else in Germany and so on. I was very disappointed because, had we succeeded, I think we would have started surreptitiously, as it were, to establish the harmonizing process in this field, a process which has eluded us for so long.

We also welcome the fact that 8 % of the money is being devoted to people from non-member countries, and very happy indeed that the criterion on which they are accepted will not be based at all on the particular technological state of any one country, whether it is a Third World country or a highly developed country, but more so on the personal and individual qualities of the applicants for a particular course of training.

We support the whole of the Bessborough report and we support in particular the wording of Article 2 of the proposal and to that extent we reject the amendment which is down in the name of my good friend, Mr Dalyell. We also welcome very gratefully the initiative of Lord Bessborough in getting the ceiling, we hope, raised to include scientists and technologists from industry rather than simply from academic establishments. Finally, we welcome the fact that the programme is being based partly on Article 235, which does mean that we in Parliament are being consulted as a right. We congratulate Lord Bessborough and warmly welcome his report.

(Applause)

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

Mr Noè. — *(I)* Mr President, Mr Brunner, honourable colleagues, the Christian-Democrat Group also

supports this resolution as it did in committee, and thanks Lord Bessborough for presenting it.

I should say that the absence of disagreement in committee is in itself a judgment in favour of this document, based on the following considerations. Modest though it is, it is a measure to fill for young people the gap between the end of their studies and taking up a job, it contributes to the solution of this major problem, not so much because of the number of beneficiaries eligible, as because, as Mr Ellis has just pointed out, when research is encouraged certain mechanisms come into play which eventually may permit industry to absorb a greater number of workers, particularly young workers.

It is well that the provision embraces other activities besides those in the nuclear field. Only yesterday morning in Milan I was attending a meeting to relaunch in Italy activities related to electronics. Data-processing, telecommunications, the components industry do in fact need large numbers of highly qualified personnel; we are witnessing a veritable qualifications revolution with the development of these activities which, for better or worse, are typical of the industrial society we are approaching in which data-processing and all related industries will play a leading part.

I am therefore in favour of this further study and agree that, as was unanimously stressed in committee, part of the aids should be directed to those young people who, having completed their university studies, have already embarked on a career and acquired some professional experience. These young people will in fact be better able to grasp the material taught to them. It is also well that a part (8 % if I am not mistaken) of these aids should be earmarked for young new graduates from technologically advanced third countries, such as Switzerland and Sweden.

It was also pointed out in committee that more attention should be given to the process of managerial decision-making. What we find is that those who decide on the research targets are usually either technocrats — excellent though these may be — or research scientists who, having acquired experience in a particular branch, are promoted to decision-making posts. We said that neither of these two types of people was best qualified to exercise managerial duties in the research field.

The committee agreed with Lord Bessborough and Mr Springorum that this was a problem apart. Nevertheless, I should like to remind you that a few years ago I tabled a question on the role of institutions offering management training for the young, the most important of which within the Community is INSEAD at Fontainebleu. For frequently not only major research centres but even the Commission's own departments where decisions on research are taken need young

Noè

staff who, in addition to scientific training, have gone through a management course.

This is why the Christian-Democratic Group, in fully supporting Lord Bessborough's report, expresses the hope that the subject of managerial decision-making in research, can at a later stage be examined further.

(Applause)

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

Mr Liogier. — (F) Mr President, I congratulate Lord Bessborough on his excellent report which has received the approval of us all. I shall not go over the technical aspects of this proposal as they have just been discussed. I shall confine myself to saying how warmly the Group of European Progressive Democrats welcomes this initiative, which will enable young scientists, technicians and engineers to obtain further training within the framework of the Community's research and development policy. The awarding of grants by the Community to these scientists and the facilities which will be made available to them for their research work can only promote European awareness of research and thus contribute to the emergence of the Community in this area. We therefore approve of the increase in appropriations proposed by the Committee on Energy and Research and its desire that this scheme should be more heavily biased in favour of young scientists and engineers working in industry in the Member States. We also welcome the fact that about 8 % of the available funds would be reserved for scientists and engineers from third countries with which the European Community has relations in the scientific and technological field.

(Applause)

President. I call Mr Osborn to speak on behalf of the European Conservative Group.

Mr Osborn. — Mr President, I think I can be brief in supporting the Commission report and the excellent way my colleague Lord Bessborough has put it forward. This is the fifth of a series of programmes and it should be noted that it is costing 5 million units of account. An innovation which must be supported is the idea of the Advisory Committee on Programme Management with representatives from the Member States to advise the Commission.

On analysing the statistics, one sees that at 5 million units of account the cost of the new programme is about 10 % higher than that of the previous programme, which was 4.5 million units of account. But this represents a reduction in real terms, and within this there is a further reduction by a proposal to allocate 8 %, that is 334 000 units of account, over 4 years to students from non-member countries. Critics might well say: bearing in mind that there is a Community aid programme of 8.7 million units of

account and national programmes, why does the Commission continue with this? But surely these critics can be answered very simply. We are trying to achieve scientific, technological and industrial cooperation, particularly in the field of research and development amongst new and up-and-coming scientists, who should have a knowledge of different attitudes and different ways within the Community countries; and I hope that national governments, instead of hanging on to their own funds, will tend to put them at the Community's disposal for this and for other purposes, and I shall stress this later on. I think in future years we might have information on how much of the work being done is what I call basic, pure research work, how much is applied and, particularly, how much is development and prototype work. It is interesting to note that equal sums are going to be given to direct — that is, in-house research work — and to indirect — that is, national laboratories and universities in other countries — but the student or research worker benefiting must be in a country other than is own.

The emphasis Lord Bessborough has put forward on interchange with industry is all important. Not only must scientists in industry know what is going on in their own national research establishments, they must know what is going on in other national research establishments in the Community as well as the JRC laboratories. Therefore, in subsequent debates we must look at what we want to see for the future. I have said this before, but I do believe we want the Commission — and I shall stress this again in another debate — to define strategy, and the committee then to select who should carry out the research work. But those carrying out the work must ultimately understand the international or European philosophy to this work. Therefore, if the Commission determines strategy — which I hope it would do — and has people trained by this process in an international scientific approach, then in member countries there will be independent laboratories, such as Battelle or IRD, national laboratories, national engineering laboratories, physical laboratories in Britain at Harwell, our own JRC labs, industrial labs and the labs of industrial research associations, all of whom, I hope, will be given Community funds to extend their work on behalf of the Community, the Community acting as customer, these labs acting as contractor. For this to succeed, we want to have young scientists grow up in industry in different countries of the Community, in our learned institutions, universities and research institutions in different fields as well as take part in the strategy of a scientific endeavour within the Community. Therefore, I welcome this idea to increase international cooperation as outlined by Lord Bessborough in his excellent report.

(Applause)

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

Mr Veronesi. — (I) Mr President, honourable colleagues, I agree with Lord Bessborough that this subject is less exciting than the preceding one. I am convinced, nevertheless, that there is no one here who does not appreciate its importance.

Another of the points raised by earlier speakers with which I agree, is that there is substantial agreement on the decisions which have been made and so someone who ventures to speak last in the debate runs the risk of repeating what has already been said. Nevertheless, I should like, on behalf of my group, to make some general observations and you will have perhaps to bear with me for a certain amount of naiveté: I am the newest Member of this House and it may be that I shall be saying things long taken for granted by the old hands. The document before us concerns an objective which has long been identified and defined in the Community, and one of undoubted importance. It involves a principle beyond all discussion.

Nevertheless, it seems to me — and I make this comment in a spirit of approval — that the present programme is an attempt to meet the requirements which have been gradually emerging in the course of the implementation of its predecessors. This is the fifth technical education programme being launched in the Community: the first ran from 1958 to 1962, then there were those of 1963-67 and 1968-72, and finally the one that is now coming to a close in which the new countries, which have since joined the Community, were also involved. All these programmes have the same rationale, the same aims, the same objectives which I think are extremely well described in Document 257.

I think it would have been useful, however, while looking towards the future, to take a critical look at past experience, to draw up not only quantitative but also qualitative balance sheets of what has been achieved, of the sectors which received the heaviest investment, of the schools, the centres, the universities that have been most actively involved, so that we could make an accurate assessment of our present endeavour.

This would be all the more desirable because we should take note of some new factors which confer a particular importance on our decision. Besides, this need results also from the fact that the Commission, pursuant to Article 7 of the EURATOM Treaty, refers only to the Council and not to Parliament.

Still in the same spirit, equally cautiously, and certainly not in a polemic vein, I should like to mention that the previous programmes concerned the training of personnel who — at least as far as I can judge and was able to check — had nothing to do

with research problems as such. Special provision was made, it is true, for the nuclear energy sector, but the young people who underwent the training were not directly involved in research. In other words, a two-stage principle was observed: first: training, then: research activity.

Well, in my opinion this is not the right approach: instruction and training should be undergone in the work environment. The 1977-80 programme attempts, as far as I can see, to remedy the shortcomings of its predecessors and effectively meet the criticism I have just expressed. My group will vote for this decision. The programme as I have said unquestionably contains some new elements: in the first place, there is the setting up of the Advisory Committee — filling an obvious lacuna in the previous programmes which lacked an overall supervisory, guiding and controlling organism. Secondly, there is the reference, already very aptly noted by previous speakers, including the rapporteur, to Article 235 of the Treaty establishing the Community, which implies some form of participation, some involvement of Parliament. That was another serious shortcoming which previously restricted the scope of training activities for scientific personnel. This decision is warmly supported by the Scientific and Technical Committee which suggests — and this I see as another innovation — that young people should participate in the Community's scientific research programmes, so that they do not merely undergo an apprenticeship but are actively involved in real work and specific tasks and we do not produce ivory-tower scientists.

The fourth point to stress is the inclusion in the training programme of other research fields. I shall not repeat what has been so justly observed by other colleagues: that the need for interdisciplinary training today is so great that even the level of secondary schools, even in the thorny context of secondary school reform, these problems are being raised.

The fifth point in favour of our present decision is the opening up of the programme to scientists and engineers working in industry.

Another comment has already been made by previous speakers, but I feel should be stressed again, because we are facing an abysmal gap which must be bridged. I believe that one of the countries suffering most from this divergence between productive and research work is my own. I do think that it is necessary and useful to begin to build up an organic relationship between production, development research, and pure and applied research centres.

Finally, I am sure that the setting aside of the 8 % of the programme's budget for young people from third countries deserves unreserved support. That, too, has

Veronesi

been stressed by other speakers. This is a thoroughly good initiative which will remove some of the restrictions which characterized the earlier programmes.

Finally, I am not sure whether my last observation will be well received in the context of the present debate, but it is my feeling that this kind of training programme: so thorough, so useful, so energetic, could be extended in the spirit of the Lomé agreement and in the light of the North-South dialogue as a possible field of exchange: we should perhaps not overlook the possibility of receiving here young people from third countries and from the Third World to offer them the chance of better training.

Perhaps other Community initiatives exist to meet this particular proposal and I am not aware of them because, as I say, I am a newcomer. I think, however, that some consideration of this question could be useful because it is a topical and very important problem.

(Applause)

IN THE CHAIR: MR BEHRENDT

Vice-President

President. — I call Mr Brunner.

Mr Brunner, member of the Commission. — (D) Mr President, we are grateful for the encouragement given to us in this debate. As you have pointed out, this programme has been in existence for some time. It is now well under way. Since its inception, we have awarded 349 grants. We have given financial support in respect of 30 theses. In future, we want to expand the programme in accordance with the general guidelines on which we have based our research programme. Instead of concentrating exclusively or predominantly on the nuclear sector, we want to extend the programmes to other spheres. Furthermore, we want them also to cover nationals of non-member states. We consider it important that the Community should foster contacts with the younger generation of scientists in other countries. We propose to allocate about 8% of the programme, in other words 400 000 u.a., for this purpose. In future we want to cover more training courses with a view to supporting scientists following integrated courses. Parliament has given us considerable help with this programme. It is thanks to its invention that we have obtained an additional 400 000 u.a. This is very significant in the case of a programme for which we have no more than 5 million u.a. The allocation for the programme represents only a slight increase, about 10%, in comparison with the previous one. I am

extremely grateful to you for your support and for the encouragement that you have given us in the debate.

President. — I call Lord Bessborough.

Lord Bessborough, rapporteur. — Mr President, very briefly I would like to thank the Commissioner for his support especially of the amendment regarding the industrial candidates who will be acceptable in the programme and would also of course like to thank all those who spoke on behalf of their groups, Mr Ellis, Mr Noè, Mr Liogier and Mr Osborn, as well as the well-known physicist, Mr Veronesi, who has such a very famous name. I think all the suggestions that were made were well worthy of note. There are just three which I would like to answer.

First of all I think Mr Ellis' point about trying to work out the equivalent academic qualifications in each country is a very valid one and it could suitably be the subject of a separate report and resolution by our committee. I do think this is worth pursuing, although we have not been able, as he says, to have come to any conclusion on the matter within the framework of this report.

Secondly, I would give a rather similar answer on Mr Noè's point about management training, which is rather outside the scope of this particular programme, but perhaps he too might suggest in our committee that we should look at this and also produce another report and resolution on the importance of management training.

Mr Veronesi's suggestion about encouraging more young people from the Lomé countries is I think a very good one and they are certainly not excluded — and I think Mr Brunner agrees with this — and are definitely included in paragraph 4 of the Committee on Energy and Research's motion, although of course we do say there that we hope that the eligibility for grants will apply to applicants with experience of the appropriate technology. Otherwise I am most grateful to the House for having given me support on this report, and again I would like to thank the Commissioner for his assurance that this programme will continue.

President. — Since no-one else wishes to speak, we shall first consider the proposal for a Council decision.

On the third recital I have Amendment No 1 tabled by Mr Dalyell amending the wording as follows:

'Having regard to the proposal from the Commission, and the accompanying financial record sheet, submitted after consultation with the Scientific and Technical Committee (CST),'

I call Mr Dalyell.

Mr Dalyell, draftsman of an opinion. — I shall be brief on this item in presenting the opinion of the Committee on Budgets. The four-year programme is a continuation of past efforts by the Community. Four-year programmes in this area operated for the periods 1958 to 1962, 1963 to 1967 and 1973 to 1976. A far less satisfactory position obtained between 1968 and 1972; during those years annual programmes operated, and these lacked the continuity of integration that medium-term programmes have. The matter in question is important within the context of overall Community science and research policy.

It is urgent because the existing programme expires on 31 December and its budgetary significance is really not considerable; the amount involved is 5m u.a., spread over 4 years. The increase in cost appears to be moderate and the staff content not large.

The point which concerns the Committee on Budgets is primarily in the text of Article 2 of the draft decision, which constitutes an inroad on Parliament's prerogatives in the budgetary sphere. Here we must follow precedents set in the recent past. I have cited these precedents in paragraph 4 of my draft opinion. Precise figures should not appear in the text of Council decisions. On this Parliament has been consistent over the past 2 years. Therefore, to maintain consistency, we have no option but to endorse the amendments now presented which were approved unanimously by the Committee on Budgets at its meeting on 4 November. These amendments take out of the draft decision the reference to precise figures but leave the quantification in the financial annex which will be referred to in the preamble. These amendments apart, the Committee on Budgets gave a wholly favourable reaction to the proposal.

President. — What is the rapporteur's position?

Lord Bessborough, rapporteur. — I fully appreciate the arguments which Mr Dalyell has used in proposing his amendments and, being a member of the Committee on Budgets as well, naturally I am to some extent sympathetic with them. I certainly understand them. But I would particularly like to hear the views of the Commission on Amendment No 2 deleting this article altogether with no reference to the amounts. It seemed to me that in the amendment which I have put forward to Article 2 in my report that his point was to some extent met, in the sense that I have changed it to say that the expenditure for the implementation of this programme is *estimated* at 5.5 m u.a. I cannot help feeling that the Commission will want to include some kind of figure but I would very much like to hear the Commissioner's view.

President. — I call Mr Brunner.

Mr Brunner, member of the Commission. — (D) Mr President, I cannot accept the view of the Committee

on Budgets. We shall not get a decision from the Council if we do not enter precise figures. This is the way that it has always been done in the past. I prefer the proposal of the Committee on Energy, and Research which speaks of estimates, and to that extent is flexible and avoids the legal issue which would be raised by the proposal put forward by the Committee on Budgets. It is for that reason that we would rather go along with the Committee on Energy and Research.

President. — I put Amendment No 1 to the vote.

As the result of the show of hands is not clear, a fresh vote will be taken by sitting and standing.

Amendment No 1 is rejected.

On Article 2 I have Amendment No 2 tabled by Mr Dalyell and aimed at the deletion of this article.

What is the rapporteur's position?

Lord Bessborough, rapporteur. — As I pointed out previously when I was discussing both amendments together and in view of what Mr Brunner has said, I feel that we have to oppose this amendment and stick to the amendment contained in my report on Article 2.

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

The amendment is rejected.

I put the motion for a resolution to the vote.

The resolution is adopted.¹

12. *Decision on the energy research and development programme*

President. — The next item is the report by Mr Pintat on behalf of the Committee on Energy and Research (Doc. 403/76) on the

proposal from the Commission of the European Communities to the Council for a decision reviewing the energy research and development programme adopted by the Council's decision of 22 August 1975.

I call Mr Pintat.

Mr Pintat, rapporteur. — (F) Mr President, this afternoon's debate has shown how passionately concerned are the Members of this House with energy problems. Research is obviously essential if new energy sources are to be found.

By its decision of 22 August 1975 the Council had already adopted an energy research and development programme. In adopting, on 13 March 1975, the resolution tabled in the report by Lord Bessborough, the European Parliament expressed its strong approval of the research programme proposed by the Commission at that time.

¹ OJ C 293 of 13. 12. 1976.

Pintat

The programme, which covers a four-year period from 1 July 1975, has 5 project areas: energy conservation, the production and utilization of hydrogen, solar energy, geothermal energy and the analysis of mathematical systems by the development of models. The Council decision provides for the research work to be carried out mainly under contracts concluded by the Commission with other bodies. The first phase, with an appropriation of 12 million u.a., will end in December 1976. The second phase, lasting until 30 June 1979, will receive a larger appropriation of 47 million u.a.

In Lord Bessborough's report it was explicitly requested that this programme should be reviewed annually after the Scientific and Technical Research Committee has delivered its opinion. In line with the Council's decision, the Commission is now submitting for our consideration its proposals for the review of the research programme and points out, incidentally, that consultation of the European Parliament is compulsory in this area, pursuant to Article 235.

This review affects three main sectors. Firstly, the production and utilization of hydrogen. As you know, hydrogen is the solution of the future and will make it possible to store nuclear energy. The big nuclear power stations will produce electricity day and night. It will be very difficult to store this energy outside peak periods. The only way to do so will obviously be by having recourse to hydrogen.

The second sector is solar energy, which is available in abundant quantities in the natural environment. But here too substantial progress needs to be made and our research will have to concentrate on materials, and in particular the improvement of the encapsulating techniques used to store this precious form of energy.

The third research area is geothermal energy. This source of energy, although available in abundant quantities in the natural environment, is often difficult to use since it is found at great distances from the place of consumption. The idea therefore is to intensify research in this area by concentrating it on sectors hitherto neglected, such as hot dry rocks, in which a great deal still needs to be done before geothermal energy can be found close to places of consumption.

The proposed changes which have been submitted to us concern problems of allocation but do not involve additional expenditure or increases in budgetary allocations. It should be pointed out that in presenting its proposal the Commission admits that it is premature to expect scientific results here and now.

Research obviously only makes slow progress and it will not be possible to draw conclusions until the projects are carried out. The Commission adds that from the very beginning of the first phase of the programme close and very effective cooperation was

established between the relevant Directorate-General and the JRC departments responsible.

The Commission also notes, with a satisfaction that we share, that this has ensured a systematic harmonization between the different sectors of direct and indirect action. As you know, this is something which Parliament and the committees have always wanted but which we feel has not always materialized.

We can be pleased for once with the harmonization between direct and indirect action. It is my belief that if the Community is to reduce its dependence on outside energy, two fundamental conditions will have to be fulfilled: firstly, it must obviously save energy wherever possible and, secondly, it must develop research on new forms of energy. Such is the direction recommended by this report, which naturally gives maximum encouragement to the vital research in this area.

I think that sums up, briefly, the text before you. I trust that Parliament will follow the recommendation of its Committee on Energy and Research and approve the proposal for a decision submitted by the Commission.

(Applause)

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

Mr Mitchell. — Mr President, the Socialist Group gives full support to Mr Pintat's excellent report. We congratulate the beginning of their four-year programme started in March 1975. Those of us on the Committee on Energy and Research who recently visited Ispra will testify to the excellent work being done there as part of this programme.

I will make just two brief comments. One is on the question of solar energy. We welcome very much the research that is going on into solar energy, but would issue one word of warning. Occasionally we read in the press articles which seem to imply that solar energy is going to be the solution to all our energy problems of the future, and we feel that while we recognize that solar energy will make a very valuable contribution to energy problems in the future, we overestimate the part it will play. I can remember very clearly how in 1945 articles were being written saying that now we had the development of nuclear energy, all power and all energy would be free in 20 years time. It has not exactly come about that way. The same sort of articles are now being written about solar energy. We also welcome the proposed extra research on geothermal energy, particularly in relation to hot dry rocks. I think my own country, the United Kingdom, has a part to play there. I think sources in parts of our country, particularly Cornwall, will play an important part in the future.

Mitchell

So, Mr President, we as a group very much welcome this report and hope that the four-year programme as amended by the Commission will come to full fruition.

President. — I call Mrs Walz to speak on behalf of the Christian-Democratic Group.

Mrs Walz. — (D) The Christian-Democratic Group is grateful to the rapporteur, Mr Pintat, for his excellent and lucid report, which we fully endorse. The European research programme is leaving the bounds of the nuclear sector and will be concerned with other domains of importance to the future. Hydrogen, solar energy, geothermal energy and energy conservation are the research fields to be covered, although in our latitudes solar energy and geothermal energy must inevitably play a secondary rather than primary role as substitutes for existing energy sources. In contrast, the greatest possible emphasis must be placed on energy conservation, especially on better utilization of available energy sources, and also avoidance of energy waste, since in the interests of future generations we must avoid exhausting our natural resources through over-exploitation. It is most deplorable that the Council does not propose to consider the energy conservation programme until next year, despite the fact that the new oil crisis, to which we referred earlier on, is just round the corner. It is essential that the energy conservation programme be given the highest priority, and it must be implemented without delay.

It is also deplorable that the Commission has failed to adopt the suggestion put forward by the Scientific and Technical Research Committee, whereby the present allocation of appropriations among the individual sectors could be altered within a range of 10 % as a function of the knowledge acquired in each particular sector. By this decision the Commission has deprived itself of the opportunity to adapt the research effort effectively to the objectives, and this will need to be corrected in the next budget. In conclusion, it is to be hoped that the bickering over the number of staff will be brought to an end, and that the research workers will be allowed to get on with their job.

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

Mr Liogier. — (F) Mr President, first of all I should like to thank Mr Pintat for once more giving this Parliament the benefit of his expert knowledge.

We have before us today the draft proposal for a review of the energy, research and development programme. This is a good omen, as the European Parliament had emphasized when studying the initial programme that great flexibility would be necessary in its implementation in order for the project to be

adapted to the economic situation and to research requirements.

We are glad therefore that our opinion has not gone unnoticed and we approve of the proposed changes submitted for our consideration, namely the extension of the research programme to the production and utilization of hydrogen, industrial-scale storage and the distribution of hydrogen. In the solar energy sector the two new activities concern the photovoltaic conversion project: new or improved encapsulating materials and data collation. In the area of geothermal energy a separate project is to be set aside for research on hot dry rocks, which currently come under 'steam sources and hot rocks'. It should also be noted that these proposals do not involve any increase in the initial budgetary allocation or any redistribution of appropriations. We therefore support Mr Pintat's report.

President. — I call Mr Osborn to speak on behalf of the European Conservative Group.

Mr Osborn. — Mr President, may I support on behalf of the group the excellent Commission proposal and congratulate Mr Pintat on his report. I may not be as short as I had hoped because I wish to relate my comments to the debates we have already had.

By the next part-session of this Parliament the OPEC states will be debating the possibility of increasing the prices of petroleum sold to the industrialized countries. The latest statistics demonstrate that the mild economic recovery in some Member States has been accompanied by increased petroleum imports varying from 7.8 to 13.9 % and any long-term growth in the economies of the Community will be constrained by Member States' ability to pay the necessary price for crude oil and this is the background so lucidly explained two and a half years ago by Mr Pintat on the objectives of a common energy policy. Now, Parliament is being asked to approve under these heads 47 m u.a. The Community needs alternative sources of energy and these are the livelihood of the Member States. I wonder whether these funds in Community hands are enough and whether the member countries in fact might want to put more money in the hands of the Community, bearing in mind some of the questions I have been asked.

The search for alternative sources of energy must go on, because a 1 % increase in oil prices would increase the total energy bill of the industrialized nations by \$ 1 000 000 000. Now these are not the only fields of energy in which the Community is interested. On energy conservation there has been a very good Commission report dealt with by Mr Tom Ellis and, as Mrs Walz has said, perhaps a few flats with automatic switching-off of lights in the corridors, lower heating of the corridors and more limited use of lights in our towns and streets would give us the

Osborn

energy saving and avoidance of waste that she talks about. The production and utilization of hydrogen which we have seen at Ispra has immense possibilities and there are great brains all over Europe following the lead taken by Ispra. I will comment on solar energy and geothermal energy later on.

In talking about this programme to scientists and engineers in Britain — and I am afraid I have to relate my own experience — there is a feeling that there is a lack of coordination and purpose in the industrial and academic field. There is a hope that some institution in the Community — and I have raised this point with Dr Brunner before — will lead these brains down the right way. There are the independent research organizations like Battelle and International Research and Development. There are the individual laboratories of industries which, if given an industrial potential, will pursue it. There are in Britain the research associations, which I hope will acquire a European approach, such as my colleague, Lord Bessborough, has done so much to bring about in the past. There are universities and international laboratories. They meet casually, they try and meet with a purpose. Dr Brunner and Dr Schuster had this conference in Milan.

But can I give examples of alternative energy sources? Dr Marshall, who is leading an energy team and was at Harwell has included wave power in this, and in a British symposium it was said that wind and tidal power must also be included. Two months ago we had a deputation of Senators and Members of Parliament from Canada. I have received excellent information as a result of that visit on the shale oil reserves and the progress of the CANDU reactor.

But if these academics are looking into this, I might point out that in the Royal Society there was a symposium on renewable sources of energy and how far they can be made to meet Great Britain's energy needs. I wish they had referred to Europe instead. This symposium covered solar energy, tidal power, wave power and wind generation as well as geothermal. On my last visit to Brussels I met Dr Barnes, chief scientist of the British Steel Corporation. Right at this moment there is a congress on hydrogen and prospects of the use of natural gas taking place at Liege. And, of course, there is the European Nuclear Steelworks Club, which is associated with this. At Sheffield University there is an active department of energy, and the Royal Institution has published the solar energy assessment prepared by the UK section of the International Solar Energy Society, the chairman of which has been a professor in Sheffield — Professor Jack Page. I have this report, I will present it to the library before I leave, and I hope the Commission will have a look at it. Industrialists who have spoken to me

say that, because of the dying down of old industries, we want new industries to develop, perhaps to develop the solar cell, perhaps make use of solar energy as a form of domestic heating, and have asked me what I, as a Conservative M.P., can do, what can governments do, what can the Commission do, to open up new avenues of wealth creation in order to keep us warm, to cook our food, using new sources of energy? I may say that my colleagues in the Conservative Group have thought there should be a European Energy Agency — although I have not wanted to support this. But the Commission can provide this momentum if it feels it has the scope and responsibility for it. There is a need for some force to coordinate this industrial and academic effort — although it is a difficult enough task — so that industrialists can see markets for new ideas in providing alternatives for what will be a very expensive source of energy, namely oil. I shall be asking Mr Springorum, the chairman of the committee, and others for special reports on the solar situation, the production and use of hydrogen as an energy carrier, perhaps geothermal energy, and I know the committee want it. But I very much hope that, as a result of this debate — and I welcome Mr Pintat's observations on the Commission report — in the field of energy, the Community will embrace everything that is going on and perhaps give a lead, so that all brains, all opportunities for production, can start going down the same road, instead of zigzagging on different roads, which has been the observation put to me.

I turn to the Commission and Dr Brunner. I do not want to be critical because the task is difficult enough. The fact that the Commission are doing this, and that there is this very excellent initiative outlined in the report which we are debating now is to be welcomed. But once again I say can we provide a wider lead through CREST and other institutions, so that all can be more lucidly informed as to what is going on and what is relevant in this field?

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

Mr Veronesi. — (1) Mr President, ladies and gentlemen on behalf of the Communist Group I declare our total agreement with the motion its content as well as its form. We regard this document as both necessary and significant because it reviews the present situation and concerns itself with establishing better prospects for the future. We also agree with the motives exposed in the explanatory statement: the aim is not to change the objectives laid down within the overall energy plan, but to coordinate, refine and define them more clearly on the basis of a critical examination of previous experience.

Veronesi

Methodologically, this is the correct approach and it is essential if we really mean to launch into new initiatives. Document 264 of 25 September 1976 presents a full justification of the proposed modifications to the plan. I believe that, together with the excellent report by Mr Pintat, it provides us with the necessary data to take an informed decision. We should not, however, be carried away by excessive enthusiasm in discounting some of the alternative solutions. I am convinced that for the short and medium term the only solution which can guarantee us large amounts of energy, which we now know how to produce, and the high power outputs which the modern productive methods require, is provided today by nuclear energy.

But other means which could make the Community countries less dependent on the oil-producing ones, must not be overlooked. I mean, in particular, solar energy, geothermal energy and wave power. Utilization of hydrogen, on the other hand, is contingent on the availability of a high-temperature primary energy source and essentially represents simply an improved use of already existing installations. It could therefore provide a method of reducing losses and prove of interest as a new medium for energy transport. It should, however, be always remembered that a primary energy source is needed first.

We fully support the proposals for action in the new sectors indicated, with the prospects which have been described. Here, however, we cannot rid ourselves of the long-standing doubt and uncertainty that hangs over all our debates, and was increased by that on the resolutions tabled by Mr Springorum, where we are advised against taking major initiatives in establishing Community institutes — not because we do not have sufficiently qualified technologists and scientists but because of the lack of political direction and political will, of the lack of encouragement, control and dynamism which are, after all, essential.

On my first day in this Chamber, I heard Mr Springorum himself, making, in the course of the debate on the Community's budget, passionate statements on energy policy which, nevertheless, I feel deserve criticism. Today, we have had proof how much this critical attitude is widespread in this Chamber. For it is true that there is a danger that Parliament, the committees, the scientific advisory committees — are only working for the record. We have admirable technical papers, well-constructed plans, carefully reasoned projects which are the labour of the Community's ? planning talents — but these all remain on paper. Perhaps one day they can serve as a lesson in methodology to a new generation preparing to work in the future, but they are only a series of methodological projections, not an expression of clear political will.

This is why we ask that consideration be given to all the possible means of ensuring regular and continuous oversight and steady prompting — not, obviously, control in a fiscal sense, but one that would

serve to keep Parliament currently informed of what is happening. And this is all the more important because we have already lost much time.

The search for sources of energy alternative to petroleum has a long history behind it. Mr Cifarelli was the first to recall that it originated with the 1956 Suez crisis. But in 1957 the Community had before it a most valuable document, drawn up by the 'three wise men' advocating fervently, for far-reaching and weighty reasons, an early start on identifying alternative energy sources, a start to be made *then*, still in a situation where the costs of traditional energy sources were essentially low. Now, because a master I greatly admire has taught us that for the pessimism of reason we must substitute the optimism of the will, we say that if we have this optimism of the will, we can carry out this programme and its earlier, more general, predecessors, and really put the Community on the road to shaking off its present bondage of energy dependence.

(Applause)

President. — I call Mr Brunner.

Mr Brunner, *member of the Commission*. — (D) Mr President, we are trying to make the best of the 59 million that we have been allocated for the four years. You have mentioned the fields in which we are working: geothermal energy, solar energy, systems analysis and hydrogen. We are now engaged on evaluating these programmes, which have been operating for 18 months.

We have received a very large number of applications, in fact 650. We have given support to 201 of them. These projects also help research institutes to join us in performing a coordinating function. We are now trying to adapt and improve the projects somewhat. We are taking some measures in the field of industrial storage of hydrogen. We want to undertake more research in the sector mentioned by Mr Mitchel, namely hot rocks. We are trying to do something on the transport of hydrogen. At the same time, we are working on the development of new encapsulating materials in the solar energy sector. In all these areas we are gradually making progress. The decisive factor in the initial phase is that these programme should be properly coordinated with the direct programmes being carried out at the Joint Research Centre. That is the function of the Consultative Committee on Programmes. This committee, which is active in the various sectors, is the same as in the Joint Research Centre, the same as in the indirect actions in which we cooperate with the national research institutions. I am happy to say that the worries expressed by Mrs Walz are unfounded. The budget procedure has given us the possibility of transferring appropriations from one programme to another within a margin of 7 %, and from 1978 we can consider raising the margin to 10 %.

Brunner

I believe that, in the light of what has been said in the debate on the energy crisis we have made a useful start. I believe that we are performing the function which Mr Osborn had in mind when he said that we ought to stimulate Community research through our efforts to coordinate what was being done. This programme is essential. It is useful and it has proved its worth. We shall re-assess it and we shall continue to modify it, in which connection we shall count on encouragement from you. I thank the rapporteur for his most valuable work.

President. — I call Mr Pintat.

Mr Pintat, rapporteur. — (F) Mr President, I should like to reply briefly to the Members who have spoken. It is true that the views of the Members of the Committee on Energy and Research were confirmed when they visited the installations at Ispra. We were very favourably impressed during our visit and became convinced that some very good work was being done in those installations.

I should like to say something in passing about so-called 'free' sources of energy. It has been said in certain forums that solar energy is advantageous because it is a free form of energy. That is not quite true since, in abstract terms, coal and oil are also free while they are underground. What costs money is the technical exploitation of these sources of energy. It cannot therefore be said that solar energy is any freer than any other form of energy, though this does not mean that it should be neglected.

I agree with Mr Osborn that the current energy situation is an extremely difficult one. The next few days will most certainly see a revival of our economic troubles following the increase in the price of oil which is expected to be as much as 5, 10 or even 20 %. Consequently, we must not neglect these minor sources of energy which are the subject of this report. They represent only modest resources but will be most useful in the days to come. I would however point out that according to the most optimistic reports which have been drawn up on energy problems these forms of energy represent no more than 1 to 2 % of a country's total energy requirement. I therefore fully agree with Mr Veronesi when he says that the only way to secure abundant amounts of energy is to resort to atomic energy. However, oil will be with us for a long time, even if additional requirements are met by atomic energy.

Since the subject of tidal power stations has been mentioned, I might say that I too have had an opportunity of examining this question. At the end of the study of an important project, the Chaussey Islands project in the Bay of the Mont St Michel, it was decided that this somewhat risky project would result

in higher production costs for electricity than production by atomic energy. Moreover, while the ecologists have pointed out a large number of difficulties in the area of atomic energy, there are even greater difficulties involved in putting a tidal power station into operation.

Those, Mr President, were the additional comments I wanted to make. I thank all the speakers for their valuable contribution to this interesting debate.

President. — Since no-one else wishes to speak, I put the motion for a resolution to the vote.

The resolution is adopted.¹

13. *Third-party motor vehicle insurance*

President. — The next item is the report by Mr Schwörer on behalf of the Committee on Economic and Monetary Affairs (Doc. 412/76) on the

motion for a resolution tabled by Mr Schwörer, Mr Mitterdorfer, Mr Mursch, Mr Brugger, Mr W. Müller, Mr Suck, Mr Schmidt, Mr Schwabe, Mr De Keersmaeker, Mr Vandewiele, Mr Bangemann and Mr Artzinger on third party motor vehicle insurance in the Community (Doc. 357/76)

Since no-one wishes to speak, I put the motion for a resolution to the vote.

The resolution is adopted.¹

14. *Oral question without debate: Protection of copyright*

President. — The next item is the oral question without debate by Mr Guertsen to the Commission of the European Communities on the protection of copyright in the field of photomechanical reproduction (Doc. 387/76):

1. Since there is no international protection of copyright in the field of photomechanical reproduction, should not the Commission take the lead in endeavouring to achieve at least greater compatibility between the nine copyright acts?
2. In the case of future harmonization, without losing sight of the idea of a homogeneous and comprehensive solution to the copyright problem, should not thought also be given to monopolies and distortion of competition, so that citizens and institutions subsidized by public funds in one country do not enjoy unfair advantages over their counterparts in another?
3. Should not the Commission, as a logical consequence of setting up EURONET, act to protect and further those interests and incentives which are specifically generated by scientific and technical information — and without which neither photomechanical reproduction nor EURONET itself would be possible?

I call Mr Guertsen.

¹ OJ C 293 of 13. 12. 1976.

Mr Guertsen. — (NL) Mr President, my questions draw the attention of the Commission to developments concerning copyright protection in the field of photomechanical reproduction. My reason for doing this is that not so long ago the executive committee of the Union of Berne and the Universal Copyright Convention decided not to pursue the matter of copyright problems in this field.

The two international agreements on copyright protection have proved inadequate even as regards laying down general guidelines. The problem is left to national legislators. These agreements fall short of requirements, and although this is a very complicated question, I hope that the Institutions will be able to formulate arrangements for our nine countries. I would add that I consider this essential particularly for reproduction, usually in the form of photocopies, of magazine articles. It is essential not only because it involves the copyright interests of authors and publishers, but also because fair competition and employment and scientific progress are also at stake. If the unbridled photocopying of magazine articles and even whole magazines without due payment to the copyright owners causes scientific journals to cease publication, scientific authors will lose a means of disseminating their views and the people involved in the publication of those journals will lose their jobs. There are a number of developments taking place which lead me to fear that this is the direction in which we are moving. To the best of my knowledge there exist central photocopying services subsidized by national governments.

For example in the United Kingdom there is the *British Library Lending Division (BLLD)* which provides photocopies of books and periodicals in its possession on request to other libraries without copyright payment. This is a kind of government-subsidized monopoly, since analogous institutions in other countries which do prescribe proper payment to the copyright owners — as is the case in my own country — and which do not receive a subsidy, cannot compete on prices. In the special case of the *BLLD* there is the added factor that this gigantic library does not even require its customers to pay a contribution towards the cost of acquiring books, periodicals and other media. This amounts in fact to dumping and prevents others — in particular commercial suppliers of information — from finding customers for their services. The strange thing is that no one seems to realize that this dumping policy can only continue as long as others are prepared to continue to pay the price for publications which are essential for their own activity. As soon as the photocopy market has expanded to the extent where publication of the photocopied periodical can no longer be sustained, there is no rational basis for photocopying. That was my first example.

For my second example, Mr President, I turn to France, where royalties do have to be paid for making photocopies, in the form of a parafiscal tax. The revenue derived from this is used to give the libraries more financial latitude, to support printing firms which have got into difficulties, indirectly to make it possible to publish high-quality monographs in limited edition and finally to channel a portion of the royalties to French authors and publishers.

No share of this goes to foreign authors or publishers. If, for example a Dutch author may find that, although he himself receives nothing directly, his French colleague will be enabled to publish a monograph. The Dutch publisher receives nothing, while French printers are subsidized at his expense. This is possible because the copyright laws of our nine countries clash on the matter of photomechanical reproduction. From the point of view of copyright this is unsatisfactory, but perhaps that aspect is not primarily a Community matter. But it is a different story when the differences give rise to monopolies and distort competition, and when the livelihood of specialized publishers is threatened, bringing irreparable damage to the media for disseminating scientific information and destroying what are often specialized jobs. So, Mr President, although I am aware that I am presenting the Commission with an exceptionally difficult task, I have taken the liberty of asking the Commission to take the lead in the endeavour to create harmony in this respect between the nine copyright laws. I feel all the more free to do this since the Commission itself, through its request to Dr A. Diets of the Max Planck Institute, has shown that it is aware of the problems involved and since, with the establishment of EURONET, our Community has every interest in protecting by all possible means its own means of generating scientific and technical information in scientific periodicals.

President. — I call Mr Brunner.

Mr Brunner, member of the Commission. — (D) Mr President, I am pleased to join a Liberal, a colleague by persuasion, in winding up this debate. We are accustomed to addressing small assemblies.

Mr President, Mr Geurtsen raised an important point. Its significance may be gauged by the fact that in Germany alone 8 000 000 million copies are made each year. It is a fact that the Commission has to consider copyright problems and also the ways in which these may affect competition. We commissioned the Max-Planck-Gesellschaft to undertake the study to which Mr Geurtsen referred, and we are now in the process of evaluating it. We find that there are appreciable differences in copyright laws, and we shall have to investigate carefully to what extent these differences might lead to distortion of competition. You may rest assured that competitiveness will be in the forefront of our minds.

Brunner

Mr Geurtsen has raised the matter of EURONET. This is still of course at a stage where it does not yet replace contact between users. Problems will only arise when large specialized lending libraries join. At the moment EURONET supplies data, short abstracts and bibliographic information. We have not yet, therefore encountered the problem that may arise when it comes to replace direct contacts between users.

President. — This item is closed.

15. *Agenda for next sitting*

President. — The next sitting will be held tomorrow, Wednesday, 17 November 1976, at 10 a. m. and 3 p. m. with the following agenda :

- Question Time
- Statement by the President-in-Office of the Council on political cooperation, followed by a debate
- 3 p. m. : Reports by Martens and Hamilton on the amendment of the Rules of Procedure (vote)

I would point out that motions for resolutions amending the Rules of Procedure can only be adopted if they secure the votes of a majority of the Members of Parliament.

- Joint debate on two oral questions to the Council and one oral question to the Commission on the fishing policy
- Oral question with debate to the Council on the Communities' environment programme
- Albertsen report on the first European Social Budget (revised)
- Oral Question with debate to the Commission on craft trades
- de Broglie report on direct taxation.

The sitting is closed.

(The sitting was closed at 7.35 p. m.)

SITTING OF WEDNESDAY, 17 NOVEMBER 1976

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IN THE CHAIR : MR SPÉNALE

President

(The sitting was opened at 10.20 a.m.)

President. — The sitting is open.

First of all I should like to express my apologies and those of the Bureau, particularly to the President-in-Office of the Council and to the President and Members of the Commission, for the delay in starting this sitting. The enlarged Bureau was holding a meeting: we tried to be as brief as possible, but we were unable to finish our deliberations in time. That is why it was announced that the sitting would begin a quarter of an hour later, but I believe that the President-in-Office of the Council and the President of the Commission were not informed of this and were here at 10 o'clock. I therefore beg them to accept our apologies and hope that this will not happen again.

I call Mr Dykes on a point of order.

Mr Dykes. — Mr President, forgive me if I come in on the same point that you have just made, because I am sure your apologies are accepted by all parts of the House. But apart from it being a discourtesy to our guests, the Council and the Commission, if this Parliament starts its sitting late, it is also extremely inconvenient, to say the least, to ordinary back bench Members of this House as well. Not only was there the original delay without sufficient warning of a quarter of an hour but the sitting is now starting six or seven minutes late as well. This surely is not the way to run a modern European Parliament.

President. — Mr Dykes, I take note of your statement. I am afraid that during part-sessions it is very difficult to cope with the work.

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. *Congratulations*

President. — Ladies and gentlemen, you have all heard that Mr Hillery, Vice-President of the Commission of the European Communities, has been called upon to assume the highest office in his country, that of the President of Ireland. His term of office begins on 3 December next, which means that he will remain Vice-President of the Commission of the European Communities until 2 December. He has made a point of being with us again today.

His predecessor, Mr Ó Dálaigh, whom we had the great pleasure of welcoming in this House, went from

the Court of Justice to the Presidency of Ireland. Mr Walter Scheel, a former Member of our Parliament, is the President of the Federal Republic of Germany. Today it is a Member of the Commission of the European Communities who is assuming the Presidency of his country.

Together with many other examples — which I cannot quote here — at governmental level, your promotion to your country's highest office, Mr Hillery, is another splendid illustration of the interpenetration of the Community Institutions and the institutions of our Member States.

This is vitally important for mutual understanding and for the improvement of cooperation between Community Institutions and the national governments, reflected in all their variety in the Council of Ministers.

We are convinced that, without this interpenetration, the progress which has been achieved in our relations, both with the Council itself and with many governments, would have been impossible.

This is why, Mr Hillery, our regret at witnessing your departure is tempered by the awareness of the great honour which, through you, is being conferred upon a Member of the Commission of the European Communities and the certainty that our relations with Ireland will remain what they have always been, that is excellent.

On behalf of the Bureau, all the political groups and all the Members of this Parliament, I therefore extend to Mr Hillery our sincere thanks for the spirit of cooperation and the great competence with which he has participated in our work during these past years, together with our warmest congratulations.

I wish him on behalf of all of us, complete success in his high office.

(Loud applause)

I call Mr Hillery.

Mr Hillery, Vice-President of the Commission. — I thank you Mr President and indeed all the Parliament for the tribute which you have paid me on my election as President of Ireland. It has been said by you, and elsewhere, that my election is also a tribute to my colleagues in the Commission, to the institutions of the Community and to the European ideal which we serve. I am happy and proud that this should be the case, particularly as it is my privilege to succeed as President Cearbhall Ó Dálaigh who, at the time of his election, was a distinguished member of another Community institution, the Court of Justice. It has been an experience of great value to me to serve as a member of the Commission of the European Communities during these four years — four years which have seen the successful enlargement of the Community and considerable progress in the shaping of what has

Hillery

been called the human face of European integration. As a member of the Commission with special responsibility for social affairs, I have particularly welcomed the support and understanding of Parliament. Your help has been particularly significant where the role of the European Social Fund and Community initiatives in favour of migrant workers and of equal treatment and opportunity for men and women are concerned.

In thanking you today for this encouragement, I believe I am speaking not only for the Commission but on behalf of the ordinary people of Europe. On many occasions this Parliament has urged the need to extend the range and scope of European social policy. You have been generous today, Mr President, with your wishes to me and to the Irish people, whom I shall shortly represent in office. May I in turn express the hope that the European Parliament will continue to be a catalyst of social concern at Community level, a catalyst whose powers may be transformed by the process of direct elections to which we all now look forward.

(Applause)

3. Question Time

President. — The next item is questions addressed to the Council and the Commission of the European Communities (Doc. 411/76 and addendum), in accordance with the provisions of Rule 47A, paragraph 1, of the Rules of Procedure.

I would ask Members to put their questions in strict conformity with these rules.

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

Question No 1 by Mr Glinne, has, at its author's request, been postponed until the December part-session.

I call Question No 2 by Mr Dondelinger :

What measures has the Council prepared in order to ensure that, when the European elections are held in 1978, industrialists who receive enormous orders from a Member State or from the Community are declared ineligible for election to the European Parliament or obliged to resign, so that the new Europe may be spared events like the Dassault affair ?

I call Mr van der Stoel.

Mr van der Stoel, President-in-Office of the Council. — *(NL)* Paragraph 1 of Article 6 of the act concerning the election of Members to the European Parliament by direct universal suffrage lists the activities which are incompatible with those of a Member of the European Parliament. I would also point out that paragraph 2 of the same Article provides that 'in addition,

each Member State may lay down rules at national level relating to incompatibility'.

Mr Dondelinger. — *(F)* It is the incompatibilities referred to in paragraph 6 of Article 2 which are meant here. If the present incompatibilities, which differ from one Member State to another, are unchanged at the time of European elections, it may well happen that, depending on the country, a citizen will or will not be eligible for election to the European Parliament.

I therefore think that it would be worthwhile harmonizing the provisions relating to incompatibility, and I ask the Council to forward notes or to make recommendations to the Member States to this effect.

Mr van der Stoel. — *(NL)* With regard to harmonization, I should like to point out that these provisions apply to one occasion only, namely the first election of the European Parliament by direct universal suffrage. Parliament itself will then be in a position to draw up proposals for the definitive rules governing elections of the European Parliament by direct universal suffrage, and harmonization will doubtless be one of the points which can be dealt with then.

Mr Terrenoire. — *(F)* To supplement the pertinent question by Mr Dondelinger, to whom I am grateful for his regular interest in French internal affairs, I should like to know whether the Council intends also to declare ineligible for election to the European Parliament any political figures who have been associated with the purchase of American equipment, in view of certain corrupt business practices by American firms in countries other than France.

Mr van der Stoel. — *(NL)* I see no immediate reason to add anything to my answer.

Mr Durieux. — *(F)* Without wishing to go to the root of the question, as Mr Terrenoire did, we Liberals feel that every citizen without exception must have the right to be a candidate in direct elections to the European Parliament, even though the Convention will have to lay down some incompatibilities which will only apply at the time of the actual election.

But does the Council consider that incompatibility must be specified with regard to the dual mandate ?

Mr van der Stoel. — *(NL)* As Parliament is aware, it has been decided to leave the dual mandate optional for the first elections by direct universal suffrage. When it comes to the definitive provisions, it will again be up to Parliament to put forward a proposal on the matter.

Mr Patijn. — *(NL)* Can the President-in-Office of the Council explain to me why he thinks that the question of the incompatibility of functions only applies to the first elections, especially now that the Council has deleted 1980 from the Parliament prop-

Patijn

osal for drawing up a uniform procedure. I can see no reason at all why the provisions on incompatibility, as laid down in Article 6, cannot continue to apply after the first elections in 1978 and why these provisions cannot also be applied in 1983.

Mr van der Stoel. — (NL) I wanted to stress in my reply that a provisional formula has been found for the organization of the first election of the European Parliament by direct universal suffrage. A uniform election procedure will then have to be drawn up for subsequent elections, and it is from Parliament that the ideas will come in the first place. I wanted to point out that that Parliament will probably work out certain ideas on the incompatibility of functions. That is what I wanted to emphasize.

Mr Fellermaier. — (D) Mr President of the Council, do you agree with me that bringing in all these matters, ranging from the question of incompatibility to solving the problem of the dual mandate, might provide a welcome excuse for delays for those who in some Member States are against direct elections, and that therefore every national parliament should, as laid down in the Convention, decide this question for itself so as to ensure that elections can take place in 1978, even if a French jurist, in an article in *Le Monde*, has in the meantime gone so far as to issue prohibitions for French Members of Parliament and has even proposed that French Members should be threatened with the withdrawal of their national mandates if they do not keep to the official French line in the European Parliament?

Mr van der Stoel. — (NL) We should in fact be able to work on the basis of these provisional formulas without difficulties arising, and it is not right to conclude from this debate that problems will necessarily beset the first elections to the European Parliament. The regulation to be submitted to the national parliaments is now complete. Of course new provisions may be incorporated at a later stage when the final draft is being drawn up, but a general regulation for the first direct elections has already been prepared.

President. — I call Question No 3 by Mr Cousté:

After the recent half-yearly consultations between the Commission and the USA, can the Council state whether the divergent standpoints of the United States and the Community on the method of cutting tariffs and the treatment of agricultural produce have been brought closer together, and whether it intends to take steps to ensure that the multilateral negotiations at Geneva (Tokyo Round) can in fact reach a positive conclusion in 1977?

Mr van der Stoel, President-in-Office of the Council. — (NL) The periodical consultations between the Commission and the United States come within the responsibility of the Commission, which keeps the Member States informed through the competent

Community bodies. With regard to the multilateral GATT negotiations, the Community has stated its preparedness to contribute to a liberalization of world trade, provided that the principles and export regulations involved in the various types of Community policy, and the progress already made by the Community are respected. This is confirmed by the guidelines adopted by the Council on 10 February 1976. It is obvious that the Council will in due course examine any proposals which the Commission may put before it, so that the Community can help to ensure that the multilateral trade negotiations can be completed within the time-limit agreed on by the participants.

Mr Cousté. — (F) Meetings with a very precise purpose have just been held in Geneva; new negotiating groups have just been created under GATT, particularly on the problems of protection but also on the basic question of agricultural products. I do not hear the Council speaking about this aspect, which seems to me to be of the utmost urgency.

Mr van der Stoel. — (NL) As I have already stressed in my reply, the Commission must of course inform the Council regularly of new developments. I am afraid I have to inform Parliament that there is no progress to report concerning these negotiations, except on tropical products.

Mrs Dunwoody. — Would the President-in-Office of the Council not feel that one way of persuading the Americans to cooperate on a change in tariff barriers might be for the Commission to seek to take panic measures in the agricultural field specifically aimed at getting rid of their skimmed-milk powder mountain and taking taxes against vegetable oils which directly affect the American sales of soya?

Mr van der Stoel. — (NL) I should like to remind the House that the Commission naturally has the right to submit specific ideas to the Council whenever it thinks fit. It is the Commission which has the power of initiative in this. In general I think that regular contact between the Community and the United States offers the possibility of solving the various problems, including those in the agricultural sector. It is precisely through frequent contacts that problems which might otherwise arise can perhaps be avoided or alleviated.

President. — I call Question No 4 by Mr Cointat:

In view of the disastrous repercussions of the fall in the pound sterling for the Community's monetary mechanism, and independently of the adoption of Commission proposals aimed at reducing the monetary compensatory amounts, does the Council intend to grant the United Kingdom short- and medium-term financial aid for the purpose of correcting that country's enormous economic imbalances, at the same time encouraging it to apply to the International Monetary Fund for help?

Mr van der Stoel, President-in-Office of the Council. — (NL) The Council has received no request for either short- or medium-term financial assistance from the Government of the United Kingdom. Moreover, the Commission has submitted no proposal in this connection to the Council. In fact, the Government of the United Kingdom has publicly stated its intention to apply to the International Monetary Fund for financial assistance, as the honourable Member wishes.

Mr Cointat. — (F) Is the Council in favour of withdrawing the pound sterling as a reserve currency, and what is the importance of this reserve currency.

Mr van der Stoel. — (NL) I should like to come back to this point after replying to Mr Dykes.

Mr Hughes. — Does the President-in-Office of the Council not believe that, regrettably, this question is slightly ill-timed in a week when the International Monetary Fund representatives are discussing in detail the application by the United Kingdom Government for the loan?

Secondly, does he not believe that, apart from the problems of the enormous economic imbalances mentioned in the question, there is a need for those countries with enormous positive economic balances to take such steps as will promote the growth of world trade, even if there are internal risks?

Finally, would he not accept that if either the IMF or the Council or the Community require socially unacceptable conditions for the United Kingdom in giving any such aid, it would have disastrous consequences?

(Applause from certain quarters)

Mr van der Stoel. — (NL) With regard to the first question I should like to say that Members of Parliament have the right to ask those questions which they feel they must ask; it is not for me to pass judgment as to whether or not they are ill-timed. For the rest I should like to stress that the IMF negotiations are the main thing at present and that I therefore do not think it is the right moment, while these negotiations are in progress, to make statements on the matter, even with regard to the possible role of the Community. It is clear that we must await the outcome of the IMF negotiations before the Community can tackle this problem — if that proves to be what the Government of the United Kingdom wants. On the other hand, I am not aware of any conditions which would be socially unacceptable.

Mr Johnston. — Mr President, while accepting — as I am sure you do — the necessity to bring the green pound into line by stages, does the President-in-Office of the Council agree that, if this could be done — and, indeed, it will have to be done at some stage — it

would be desirable to consider transferring, the considerable funds which would be saved in a very controlled way to the Regional and Social Funds of the Community, which of particular benefit to the poorer members of the Community.

Mr van der Stoel. — (NL) I should like to point out to Mr Johnston that, for example on the extent and distribution of the amounts from the Regional Fund, very extensive consultation was necessary, which ultimately could only be resolved at a summit conference. Although I appreciate the motives behind this question and although I agree that there are indeed very great differences in living standards in the Community, it will be apparent to him that — since no further Community decisions have been taken on this point — I can in no way anticipate the attitude which the Council may adopt on this matter in the coming years.

Lord Bruce of Donington. — Will the President-in-Office make it quite clear that he does not concede the inference contained in the question, namely that the recent decline in the value of the pound sterling is directly related to my country's economic performance? Is he aware that there is a very substantial volume of financial and economic opinion in the world which attributes the recent decline in the value of the pound sterling on the exchanges to a mass movement of thousands of millions of pounds across the exchanges which is completely unrelated to my country's economic performance? Will he also bear in mind that there is a possibility that these movements across the exchanges, to which I have referred, may presently affect the country of the questioner?

Mr van der Stoel. — (NL) I do not believe that the President of the Council should make judgments on the economic policy of one of the Member States. It is clear that the Government of the United Kingdom is striving in many ways to find a solution to the country's economic difficulties.

Mr Dykes. — Can I ask the President-in-Office — and this relates also to what he said on the previous question — whether, assuming the IMF loan is eventually out of the way and negotiated — and I am sure we all hope that will be done quickly — he himself or the Council of Ministers would rule out the possibility of an additional Community facility after the IMF loan, which would be substantially represented, of course, by German marks, which are in effect the only real reserve currency in Europe?

Mr van der Stoel. — (NL) Mr President, I wonder whether you would allow me now to answer Mr Dykes' question, which is closely related to the question which has just been put.

President. — I therefore call Question No 5 by Mr Dykes :

What consideration will the Council give to the possibility of the Community taking steps to relieve the strains presently imposed upon the pound sterling by its role as a reserve currency ?

Mr van der Stoel, President-in-Office of the Council. — (NL) The Government of the United Kingdom has submitted no request to the Community and the Commission has made no proposal to the Council in the sense suggested by Mr Dykes in his written question. However, during the meeting of the Council of Finance Ministers on 8 November, informal talks also took place concerning the British economic and financial situation.

On that occasion Mr Healey's colleagues noted that the Government of the United Kingdom had approached the International Monetary Fund. During these informal contacts, too, they added that they were prepared, if desired, to examine at the appropriate moment all relevant aspects of the United Kingdom's economic problems. I should just like to stress what I already said a moment ago, namely that we must of course first wait and see what the outcome of the IMF negotiations is. I leave it to the Government of the United Kingdom to consider whether it then wants to make an approach to the Community.

Lord Castle. — Regardless of the detailed answer which the President-in-Office has given, I wonder if he is aware that he has given the impression, I am sure unintentionally, of being somewhat like Scrooge this morning in his slightly unfriendly attitude to what may be a request from the United Kingdom ?

(Protests from the European Conservative Group)

Judging by his earlier answers to a question, he seemed to suggest that an approach to the IMF rules out the possibility of him indicating at this stage that a friendly, charitable and brotherly attitude would be extended to Britain in her hour of need.

(Protest from the European Conservative Group)

I can put up with the jeers, Mr President, as long as I can have an assurance from the President-in-Office that no such impression was intended to be created.

Mr van der Stoel. — (NL) I note that — I think for the first time in his political life — the President of the Council is being accused of lack of understanding of Britain's problems. This is definitely a misunderstanding.

(Applause from the European Conservative Group)

I have attempted to explain to Parliament what the actual situation is, namely that the member countries of the European Community naturally view the present British economic and financial difficulties with concern, but also in a spirit of solidarity. Furthermore I said that an exchange of views on the subject had taken place on the sidelines of the meeting of the

Council of Finance Ministers, but that it is fairly obvious that, with the IMF negotiations in progress and at the same time no resquest forthcoming from the Government of the United Kingdom, we must now wait and see firstly what will be the outcome of the IMF negotiations, and secondly what will be the wish of the United Kingdom once these negotiations are over. If the Government of the United Kingdom were then to approach the Community with certain suggestions or proposals, the Community would, as I have already said, look at all the relevant aspects of the United Kingdom's economic problems. That is certainly not lack of solidarity or sympathy, quite the opposite. It is simply a straightforward appreciation of the fact that very important negotiations are in progress, which will make very clear what the IMF can do. The Government of the United Kingdom will then decide for itself whether it wishes to make any approach to the Community.

(Applause from certain quarters)

Lord Ardwick. — Isn't the President-in-Office's problem that the original question of Mr Cointat was not only obviously too late, inasmuch as Britain already had its application going with the IMF, but it was also too soon ? Is it not true that the Commission itself has made it known that it has a variety of proposals in store for coming to Britain's aid which can and will be brought out and examined by the Council once the IMF decision has been made ? Is it not also true that at this meeting on the 8th the British Finance Minister, Mr Healey, made it quite clear that the British government are not anxious for a Community discussion until the foundation has been laid by the IMF ?

Mr van der Stoel. — (NL) I think that this question is rather one for the Commission. For my part, I can only state that, as I have already told the House, the Commission has not submitted to the Council any proposal on this matter.

Mr Dykes. — Would the President agree that there is a possibility too that, instead of a straight Community loan after the IMF facility, some kind of guarantee against the value of sterling could be given — again overwhelmingly represented by German marks ?

Mr van der Stoel. — (NL) I can think of numerous possibilities. I must however repeat two things : first we must know what is the outcome of the IMF negotiations, and then we must know what, if anything, the Government of the United Kingdom wants from the Community.

President. — I call Question No 6 by Mr Fletcher :

In view of the compelling need for fuller information on the process of legislation by the Council, will its President-in-Office make an oral monthly report to Parliament on its decisions on legislation, specifying in each case whether decisions were reached unanimously, by a majority vote or by a majority with abstentions ?

Mr van der Stoel, President-in-Office of the Council.

— (NL) Every legislative act adopted by the Council is published in the *Official Journal* of the European Communities. In addition, a press release is issued at the end of each Council meeting. This is automatically sent to the European Parliament. As Mr Fletcher is aware, under its rules of procedure the Council's meetings are not public and its discussions are confidential. I should like to add that in the national parliaments every responsible minister may of course at any time be called upon to explain the position adopted by him during Council meetings.

Mr Fletcher. — Is it not a fact, Mr President, that the Council are determined to run the Community's affairs from behind the locked doors of a smoke-filled room in Brussels? How can this possibly advance democratic decision-making within the Community's institutions? Is he further aware that Minister Brinkhorst said to this Parliament in July that the statements made to the press on the proceedings in Council meetings represented an unsatisfactory situation? What has been done since then by the Council to try and improve the situation? Finally, is the Minister aware of a letter dated July 1970 from the Council to the President of this Parliament which says: 'I am happy to inform you that the Council has agreed to adopt the same procedure' — that is, the procedure of explaining to Parliament its reasons for deviating from the latter's opinions — 'on all matters of special importance'? We always get a sympathetic hearing from the Council on all of these matters, but we never get any action. What does the Minister propose to do?

Mr van der Stoel. — (NL) I should like to remind Parliament that this matter has already repeatedly come up for discussion in various forms, including questions. I fully appreciate the honourable Member's train of thought in itself, but I must add what he is in fact asking for involves a complete restructuring of the Community, and we are not ready for that yet. If he finds this regrettable from a democratic point of view, I would just add two comments. Firstly, there is always the possibility of asking individual Members of the Council in the national Parliaments to explain their position and the way they vote. Secondly, there is also the possibility, of which use is being made at the moment, of putting questions to the President of the Council on the position adopted by the Council and asking him to explain it in greater detail, etc. So there are two ways of obtaining information, which shows that some democratic control is being exercised.

Mrs Ewing. — Would the President-in-Office tell us whether, when we look ahead to a full-time Parliament after direct elections, we are then going to have the situation we had yesterday, when the Council was totally absent on a major debate? Are we going to have a situation where this very reasonable request for minimal accountability — that is all it can be called

— is airily waved aside, and has it not really come to this, that if we are not to have a prospect of a different situation when direct elections come, we might as well stop pretending that this is a Parliament?

Mr van der Stoel. — (NL) I should like to assure the honourable Member that the Council makes every effort to attend the European Parliament, and I think that this applies even more to the Commission. There is also permanent consultation between the Commission and Parliament, which is also very important for the whole structure and for the possibilities of the process of democratic control. I should just like to add that it was really not possible for me to be present yesterday and the day before, since the Council was meeting in Brussels from 10 a.m. on Monday until 6 p.m. yesterday. Moreover, the Presidency will constantly endeavour to give as much information as possible, and I am convinced that, once direct European election have taken place, this policy will be pursued by the subsequent Council Presidencies. I must point out that what is expressed in this written question is at present not an idea which, political realities being what they are, stands any chance of being realized. I again draw your attention to the possibilities of calling on individual Members of the Council of Ministers to explain their positions in the national parliaments.

Mr Fellermaier. — (D) If the President of the Council were to return to his former place in this House as a Member, he would surely agree with me that Parliament cannot but consider the answer now given by the President of the Council to be totally unsatisfactory, because these are static replies, Mr President of the Council, which we are becoming less and less prepared to tolerate. From one President of the Council to another we hear the same excuse: confidentiality and secrecy of meetings. In the Tindemans Report we read about the granting of a right of initiative to this Parliament, and 260 million citizens of the Community are fobbed off after Council meetings with scanty communiqués. We should like you to note that we shall keep on pestering until the Council gives in.

(Applause from the European Conservative Group)

Mr van der Stoel. — (NL) If I may step out of my role as President of the Council for a moment, I should just like to say that I very much hope that we shall arrive at a system with a European executive and a European Parliament with full parliamentary competencies. But as President of the Council, I must point out to Mr Fellermaier that a number of desirable objectives — very understandable in themselves — have no chance of being realized at present. It can be regretted, but that is how things stand. I have tried to indicate that the Presidency will spare no efforts, within the limits of present possibilities, to meet Parliament's wishes concerning control and information.

Mr Dalyell. — Will the President accept that there are some of us who do not believe in the conspiracy theory of politics or the dark deeds that are done in smoke-filled rooms in Brussels?

(Laughter)

But has he ever met anyone as good as the British at talking ourselves into problems?

(Laughter)

Is it not frankly part of our trouble that we are financial hypochondriacs and that as long as the British press goes on giving headlines of a dramatic nature which do not fit the facts, we are going to be in some trouble?

(Mixed reactions)

Mr van der Stoel. — *(NL)* I can merely take note of the honourable Member's remarks. I think this is a further illustration of the reply which I have just given to Mr Fellermaier.

Mr Ellis. — Will the President-in-Office agree that without wishing to introduce any grandiose scheme for the restructuring of the Community or for divulging information publicly about the proceedings of the Council, at least an early item on the agenda of the Council must be the provision of a minimum power of veto to a directly-elected Parliament on Community legislation?

(Cries of 'No way!')

Mr van der Stoel. — I should like to remind you that on the agenda of the European Council meeting, which is to take place in the Hague, the Tindemans Report also contains a chapter on the institutions, and I can also imagine that the idea mentioned by the honourable Member will come up for discussion in that meeting. I cannot promise him that the Hague meeting will yield a solution in keeping with his wishes.

Sir Derek Walker-Smith. — Without wishing to enter into the wider implications of the interesting and important question asked by my honourable friend and against the background of many suggestions in this House on my part over the years for improved public access to and public knowledge of the proceedings of the Council, may I ask the President-in-Office one specific question? Does he recall, and is it not a fact, that after the Dublin meeting of the European Council there was not even a press communiqué issued, and will he undertake that at the least at the forthcoming Hague meeting there will be that minimum degree of information?

Mr van der Stoel. — *(NL)* In accordance with the wish expressed by a number of its members, the European Council has decided not to issue press communiqués but to adopt another system which to my mind provides a sufficient guarantee that the necessary information is made available, namely a press

conference given by the President-in-Office of the European Council. I would further point out that the other Members of the Council are not backward in their contacts with the press either, so that I feel that all those concerned are presented with a very full picture of what goes on in the European Council.

Sir Peter Kirk. — Could the President-In-Office at least do something about the existing press communiqués, which at the moment appear to be designed to conceal rather than to reveal what happened?

Mr van der Stoel. — *(NL)* The European Council has decided not to issue press communiqués. The President of the Council is indeed also in the habit of reporting to this Parliament after meetings of the European Council, and on such occasions his purpose is not to conceal as much as possible but to give maximum information. The same applies to Council meetings, which are also the subject of regular contacts with Parliament. I also think — only yesterday I saw the general Council's communiqué, the general Council does in fact issue communiqués — that these give clear information on the matters on which decisions have been taken.

President. — Ladies and gentlemen, I should like to tell the President-in-Office of the Council, and I feel I am speaking for the whole House, how much importance we attach to this last question addressed to the Council. It is absolutely essential that the Council should think again about this problem, since the replies which have been given are not satisfactory.

(Applause from certain quarters)

In fact, after replying 'We cannot speak about these matters because they are confidential', you add 'But you can ask your Minister for the answer in your national parliament'. In other words, the President-in-Office of the Council can reply in the Netherlands Parliament, as the Netherlands Minister for Foreign Affairs, to those of our colleagues who are Members of the Netherlands Parliament, but he cannot reply to them here as President-in-Office of the Council. This means that from the Council, which is a Community institution, we can only obtain fragmentary replies in our national parliaments! Furthermore, by a curious prismatic process, the replies which our Ministers give to our national parliaments do not always coincide exactly, which is not satisfactory either. When we have a Parliament elected by direct universal suffrage, where the dual mandate will not be obligatory, it will become really intolerable if only members of national parliaments are entitled to a reply on Community questions while Members of the European Parliament are not. It is a problem which must be thought about and to which a solution must be found, failing which we shall have conflicts.

(Applause)

I call Mr van der Stoel.

Mr Van der Stoel. — (NL) Mr President, allow me to make a brief reply. I note Parliament's dissatisfaction with the existing situation. Parliament's wish for a fundamental reform of the Community structure is a legitimate desire, but I must unfortunately state that all I can do at present in my capacity as President of the Council is to take note of it. In that capacity, I am not in a position to press a button and reform all the Community structures along the lines desired by Parliament — whatever my personal views on the matter.

I would, however, emphasize that the Presidency of the Council is making every effort to ensure that Parliament is given all possible information through a variety of channels and that it is given every possible facility to exercise its supervision. This is being done through the presence of the President of the Council for one day in each Parliamentary part-session, as well as through numerous contacts in committee meetings and through efforts to provide Parliament with as much information as possible in communiqués and other forms. This is the line we are following, and we are naturally also always ready to investigate ways of improving certain procedures within the existing structure. I would only ask Parliament to appreciate that, within the existing Community structure, the opportunities for clear and fundamental improvements and changes are extremely limited. Much as I regret having to say this, I feel it is only realistic for me to draw Parliament's attention to it. For the rest, I hope that the European political discussion may lead to Parliament's being satisfied in future. Within the existing structures, the Presidency of the Council will continue to do its utmost to meet Parliament's wishes as far as possible.

President. — I call Mrs Dunwoody on a point of order.

Mrs Dunwoody. — Sir, may I ask for your protection. We have now only reached Question 6, we have taken 65 minutes and, with the very greatest respect to the Council, if we are going to have non-answers, could we have brief non-answers, because we might then get on to the questions to the Commission?

(Laughter)

President. — We now turn to the questions addressed to the Commission. I would ask the Commission representative responsible for the subject involved to answer these and any supplementary questions.

I call Question No 6a by Mr Spicer:

Can the Commission establish as a matter of urgency the scale of support needed to provide aid and succour for the thousands of refugees now crossing into South West Africa (Namibia) from Angola, and what plans do they have to give all possible Community help towards the alleviation of their suffering?

Mr Cheysson, Member of the Commission. — (F) For more than a year there has been untold suffering as a result of the events in Angola. It is affecting several hundred thousand people of various origins, probably more than a million. Thus the Community's effort has been particularly great, employing every possible means.

At the very outset we gave, through the Red Cross, 300 tonnes of powdered milk for refugees in Angola itself, then we offered via UNICEF 4 850 tonnes of powdered milk and 720 tonnes of butter-oil for 500 000 displaced persons; thus a total of 6.9 million u.a. was distributed in Angola itself. We have just received from the Office of the United Nations High Commissioner a new request for aid worth 7 million u.a.

We have also given considerable aid for other refugees outside Angola. To help 50 000 refugees in Zaire, the Office of the United Nations High Commissioner for Refugees was able to distribute 2 000 tonnes of grain, 150 tonnes of powdered milk and 100 tonnes of butter-oil donated by the Community.

In Portugal itself, at the request of the Portuguese Government, we provided aid as early as August 1975 by sending medical supplies, then 150 tonnes of powdered milk and 650 tonnes of butter-oil.

The total of our direct aid for refugees from or in Angola amounts to 10 million u.a. in one year. Furthermore, in the neighbouring countries of Zambia and the Cape Verde Islands, Angolan refugees have also benefited under normal food aid programmes.

This shows that the Community understands the sufferings of the Angolan people and Angola's refugees. As for the refugees in Namibia, according to our information they number at present between five and seven thousand. The International Red Cross, whom we asked for information, considers that there is no immediate problem here. Lastly, I would point out that, if we had to supply aid to Namibia — and no one has submitted any such request to us as yet — a very serious problem would be posed by the illegal occupation of that territory by South Africa, an occupation which has just been condemned once again by the Nine.

Mr Spicer. — May I thank the Commissioner very much indeed for that very full and detailed answer, which gives so much help to us all in saying exactly what we have done to help refugees.

He mentioned in his final words the situation as regards Namibia and it is my information that during the last week over 3 000 refugees from Angola have fled into Namibia and that those refugees, furthermore, have no hope of ever going back into Angola because of the scorched-earth policy being pursued there by the government.

Spicer

Could he give me an assurance that, in spite of all the political difficulties, this Community will not involve itself in the rather squalid conspiracy of silence which emanates from certain quarters within the United Nations with regard to refugees? Will he give me a further assurance that, as far as we are concerned, action will be taken only on humanitarian grounds and not on political grounds?

(Applause from the European Conservative Group)

Mr Cheysson. — *(F)* As far as we are concerned, the competent authority in Namibia is an organ of the United Nations. We shall therefore expect the Office of the United Nations High Commissioner for Refugees to tell us if it wishes us to provide aid. We could also provide aid via the Red Cross, which does not concern itself with administrative and basic political problems. For the moment, the International Red Cross has told us — yesterday, to be exact — that there were no problems in this respect.

Mr Mitchell. — The Commissioner will be aware that there are refugees all round the world; there are refugees who have fled from a Fascist dictatorship in Chile; there are refugees who have fled from a Communist dictatorship in Cambodia; there are thousands upon thousands of Palestinian refugees. Could the Commission tell the House what criteria it uses in giving aid to refugees? Which refugees does it give aid to and which does it not?

Mr Cheysson. — *(F)* The honourable Member is surely aware of the fact that all the refugees he mentioned do in fact receive Community aid.

Mr Laban. — *(NL)* Is the Commission aware that because of the increasing oppression and use of force in South Africa the refugee problem in the surrounding countries is being aggravated still further? Young and older children are leaving their parents behind in South Africa. This is causing the countries involved major problems as regards housing, education and foodstuffs. If the Commission is not aware of this, is it prepared to investigate the matter and then inform Parliament of the results?

Mr Cheysson. — *(F)* The Commission is directly represented in several of the countries bordering South Africa. It also has relations with the other neighbouring countries. I can do no more than repeat my previous statement: Community aid is currently going to all the countries bordering South Africa, without exception, to help refugees via international organizations or the governments of the independent countries in question.

President. — I call Question No 7 by Mr Evans:

Is the Commission satisfied that all Member States are observing EEC Directive 71/305⁽¹⁾?

Mr Gundelach, Member of the Commission. — In an answer to a similar question a few months ago, I indicated that all Member States were applying the directive which is the subject of the honourable Member's question, with the exception of Italy. On that occasion I indicated that the situation in Italy was not going to be regularized through negotiations. The Commission would have to take the case to the Court of Justice. We have done so, and the Court of Justice will give its judgment on 22 December of this year, to the effect that the Italian Government has failed in its obligation to apply the directive. After this judgment, the Commission has no doubt that the position as regards this Member State will be regularized shortly and that consequently the directive will thus be applied by all Member States. I would like to add that according to statistics available to me, which I would be happy to make available to the honourable Member and to the House, the directive is being applied in an increasingly satisfactory manner.

Mr Evans. — Would the Commissioner not accept that the implementation of EEC Directive 71/305 has been very patchy indeed; that certain countries pay only lip service to the directive and, as he has just said, Italy virtually ignored it? I do appreciate that the Commission took Italy before the Court of Justice and that the Court found against Italy and ordered Italy to pay costs. But would he inform the House — because I think it is rather important that we have this knowledge — precisely how much this action will have cost Italy, and could he also advise us as to what would be the next step at the Commission's disposal if Italy continued to drag her feet on the implementation of this directive?

And, finally, could the Commission produce a report giving this Parliament a clear picture of each member country's action on the implementation or non-implementation of this directive?

Mr Gundelach. — I do not think I am in a position to give a figure for the loss to the Italian economy of the non-application of this directive over a period of about 3 years. It certainly will have cost the economy a not insignificant sum of money through higher prices for public contracts than would otherwise have been the case. There is no doubt there has been a loss and it will be in the interest of the Italian economy to apply the directive. In our experience I must say that, after the European Court has settled a dispute, we have not yet been confronted with a situation where a Member State has not implemented the necessary legislation or administrative practices in order to comply with the judgement of the Court, and therefore I have no doubt that Italy will now take the same road as other Member States in this regard. In my previous answer I was indicating my willingness to supply to the honourable Member and any other Members of this House the necessary reports and figures in regard to the performance of individual Member States under

¹ OJ L 185 of 16. 8. 1971, p. 5.

Grundelach

this directive which, I admit, to begin with was somewhat hesitant but which, as I said a minute ago, has become increasingly better over the last 2 years. But I will be very happy to provide the necessary information.

— I call Question No 8 by Mr Hamilton :

Will the Commission state what evidence exists of an overall decline in the numbers employed in the EEC, whether their attention has been drawn to the document on this and related matters produced by the European Trade Union Confederation, and what has been the result of the Council's study of the document?

Mr Thomson, Member of the Commission. — Unemployment in recent months has fallen in the Community from a level of 5.7 million in January this year to just under 5 million in September. In addition, the number of workers on short-time has fallen very considerably from nearly 1.5 million in January this year to 250 000 in August. Some of this improvement is due to seasonal factors but, even allowing for this, there has been some underlying improvement in the overall employment situation. The Commission keeps closely in touch with the European TUC and regards its documents as an important contribution in the preparations for the next meeting of the Standing Committee on Employment on 15 December, which is the next stage in the battle at Community level against the twin evils of unemployment and inflation.

Mr Hamilton. — I think the whole House must give a qualified welcome to what Mr Thomson has said and especially his emphasis on the need for cooperation with the trade union movement. Can he say what is being done to coordinate efforts in regard to the training and retraining, particularly of young people and the middle-aged man who suddenly find themselves out of a job? Is there any prospect of increased coordination in this particular field?

Mr Thomson. — Yes Sir, it is precisely in these areas of the tragedy of youth unemployment and the problems of redundancy that the Commission is seeking, through this tripartite machinery, to make practical proposals. I might perhaps say to the honourable Member that there are really two levels to this problem. What we are facing in western industrial society generally, and within the Member States of the Community, is a very severe problem of structural change for which there are no easy short cuts. But, within that problem, there is a need for doing all one can by way of mitigatory action, and it is precisely in the field that the honourable Member mentioned that the Commission is concentrating its efforts.

Sir Brandon Rhys Williams. — While we welcome the large reduction in the total numbers of the unemployed we have to remember that the figure is still a very large one. Can the Commissioner say whether,

within the overall figures, there are certain particularly adverse trends, because in some countries it seems that women are finding it particularly difficult to regain employment when they lose their jobs? Can the Commissioner say anything on that aspect and whether he has any particular recommendations in regard to the employment of women as an aspect of social policy?

Mr Thomson. — The figure that I have reported, welcome though the reduction is, is a totally unacceptable figure for unemployment throughout the Community, there is no question about that. Indeed the medium-term prospect is still a serious one, as I indicated. With regard to the special problem of unemployment amongst women, the Commission, along with its efforts on youth unemployment and on the general problem of redundancy, is seeking to put forward particular proposals such as a Community-wide strategy of employment premiums.

Mr Guerlin. — (F) I should like to ask the Commissioner where he gets such optimistic unemployment figures from, since we in France have a level of unemployment which is not only not decreasing, but is on the increase — only the level of partial unemployment is falling. The Minister of Labour himself recently had to admit this state of affairs. That is why I should like to know where Mr Thomson gets this information from and what value can be attributed to it as far as Europe is concerned.

Mr Thomson. — The figures I have given are the valid Community-wide figures, which were what I was asked to give. Of course, within the Community the picture varies from one Member State to another and the honourable Member is right that, in the case of France, for example, there has recently been an increase in unemployment. It is a varied picture from country to country and I hope nothing I have said would indicate that the Commission in any way underestimates the seriousness of the situation.

Mr Carpentier. — (F) Does the Commissioner think that the overall trend which has just been recorded in Europe will continue, with slight variations according to country, or does he think that we shall have to be extremely vigilant in the next few months?

Mr Thomson. — The Commission certainly feels that we have to be very vigilant about this situation. There has been this welcome reduction overall, though not in every single country, and I think that one can expect that there will continue to be a modest reduction in the overall unemployment figures, but the best analysis that the Commission has laid before the new tripartite body that has been set up is very sombre in regard to the medium-term unemployment levels and therefore vigilance is certainly the watchword.

Mr Cifarelli. — (I) I have two questions for the Commissioner.

Firstly, do his statistics include those workers who — as in my country, for instance — are being paid part of their wages from the so-called 'unemployment fund'? This amounts to a social benefit, and these workers can thus be considered as being either partially or totally unemployed. Secondly, are data available for individual industrial sectors or sectors of production, with forecasts of employment trends?

Mr Thomson. — In the case of Italy the figures I have given are based on the working population and in the period ending July this year show a 7% increase in unemployment there.

President. — I call Question No 9 by Mr Normanton:

Will the Commission

- (a) confirm that Japanese-made ball-bearings imported into the Community are sold, after paying 9% duty, at prices 25% — 40% and sometimes as much as 60% below the market prices charged by Community producers and explain how it is possible for Japanese ball-bearings to undercut European ones by such a wide margin;
- (b) confirm that the social consequences of Japanese imports have included the creation of unemployment amongst Community workers engaged in the ball-bearing industry?

Mr Gundelach, Member of the Commission. — The problem raised by the honourable Member has been the subject of discussions between the Commission and the European ball-bearing industry for some time now. As a result of these discussions the producers have made precise allegations and they launched a formal anti-dumping campaign on 15 October 1976. After its admissibility was verified this campaign was discussed in the Community anti-dumping committee on 5 November, and on 9 November the Commission decided formally to initiate an anti-dumping procedure. The complaint, and whatever counter-arguments are forthcoming from the Japanese exporters, will now be examined in detail by the Commission, and I can assure the honourable Member that this examination will be carried out as swiftly as possible. If the examination reveals the need for action the Commission will not hesitate to take it without delay.

Mr Normanton. — I am most grateful to the Commission for that very comprehensive reply, since at long last it shows that the Community is beginning to recognize that unfair competition and dumping pose a growing threat to at least one sector of European industry. Will the Commission assure the House that it will treat with equal seriousness and equal earnestness representations from other European industries, such as textiles, which are facing intolerable pressures from unfair practices, and will he note that the

joint delegation of trade union leaders and of employers is in the gallery at this moment and will be listening with rapt attention to his reaction?

(Applause from the European Conservative Group)

Mr Gundelach. — Mr President, as I have already made it clear to this House and am happy to make it clear once again at this sitting, the Commission will, if faced with similar circumstances in other sectors, be it textiles or any other take similar action to that which they have taken here.

Mr Gerlach. — (D) Can the Commissioner confirm that the cutlery and zip fastener industries also belong to these sectors and thus also suffer as a result of Japanese dumping?

Mr Gundelach. — Yes.

Mr Dalyell. — Since Commissioner Gundelach had a very successful meeting with shop stewards in my constituency 6 months ago, he will understand it if I ask this question. What can one sensibly say to shop stewards committees who say to a Member of the European Parliament: 'Frankly, how effective is the Community's anti-dumping procedure?'

Mr Gundelach. — I think the proof of the pudding is in the eating. We have demonstrated our willingness and ability to use the rules which are in our hands. We must do this consistently in order to maintain credibility and we must, as I answered a little while ago, and as I have told this House previously, demonstrate a willingness to apply the rules in other areas where circumstances so demand. You can reckon that the Commission will follow this course and thereby you will also have the answer to give to your shop stewards.

(Applause from the European Conservative Group)

Lord Castle. — The Commissioner will accept that the reply he has given this morning is most encouraging. But even more encouraging, of course, will be a positive result of the inquiry, which I am assured will be about the end of January. One assumes that, as a result of the inquiry, what could happen would be the imposition of a duty on Japanese goods in this area which were being sold in the Community at lower prices than they were being sold at home. That same principle, of course, must apply to all industries. And I think it would be as well if great publicity were given to this application, which is based upon a very thorough preparation of evidence submitted to the Commission.

Is it true, Sir, that at the moment this industry (which, after all, is a comparatively small industry) has lost in recent years 5 000 jobs in Europe as a result of what can at the moment be regarded as Japanese dumping?

Mr Gundelach. — At the moment where the Court is sitting and deliberating on the case for or against, I do not think we are in a position to come out with a finding on the question which has just been posed by Lord Castle. My feeling would be that that figure was slightly exaggerated, but that there is a serious situation for that industry is indicated by the decision the Commission has taken.

President. — Since their subjects are related, I call together Question No 10 by Mr Kofoed :

Can the Commission indicate what replies have been given by the four Member States requested to submit comments on their adoption, with the United States and Japan, of a so-called gentlemen's agreement on export credits, and what action it intends to take in the matter ?

and Question No 11 by Mrs Kellett-Bowman :

Why has the Commission thought it appropriate to open procedures under Article 169 of the EEC Treaty in respect of those Member States who are participating in the international 'consensus' agreement on export credits ?

Mr Gundelach, member of the Commission. — The Commission decided to write formally to the four Member States concerned, because export-credit policy is part of the common commercial policy and, as such, the exclusive responsibility of the Community. At the time we made it clear that we regretted the need to pursue infringement proceedings — the more so as talks between all the Member States, the Commission and the third countries concerned last year reached a considerable degree of agreement — and that we would continue to seek a solution to this problem. The Commission received replies from the Member States which, in its view, did not change the legal situation. The Commission therefore decided to move to the next (but not final) stage of the Article 169 procedure by sending reasoned opinions to these four Member States, in which it again stressed its regret at the need for this action and its wish to find a Community solution.

The problems of export credits generally were raised informally by the Finance Ministers on 8 November. It was agreed to have further discussions prepared at the official level. The Commission hopes that this work can proceed constructively, and will within the next few days submit a proposal which, it hopes, will help towards a Community solution.

Mr Kofoed. — (DK) Mr President, I hope the Commission will be able to put right those matters which have not yet been sorted out.

Mr Prescott. — The issue involved here in export credits raises very much the same point as in the earlier questions about competition, particularly from Japan. I have shipbuilding, in particular, in mind. Will the Commission therefore consider, as a possible alternative to its Community policy, the policy of a

Community preference, especially in regard to shipbuilding, as a solution to the present undermining of the market by Japan ?

Mr Gundelach. — I think we are drifting ever so slightly away from the question that is being posed. As far as export credits are concerned, it goes without saying that what we are seeking is a Community arm. That means a Community policy which can be used to defend the commercial policy interests of the Community as a whole, as opposed to competition between individual Member States.

In the field of shipbuilding the matter is more complicated and extends to questions of competition, of aids and subsidies, including export and trade credits, as between certain industrialized countries. We are trying, as you know, to overcome these problems in negotiations of a multinational nature in the OECD. The prospects for reaching an agreement are apparently bad. The Commission has made it clear to the Council and will continue to do so, that if it is confirmed that these prospects are bad, we will then have to proceed to the establishment of a Community policy of our own.

Mrs Kellett-Bowman. — Given the need to limit competition in export credits, which, until the gentlemen's agreement, were mutually very damaging to Member States, why cannot the Commission accept joint competence of the Member States and the Community as a Community solution? Would this suggestion not satisfy the requirements of Article 113 ?

Mr Gundelach. — No, we really do not think so. The Commission are convinced, not just as a matter of dogma but as a matter of painful experience over a number of years — and I think this Parliament has maintained similar views — that we need a sound legal basis for the essential arms of our commercial policy, including the effective limitation of competition in the field of export credits. Our experience of seeking just to coordinate policies in the absence of a foundation is definitely not encouraging. You will have heard me saying that we do feel that we should take as a starting point the so-called consensus and build on that a Community solution. We do not wish to lose on the table what progress the consensus has brought about — however limited it is — but the consensus in itself does not go far enough. Be that as it may, we surely do not want to lose it, we want to build on it something which is solid enough to serve the Community.

President. — I call Question No 12 by Mr Nolan :

Does the Commission intend to control the production of artificial sugar from maize so as to eliminate the unfair conditions of competition between this product and sugar produced from sugar beet ?

Mr Lardinois, Member of the Commission. — (NL) Yes.

Mr Nolan. — I wish to thank the Commissioner for his long reply to my question and I have no doubt that he is aware of the concern of farmers who are producers of sugar beet, and those people who are employed as workers in the sugar beet industry, at this new development of maize sugar. I would like to ask him: does he consider it fair that while the production of sugar from sugar beet is controlled by the Community, the production of sugar or fructose from maize is not controlled at all? Could he please give us a longer answer than the one he gave to my original question?

Mr Lardinois. — (NL) This is another question, to which I can therefore perhaps reply in slightly more detail. Firstly, I would point out that both we and the Council are aware of the problem. This is why, when we were discussing the prices for starch, we introduced a special arrangement for starch used to produce artificial sugar. We 'froze' the aid to starch production for use in making artificial sugar, but this does not apply if the starch is used to make other products.

Secondly, the Council has accepted our proposal that the subsidy for starch used to make artificial sugar should be abolished completely as from next year.

Thirdly, we are currently studying this problem together with the question of whether we should make new proposals. We are thinking in particular of a recommendation that the national levies on sugar should be harmonized, so that they would then have to be applied to artificial sugar as well.

(Mr Cointat asked to speak)

President. — Mr Cointat I very much regret that I cannot allow you to speak: we will not be able to deal with two-thirds of our questions if we start a debate on each one!

Mr Cointat. — (F) Mr President, it is not a question of starting a debate. My questions are very brief, and if everyone did the same we would have time to deal with all the questions down for discussion. I am very sorry, but I must protest, Mr President!

President. — I can do no more than take note of your protests.

I call Question No 13 by Mr Brøndlund Nielsen:

Is the Commission, in the light of *inter alia* recent information from the American National Academy of Sciences, to take steps to reduce the effect of chemical substances such as fluorocarbons on the ozone layer of the atmosphere?

Mr Scarascia Mugnozza, Vice-President of the Commission. — (I) I must admit that, for some time now, there has been concern about the problems

referred to by the honourable Member. I would add, however, that there are differences of opinion in scientific circles as to the assessment of the effects. At any rate, the Commission has already planned — notably in its second programme on the environment — a series of studies on this subject, and the multi-annual research programme includes plans for granting aid to specialized institutes conducting studies in this field. We shall inform Parliament about these studies and, if necessary, we shall submit suitable proposals to the Council.

Mr Noè. — (I) I should like to ask the Commission whether, in view of the extreme uncertainty and the fundamental differences of opinion to which the Vice-President of the Commission has just referred — not to mention the lack of precise figures — it would not be better for the Commission to take the step of setting up a top-level hearing involving, for instance, six international experts. A possible venue for this hearing might be Parliament's Committee on the Environment, Public Health and Consumer Protection, in which the Commission would naturally also have to be represented, so that we could take stock of this major problem.

Mr Scarascia Mugnozza. — (I) The European Parliament has its own powers and machinery for setting up hearings, just as we have ours. We are naturally always ready to exchange views.

President. — I call Question No 14 by Mr Osborn:

Bearing in mind the use of the EEC Environmental Chemicals Data Information Network (ECDIN) at the time of the Seveso disaster, what plans does the Commission have for the continuation of the network after the project stage is completed this year?

Mr Scarascia Mugnozza, Vice-President of the Commission. — (I) Parliament has already approved the Joint Research Centre's multi-annual programme for the period 1977 to 1980, and we therefore hope that the Council of Ministers will reach decisions on this matter tomorrow. The effect of these decisions will naturally be on the lines raised in Mr Osborn's question. We feel there is a need for a data bank which, above all, submits chemicals to a critical examination. We also feel that an action of this type is best carried out under the environmental programme. As has been pointed out, this network was very successful in determining the extent of the polluted zone in Seveso, and we hope that it will continue to achieve positive results in future after being further improved.

Mr Osborn. — Since this question on the Seveso disaster was tabled, the Bolsover Coalite and Chemicals plant making similar products has closed. Is not a facility of this type in the interests of factory safety an administrative factor which could be of immense importance, covering not only the interests of the

Osborn

Community but those of the world at large? I very much hope it will be developed on those lines rather than as a tool for research.

Mr Scarascia Mugnozza. — (I) I can confirm that the research tool will be developed, but in addition to this, the Commission's second programme on the environment provides for a start to be made all over the Community on pinpointing polluting industrial plants. The aim is to have a map with which it will be possible to assess not only the location of existing industries, but also the possible siting of new industries which may cause pollution.

Mr Cifarelli. — (I) Mr President, I should like to draw attention to the fact — and Vice-President Scarascia Mugnozza knows this as well as I do — that at the root of the serious problem of pollution in Venice is an industrial complex with many unknown factors. May I ask whether the Commission is intending to apply the same procedure as in Seveso to Venice and to the associated pressing problem of pollution, which has aroused public concern, and not only in Italy.

Mr Scarascia Mugnozza. — (I) The Commission is willing to cooperate with everybody. No request has yet been received from Venice, but I would add that I have had contacts with several Italian regions, as well as with other parts of the Community, and I have indicated our readiness to help in this field.

President. — Question Time is closed. I thank the representatives of the Council and the Commission for their statements.

Questions Nos 17, 18, 24, 27 and 28 are postponed to the beginning of the next Question Time; Question Nos 15, 16, 19 to 23, 25 and 26 will receive written answers.¹

I call Mr Sandri on a point of order.

Mr Sandri. — (I) Mr President, may I make a brief thirty-second statement. We have put down a question on a matter of undoubted importance — that of dossiers on Community officials. Since our question was intended only to raise a problem which calls for a much wider discussion than is possible within the scope of an oral question, I would ask the Members' leave to point out that our Group has tabled a motion calling for a debate on this subject and calling upon Parliament to set up an *ad hoc* committee to ascertain the truth of this serious development...

(Protests from the Group of European Progressive Democrats)

¹ See Annex.

Mr Cointat. — (F) Mr President, you must stop him speaking.

Mr Sandri. — (I) ... I do not think the Members' protests are justified, Mr President, since it is a problem which concerns them just as much as it concerns us — it concerns the right of all officials to be free to hold their own ideas.

(Applause from the extreme left)

President. — We are not now going to improvise a debate on a question which could not be dealt with during Question Time.

Even though I refused about 40 requests to speak, we only managed to deal with half the questions. It goes without saying, in any case, that no-one, Mr Sandri, deliberately dragged out the discussion to prevent us from dealing with your question. We experience the same difficulty every time.

I would merely point out to you that from the next part-session on we shall set aside two periods of one-and-a-half hours each for questions. This new procedure should enable us to deal with all the questions asked.

In the case of this part-session your comments will appear in the report of proceedings. That is all the satisfaction I can give you, Mr Sandri, all the more since the time has come when I must ask the President-in-Office of the Council to present his statement on political cooperation.

I call Mr Spicer on a point of order.

Mr Spicer. — Mr President, could I just say that you would have the fullest support from every Member of the House in exercising your authority immediately in cases where Members of this House flout your decisions that have been given quite clearly just one minute beforehand?

(Laughter)

4. Statement by the President-in-Office of the Council on political cooperation

President. — The next item is the statement, to be followed by a debate, by the President-in-Office of the Council on political cooperation.

I call Mr van der Stoel.

Mr van der Stoel, President-in-Office of the Council. — (NL) Mr President, in my introduction to the discussion on political cooperation I should like to stress that European political cooperation is playing an increasingly important role in cooperation in general among the Nine. Perhaps it would be useful on this occasion to remind you once more of the history of European political cooperation. Originally our sole aim was to arrive at common positions, where these were necessary for the support of Community policy, but gradually the consultation was extended to

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cover all possible subjects with which the Nine had to deal at international level, and it is remarkable that the Nine now appear to be becoming more and more successful in reaching common positions. This form of consultation has also become much more intensive. Developments of this kind are to be welcomed since European political cooperation is also an element in progress towards a European Union.

I should now like to mention a number of issues which are important in the context of political cooperation. These are the Middle East, the Euro-Arab Dialogue, the serious problems in southern Africa, the Cyprus conflict and the strengthening of East-West relations. Before going into these matters individually, I would like to stress that in preparation for and during the General Assembly of the United Nations, the Nine always consult together on the international issues on the agenda.

First of all, the Middle East. In recent months, the nine countries of the European Community have together devoted considerable attention to the tragic events in the Lebanon. In particular, they have examined the possibility of cooperating with others in offering aid to the victims of the conflict in that country wherever possible. In my capacity as President of the Council of the European Communities, I also sent a message to President Sarkis of the Lebanon, on the occasion of his taking up office, expressing my hope on behalf of the nine countries of the Community that his entry into office would represent the beginning of a new period in the history of the Lebanon which would see an end to the conflict in his country and the restoration of peace, and that the country's independence and territorial integrity would be respected. In addition, in my speech at the 31st session of the General Assembly of the United Nations on 28 September, I described once more, on behalf of the Member States, the united attitude of the countries of the Community regarding a possible solution to the conflict in the Middle East. I said that the members of the European Community were convinced that the negotiations must be conducted on the basis of a minimum consensus of all the parties involved in the conflict — which is essential if just and lasting peace is to be established in the Middle East. I reaffirmed the fact that the nine countries of the Community stand by Resolutions Nos 242 and 338 of the Security Council, and also drew attention to the statement of 6 November 1973 which described the principles underlying the common position of the Nine regarding the Middle East question.

I also stressed that it would only be possible to solve the conflict in the Middle East if the legal right of the Palestinian people to express its national identity in concrete terms was respected. This will be the guiding principle for the nine countries of the European Community during the debate on the Middle East at today's sitting of the General Assembly of the United Nations.

Speaking of the Middle East, I must just mention briefly the situation as regards the Euro-Arab

Dialogue. The General Commission met for the first time in May of this year. In their opening statements, the European and Arab delegations gave their general views on the significance of the Dialogue. The meeting provided an opportunity to examine those areas in which the existing cooperation between the countries of the Community and the Arab countries could be extended. Since the meeting in Luxembourg, the various working parties and subgroups have met to examine further the possibilities for cooperation in fields such as industry, trade, agriculture, finance, infrastructure, technology, culture and social affairs. A clearer picture of what the Dialogue can achieve is gradually emerging. The possibility of a number of joint agricultural projects is under consideration. The question of the protection of investments was naturally discussed in the context of financial cooperation. In the field of technology, the possibilities for translating into reality the principles agreed upon and publicly stated in other international forums were examined.

In the social sphere, questions of living and working conditions for migrant workers were considered. In the cultural field, plans were made for the organization of symposia and the production of a catalogue of cultural institutions. It was originally thought that it would be possible to hold the next meeting of the General Commission in Tunis this December. Contacts between the European and Arab chairmen, however, indicate that this meeting will probably be held at the beginning of next year. This possible postponement does not arise from any political motives, but is a purely technical matter in connection with the as yet uncompleted preparatory and coordinating work.

And now to Africa. During the last six months, there have been various developments in southern Africa which have called for the particular and active attention of the Nine and provided a stimulus to European political cooperation. The joint consultations and the frank exchange of information and views have increased further. The growing acuteness of the situation in southern Africa is a source of very great concern to the nine Member States. I will now try to summarize briefly the attitude of the Member States with regard to southern Africa. Firstly, I should like to remind you that at the summit conference of the Organization of African Unity, at which the problems of southern Africa were a major issue, the Nine took steps to ensure that the member states of this organization were better informed of the Community's views. Secondly, the developments in connection with Transkei and the announcement that in October this was to be the first of a series of homelands to be granted sovereignty, led us to discuss what attitude we should adopt on this matter. The Nine have always been of the opinion that a joint position carries more weight than individual statements. In the section relating to the Community of the speech I made to

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the General Assembly on 28 September last, I announced the intention of the Nine not to recognize Transkei in October. This decision was based on the view that the granting of independence to Transkei stemmed from South Africa's policy of apartheid, which the Nine reject.

Thirdly, with a view to contributing towards a breakthrough in the Zimbabwe question, the Nine decided to issue a forceful Community statement declaring their full support for the British proposals for a conference in Geneva which might pave the way towards a majority government within two years. As regards Namibia, the Nine asked Pretoria what measures the South African Government was taking with a view to finding a swift and acceptable solution to this problem. I should like to remind you in connection with the apartheid regime in South Africa itself that the critical dialogue between the countries of the Community and South Africa is continuing.

Finally, I can inform you that the question of the recognition of the Republic of the Comoros will also be discussed within the context of political cooperation.

I now come to the Cyprus question, which is a regular topic of discussion among the Nine. We have examined the possibilities of finding a swift solution to the conflicts on and around the island.

Our basic premise has always been that a solution must be reached by means of negotiations and must aim at maintaining and guaranteeing the independence, sovereignty and territorial integrity of the Republic of Cyprus. Following the fifth round of talks under the auspices of the Secretary-General of the United Nations in February of this year, it emerged that the representatives of the Greek and Turkish communities in Cyprus were not prepared to meet around the conference table again in May under Mr Waldheim's chairmanship, as had been agreed at the end of the fifth round. Since then, the Member States have again both jointly and severally taken every opportunity to urge a resumption of the inter-community discussions in accordance with the offer of good offices made by the nine Ministers of Foreign Affairs on 13 February 1975 in Dublin, when they also assured the Secretary-General of the United Nations once more of their support in the implementation of the task assigned to him by the Security Council, i.e. to endeavour to achieve a lasting solution which would be acceptable to all parties involved in the conflict. These activities, including the contacts with both negotiating parties in Cyprus, both by and on behalf of the Presidency, were among the factors which led Mr Waldheim to take the initiative of inviting Mr Papadopoulos and Mr Onan to New York on 3 September last to discuss with him the possibility of resuming the negotiations under his leadership. After these talks both sides said that they were willing to resume the talks in Nicosia under the chairmanship of the special representative of the Secretary-

General in Cyprus, although no date was yet decided on.

Mr President, in my capacity as President of the Council of Foreign Ministers of the Community, I too discussed the Cyprus question with the heads of the Greek and Turkish Governments and with my colleagues, the Ministers of Foreign Affairs, during my visits to Athens and Ankara in August and September respectively. On these occasions and during my later meetings with my Turkish and Greek colleagues I explained the position of the Nine, and urged them to use their influence to bring about a rapid resumption of inter-community consultation regarding the major issues in Cyprus, which so far has not been possible, mainly owing to procedural problems. The Nine are maintaining close contact with the Government of the United States on this matter, again via the Netherlands Government, which currently occupies the Presidency of the Council.

Mr President, I should now like to speak about European political cooperation and East-West relations. As the 'follow-up meeting' to the Helsinki security conference draws nearer, by which I mean the coming conference in Belgrade, interest in this subject is increasing. This interest is reflected not only in the many meetings of the Working Party on the Conference for Security and Cooperation in Europe within the framework of European political cooperation, but also in the fact that the follow-up to Helsinki has figured regularly on the agenda of the Political Affairs Committee during the last few months. The working party I have just mentioned was able to complete its analysis of the text of the Final Act this summer — an extremely time-consuming but useful undertaking which resulted in a number of documents together totalling several hundred pages. The Nine will be able to use this analysis as a basis for their work in Belgrade, particularly in connection with the assessment of how the agreements reached in Helsinki have been implemented. The exchange of information and opinions on this question has been pursued, and its results include a series of parallel representations by the Nine in Moscow aimed at improving economic information. The preparation for the Belgrade conference got under way with a study of a number of practical and theoretical aspects. Clearly, it will only be possible to make final choices for Belgrade at a fairly late stage, in the light of the East-West situation as a whole. Nevertheless, it is useful even at this early juncture to reflect on the various options open to us. Thus the questions currently under consideration include the areas in which it might be possible for us too to submit new proposals, with a view to both maintaining the multilateral dialogue and to achieving some progress in certain matters of interest to the Nine. In addition, we must bear in mind that some neutral countries which are still extremely interested in the follow-up to Helsinki may also make proposals, and the Nine would be well-advised to ensure as efficient cooperation as possible with this group.

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Another point deserving of our attention is the question of how we can best assess the extent to which the Final Act of Helsinki has been translated into reality; this is, in our view, the main task of the Belgrade Conference. The basic requirement here is frank, unambiguous debate, but we must also avoid unnecessary polemics. Nor should we forget that all those participating in these talks do so on an equal footing. If, in effect, only the activities of the Soviet Union are subjected to intense scrutiny, this will not be in keeping with the methods used so far in the discussions concerning Helsinki. The Nine are therefore thinking in terms of an assessment for each country. The most suitable form for this to take, however, must be further investigated.

Finally, and likewise in preparation for Belgrade, the working party is currently working on a detailed definition of the concept '*detente*', since this will be an important topic — certainly in the introductory speeches — and it would be useful if the Nine could adopt a common definition of the term so that the same yardstick would be used in assessing how much progress has been made in the process of *détente*. The working party has been considering this problem since last July and it looks as if its activities may be successfully completed within a few months.

Mr President, I should like to round off my *résumé* of the various activities undertaken jointly by the Nine in recent months by stressing once more that our exchange of views is becoming more and more intensive and that it is this extremely intensive exchange of views on practically all current international political problems facing the Nine, together with the resulting increased understanding of each other's points of view and intentions, which has contributed to the fact that the Nine are now more able to adopt common positions than in the past.

This is not always the case, as we see from the way the Nine sometimes vote in the United Nations. However, it remains true that the subjects on which we agree and decide to adopt a common position are becoming more and more numerous.

(Applause)

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

Mr Radoux. — (F) Mr President, I feel we must thank Mr van der Stoel for the information which he has just given us in his capacity as Chairman of the Conference of Foreign Ministers.

It would be absurd to claim that political cooperation has made no progress over the past few years and will make none in the near future — the Belgrade Conference, as has just been pointed out, could lead to further progress. On the contrary, I think we can say that political cooperation has scored some remarkable

successes in certain areas. But we must do more than simply sit back and feel pleased with ourselves.

What I have to say falls into two parts: the first will deal with the goals of political cooperation, and the second with the internal procedures of the Community institutions.

First, the goals. I have just said that there is no reason to be wholly dissatisfied with what has been achieved up to now, but I would remind Members that we are a long way from the main objective of political cooperation formulated in Paris in 1974 by the Heads of State and Government. They stated that they wanted to 'reaffirm their determination gradually to adopt common positions and coordinate their diplomatic action in all areas of international affairs which affect the interests of the European Community'.

In my opinion, Mr President-in-Office, we can today no longer be satisfied merely with reacting to situations. The political cooperation of this Community consists of *reaction* rather than *action*. The Community reacts to events but takes no initiatives. Look at the changes of government in China and in the United States, for example: these events — one of them at least — could have prompted the Community to try to do something positive, to come forward with proposals.

We merely react: it is not enough.

On the other hand, can we accept the failure by the Community — except in the gratifying case of Cyprus — to offer its assistance in the settlement of disputes in the troubled parts of the world, when it is within our power to do so? The Member States can no longer offer such assistance or good offices individually because, unlike the Community, they have not the means to do so.

Lastly, and this is the crucial question, can we remain without a strategy, or overall policy, can we turn our backs on the future? Against the background of international problems, can we afford not to have a forward-looking Community policy, can we afford not to face and assess the problems, and make the Community's reaction known to the general public?

Do we, for example, have a policy with regard to southern Africa? I think the answer is no, and consequently, I feel we are in no position to criticize certain powerful nations who seize the opportunity to take action which we feel unable to take ourselves.

Do we have an overall policy in the North-South dialogue?

Do we have a comprehensive Middle East policy?

I shall conclude this first part on an optimistic note. The President-in-Office of the Council referred to the Belgrade Conference. In Helsinki, some headway was made, which is why the Community put its signature to the Final Act. It is therefore gratifying to learn

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from Mr van der Stoep that the Community will endeavour to present a common, concerted policy in Belgrade. There is no doubt that, while not everyone looks favourably on the Community's attending the Belgrade Conference in its own right, its influence will only be felt and its existence given due recognition to the extent that it is indeed present as a Community.

After this survey of aspects of external policy on which the Community should, but does not yet, have a concerted approach, I should like to move on to our internal procedures.

Mr President, we have at our disposal today an instrument which has worked very well and which, six years ago, was tailor-made for the Community. I am referring to the Davignon procedure, which has so many good points that it could be used as the basis for working out new procedures which can then be adapted to the present circumstances.

What is the present situation? On the one hand, since the introduction of this procedure, the Community has taken on new responsibilities in addition to existing at the time; on the other hand, this House no longer has to deal only with the Conference of Foreign Ministers, as was the case in 1970, but also with a European Council comprising the Heads of State and Government, which is also able to act on political cooperation and take initiatives at international level. There is, however, no liaison whatsoever between the European Council and the European Parliament on these matters.

That is the great difference between 1970 and today. Furthermore, the general scope has widened considerably, so much so that exchange of information between the committees and other organs of this House on the one hand, especially the Political Affairs Committee, and the European Council and the Conference of Foreign Ministers on the other, is no longer adequately catered for.

I should like to ask the President-in-Office of the Council whether he does not think that, since the Presidency changes every six months, two annual statements to Parliament instead of the present one might be in order. It is difficult for a President-in-Office of the Council to have to accept responsibility for a whole year's activity; it would be far easier for him to take responsibility before this Parliament for six months and to hold with the House the discussion which we seek.

The 'Luns-Westerterp' procedure is another mechanism which has become outdated.

Like the Davignon procedure, it was both useful and adequate when first introduced; today, however, it has become totally inadequate. I hardly need remind Members of the incident which occurred last September and the arrangement made on that occasion with regard to the Machrek countries so that an

agreement could be implemented? The work which we have all to do prevents us from meeting and we cannot do the things we want to. I blame neither the Members of this House nor the Ministers for this; the fault lies with our respective activities. This is precisely why we must work out more satisfactory procedures?

In short, we feel that there is no need for innovations since a little imagination could make the existing structures more efficient. They could be adopted by means of agreement between Council, Commission and Parliament. We also feel that everyone is aware of the outdated, somewhat artificial and, if you will permit me to say so, occasionally ridiculous nature of relations between the Community institutions.

As I see it, we must realize today that what we introduced some years ago needs revision. In this context, I am thinking of certain procedures which already exist in other fields, in particular, the conciliation procedure. Is it really inconceivable for the Conference of Foreign Ministers to consult us before certain steps are taken, either in the appropriate committee of the European Parliament, or at a plenary sitting, or by means of tripartite meetings between the Commission, the Conference itself and Parliament? I say this in the presence of the President of the Commission, which has made a valuable contribution to certain international meetings with results which Parliament found highly gratifying.

Summing up, Mr President, I should like to say that as far as the procedures are concerned, I feel that all, or at least the vast majority of, the Members of this House are in favour of improving the working procedures between the various institutions of our Community. We have at our disposal an instrument — the Davignon procedure — which removes the need for innovations or new procedures and which, with a little imagination, could produce far better results than those we are witnessing at present.

A few minutes ago, Mr President, you were compelled to recognize, with regard to a question put to you, that it was difficult to debate in this House certain issues on which we were all unprepared. We would be prepared if the problems did not appear at the last minute — and I am thinking of the Luns-Westerterp procedure — or if we had the opportunity in this House to discuss together in detail, and in advance, certain problems facing the main organs of political cooperation.

As to the basic question, I feel that if the Community could back up certain extremely valuable initiatives taken by any Member country — with the means which the Community alone can provide for such action to be credible and successful, this would be a great step forward. We would be furthering the interests of our countries when they are obliged to make a position known, and also when they feel that a

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Community initiative can be taken at international level. We would in this way be making the best use of our diversity and enhancing the political influence of the Community.

Mr President, diversity often been contrasted with union and community. I am one of those who, on the contrary, believe that the diversity of our Member States is a source of great strength which enables our Community to have a personal and characteristic influence which other great nations cannot have, for reasons which we all know. I am of the opinion that we fail to grasp opportunities because we have not brought our procedures up to date, because we lack boldness, and because, as I said at the beginning, we react rather than act. I really believe that together we should make an effort — Parliament, Commission and Council — to overhaul our working methods and realise that certain parties in the world are expecting initiatives from us which they are unlikely to find elsewhere.

I may have been very critical, Mr President-in-Office, but I wished to give you my views, which I may sum up by saying that we do not need a revolution to improve our work or to increase our influence in the world: we simply need imagination. That's all — imagination. I feel that all our Member States and, within the framework of political cooperation, the Foreign Ministers, individually and in collaboration are capable of this.

(Applause)

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

Mr A. Bertrand. — *(NL)* Mr President, first of all I should like to thank the President-in-Office of the Council, or rather the Conference of Ministers of Foreign Affairs, for the statement on the Community's external policy which we have just heard. I would also add that I have now heard the external policy statements of the last three Presidents-in-Office, and that all three of them have repeated the same familiar views on the familiar problems.

The external 'policy' of the Community is clearly — as Mr Radoux has — already stressed — above all a reaction to a given action — by which I mean that any political standpoint in this external policy is always a reaction to events in one country or another. This is one of the first conclusions the Christian-Democratic Group reached when considering the attempts to achieve European political cooperation in the area of external policy. I assume that the ultimate aim of the Davignon procedure was not to define a general external policy, but rather to achieve a certain degree of coordination between the Member States which would help them to adopt common positions in the face of specific experience these efforts should have already led to a genuine political policy, not consisting only of reactions to particular actions, but

one which could give a distinctive long-term character to European political cooperation in external relations.

Secondly, I should like to draw attention once more to the ambiguity which results from the separation of European political cooperation and the European Council. Mr President-in-Office, you spoke today of European political cooperation at the external level, outside the Community. There is, however, also an *internal* European political cooperation, i.e. within the Community, but no reference whatsoever was made to this in your statement. The growth towards European Union is a form of European political cooperation — not by virtue of the Treaties, but arising from intergovernmental cooperation which aims to bring about a general agreement on European Union. There was not a word about this in the statement on European political cooperation you made here today, and this is clearly a major omission. For example, it is very strange that the President of the Council does not perceive any need to say what has become of the proposals contained in the Tindemans Report regarding the further extension of European political cooperation as a step on the road to a European Union. Will the distinction between the Council and Conference of Foreign Ministers be abolished? Has this been discussed in the context of European political cooperation? Is there a willingness to work towards a European decision-making centre on matters of external policy, and to accept that the minority will have to fall in with the majority view in questions of external policy? All this comes within European political cooperation, but it does not appear to have been felt necessary to give Parliament any information on this subject. I should like to ask, however, Mr President-in-Office, how far the consideration of this subject on the basis of the Tindemans Report has progressed. I shall return to this matter shortly, but for the present I should just like to express the hope that this dichotomy will be eliminated as soon as possible and that we will be faced with clear situations, i.e. an account of European political cooperation at the external and internal levels by the President of the Council on behalf of the Council. Before going into this, I should like to touch on a few points raised in your statement on external affairs.

As regards the Middle East, the President of the Council spoke about the positions adopted by the Community in the United Nations. He drew our attention to Resolutions 247 and 338, which refer to the statement of 6 November 1973, and then added explicitly that the Community once more stressed the Palestinian people's legal right to existence. I should like to have heard you add just as explicitly '... on condition that this continues to involve the recognition of the existence of Israel'. I increasingly have the impression that, for certain economic reasons, there is a growing tendency to keep quiet about Israel, about the fact of its existence and its geographical situation, and that Israel's right to existence is not being defended with the same vigour as the legal right of

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the Palestinian people to a state of their own. We fully agree that they have this right, but I would not like to see the world outside the Community getting the impression that the policy of the Nine, vis-à-vis Israel is becoming fuzzy, specifically as regards Israel's right to the necessary guarantees of its continued existence, independence and territorial integrity. Surely this is important!

One of my colleagues will probably have something to say on the dialogue with the Arab countries. As regards Africa, I was surprised that no mention was made of Angola since, as Mr Cheysson has just told us, certain events taking place there, such as the continuing presence of foreign troops and the development of guerrilla warfare, have created inhuman conditions for a number of refugees in Angola and are resulting in the massacre of certain groups. Have we in the Nine no longer any views on this? Or do we simply refer back to what we have said before, namely that the foreign troops should leave the territory and that the process of Angolan independence should be allowed to develop normally without foreign intervention? You have seen for yourself in the meantime, however, that this is not happening, and we would have been grateful to know what the new reaction is to the current activity in Angola so that we could be clear on that matter too.

As regards the apartheid policy of South Africa I should like to say first of all that we Christian-Democrats do not accept any apartheid regime whatsoever, since we believe in the personal dignity of the individual and because we feel that everyone, regardless of his race, colour or language, has a right to develop his human potential to the full wherever he may live or work, or whichever society he belongs to. We consider this principle to be irrefragable. What does bother me, however, Mr President of the Council, in the light of your continued pleas for the abolition of apartheid in South Africa, is the guarantees the Community can give to the three and a half million white South Africans who were born there. If we abolish apartheid tomorrow and quite rightly and reasonably give everyone the right to full expression, what will happen to them? Will they be murdered, exterminated, and will we look on patiently or will we be in a position to give them the necessary guarantees? I think it is extremely important that when the Community speaks publicly on these problems, with all the consequences that entails, when it makes a statement regarding Rhodesia, it should adopt a single, consistent attitude to the respect for each individual life in these areas, and the guarantee of the safety of these lives. We do not deny that political reforms may be necessary in these areas, but we hope that these reforms will take place in such a way as to guarantee the protection of these white Africans, who must be enabled to continue living and building a future for themselves in these areas. Is it not true that the South Africans took land from black Africans. When Jan van Riebeeck arrived with his group from your own

country over 350 years ago, there were no blacks there. It was deserted land, and they took nothing from anyone. Only afterwards did people from the North drift to the South, thereby giving rise to the present situation. A solution must be found to these difficulties, but one which respects the lives, livelihood and security of all those currently living in South Africa. I just wished to stress this point.

A final word on East-West relations. You spoke about assessing how the agreement has been put into effect. I hope that the Nine will not put one particular group in the dock at Belgrade, but that they will have sufficient courage to make clear in this assessment what aspects of the Helsinki agreement have been disregarded by one of the parties. I hope this question will be looked at thoroughly. You also spoke about the definition of the concept *détente*. May I warn you about over-defining this concept, as I have the impression that the scope and implications of the term here in the West have become such as to represent a genuine threat to our existence in the years ahead. So much emphasis has been put on the idea of *détente* that the youth of today really believe that tensions and balance of military power are things of the past or that the balance of power is static at the moment. Our young people appear genuinely to believe this, with the result that the West's capacity to defend itself is quietly being undermined even though it is still indispensable to our security and independence. In saying this I have in mind the international-level discussions which are to take place tomorrow. I should therefore like to ask you to place the concept *détente* in its proper context if you wish to define it tomorrow.

Finally, you also spoke about framing new proposals in connection with the preparation of the Belgrade Conference with a view to maintaining the multinational dialogue. We can go along with this, but I should nevertheless like to emphasize that it is vital that these new proposals should be thoroughly prepared and examined in adequate consultation with our major partners, so that we can enter into the discussions at Belgrade with a completely clear picture of what we are about.

So much for political cooperation at the external level. As regards internal political cooperation, I must say that I am extremely disturbed. The imbalance between the dynamic development of external European political cooperation and internal European political cohesion has become so flagrant and so great that the very existence of the Community is threatened. We are faced with a dangerous situation in which internal European political cooperation is not being advanced in the same way as external political cooperation. The continued existence and further development of European cooperation in the economic and financial fields are now seriously threatened. I ask you, how far have you got in European political cooperation towards making it possible to clear up the monetary chaos which is not covered by the Treaties but is dealt with at intergovernmental level? How far have

Bertrand

we got with the snake if these questions are not discussed within the framework of the Community, but at intergovernmental level? What is the situation as regards the Tindemans proposals: have you in fact discussed them? What progress have you made with the preparations for the European summit of 29 and 30 November, given that the European Council has asked the Council to make proposals with a view to reaching decisions? I would also have liked to hear whether sufficient progress has been made in the examination of the Tindemans Report to permit decisions to be taken on the proposals contained in it on 29 and 30 November, since this was something the European Council instructed the Council to do on 1 and 2 April. The European Summit is imminent, and I would have liked to hear how far you have got with these matters and what possible solutions are being considered. Finally, I should just like to remind you of the concern expressed by the Prime Minister of the Grand Duchy of Luxembourg in his own Parliament, when he voiced his great concern at the sluggishness and lack of dynamism in the examination of the Tindemans Report. He said this publicly in the Luxembourg Parliament, and since he himself is one of the heads of government, no one will take it amiss if we want an explanation and ask the President of the Council whether this is in fact true. During the same debate, the same head of government also expressed his deep concern at the great enthusiasm you are now showing in the context of political cooperation to accept new applicants for membership of the Community — which is unmistakably giving rise to a dangerous state of affairs, since while this happening nothing is being done to strengthen the Community internally. The result could well be that we shall neglect to strengthen the internal cohesion between the Member States and the peoples of the Community, and tend to become merely a sort of free trade area, whereby the Community as such will cease to exist. Mr Thorn also expressed this anxiety, and I would like to have heard your opinion on the subject. It is, moreover, a striking feature of the Community's external policy that the new applications are all from the South, while all development in a northerly direction is currently at a standstill. If such an unbalanced expansion of the Community is not accompanied by a strengthening of solidarity among the Member States and of Europe's internal structures, if it fails to re-establish efficient policy-making bodies and to provide for democratic representation in Parliament and for an Executive with greater powers, it could constitute a real threat to us all. I should therefore be grateful if the President of the Council could tell me how far we have got in ensuring that internal European political cooperation develops in the same direction and at the same pace as external political cooperation.

(Applause)

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

Mr Durieux. — *(F)* Mr President, it is now over six years since a procedure for political cooperation between the Member States of the Community was introduced. Nevertheless, despite the results achieved and the excellent knowledge which the Chairman of the Conference of Foreign Ministers has of his field, his remarks reveal the inadequacy of cooperation which is still only in its infancy. Of course, no-one can deny that efforts are being made to harmonize the stances of nine governments on international questions: there is a growing number of ambassadors' meeting — Member States' delegates to international organizations consult each other regularly — and yet in this context the same shortcomings are apparent as in all the other spheres. Procedures exist and are respected in principle; yet the results fall short of the original objectives. It could almost be said that these procedures are being implemented for their own sake, as an end in themselves, rather than observed as the means to a specific end.

It is time we realized that observance of the form, while necessary, is only a very small part of the process of political cooperation, and that when its importance is over-emphasized, the result is a reversal of the scale of priorities. Nearly all the statements on political cooperation stress the issues in which the Davignon procedure has worked adequately to produce a consensus between the nine governments. We all know the true value of these consensuses, which always reflect the lowest common denominator of the differing opinions. Moreover, these statements are so over-cautious as to be liable to be interpreted as reflecting a process of diplomatic consultation rather than true political cooperation. I would not like what I am saying to be misinterpreted, I am as aware as anyone of the difficulties involved in the process of political unification and I welcome the progress made in this field. Nevertheless, I feel that the time has come to go further, first of all by looking at the true value of the results so far obtained. When agreement is reached between the Nine to dismiss the two parties to a dispute unreconciled, while maintaining preferential relationships with both, it would be better to admit to our partial failure and refer to a 'lowest common denominator' rather than to a success. This is also true when we rely unreservedly upon an international organization while being fully aware of the serious inadequacy of its means. This would bring home to us more effectively the gap between what we have already achieved and what remains to be done.

We could then go even further by tackling the underlying problem of our external relations, which remains the one raised by our Group on 16 June last when it put to the Conference of Foreign Ministers,

Durieux

the Council and the Commission an oral question with debate to which Sir Christopher Soames replied with a number of very profound and very pertinent political reflections. Let me remind you of the central theme of that debate, for, as far as we are concerned, what was said then still holds good, i.e. that it is political cooperation which will decide whether or not Europe can be considered as an entity. It is for this reason that we should like a new start to be made.

In our view, the Community's external relations should not represent the haphazard and confused expression of a material power but should, instead, be consistent with a grand strategy based on a shared conception of Europe's place in the world and of its resultant political, economic, social and cultural role. This, of course, is an ideal. Nevertheless, it is precisely this ideal which we should choose as our guide in a course which Sir Christopher Soames defined aptly when he said: 'We must measure our success not by what we think we can do, but by what we know we must do if we are to secure for our Community the greatest possible degree of independence in what is an increasingly interdependent world'. He also said: 'The foreign policy of a united Europe is gradually taking shape in its own tradition'.

I feel these three concepts could be taken as the fundamental principles of the Community's external relations. The extreme importance of the matter is already firstly established, for an external policy is not, as is often thought, the apex of the European pyramid, but frequently — and quite logically — its base. The leading commercial power in the world cannot pursue a cohesive policy in any field unless it is a tangible reality at international level and unless its partners know where to expect its support and where to fear the consequences of its unity.

That is why, alongside the pragmatic action taken under the Davignon procedure, we would like the fundamental issues of external policy to be discussed, as it is they which matter in this field.

We must realize that we shall never reach a satisfactory, i.e. a working agreement on issues as diverse as Cyprus, Angola, the situation in the Middle East or in Asia — to which previous speakers referred — unless there is some degree of agreement on East-West relations, or security, or on a greater measure of independence in an increasingly interdependent world. We are convinced that the failure of political cooperation as it stands will turn out to be that it played down the importance of events. Rather than an illusory harmonization, what we must therefore aim at is a degree of compatibility sufficient to get our diplomatic activity moving again. Obviously, this cannot be achieved overnight, but it would be a step in the right direction if the next European Council agreed to approach these issues honestly and realistically.

Even so, the European Council is not enough. In this context more than any other, I shall borrow a phrase from Sir Christopher Soames: 'The people will have to be involved'. The direct election of the European Parliament is particularly important in this respect, since it can focus the imagination and the attention of the citizens of Europe whatever their social standing and wherever they live in the Community.

That, Mr President, is the position of our group with regard to this problem, and we call upon all the democratic groups represented here to support the proposals which I have just outlined on behalf of all my colleagues.

After this introduction, I should like to ask some questions on certain specific points raised by Mr van der Stoel in his address.

Firstly, with regard to the situation in the Middle East, could the Chairman of the Conference of Foreign Ministers tell us what course of action the Community intends to pursue on the Lebanon? In particular, we should like to know what the credits approved by the European Parliament last year as aid to third countries are to be used for, since, in my opinion, these funds were intended above all for the poorest countries, while new credits should be voted for the Lebanon.

Secondly, as regards the Euro-Arab Dialogue, should the question of the number of migrant workers admitted into our Community — which is already faced with the problem of unemployment — be linked to political considerations and economic relations, particularly in the light of a possible new rise in the price of oil?

Thirdly, referring to the situation in South Africa, the President-in-Office of the Council stated that the political cooperation had elicited further information from Pretoria on the situation in Namibia. Will this information be communicated to Parliament?

Fourthly, I should like to know why the Community's political cooperation on Cyprus relies entirely on the efforts of the United Nations. Does not the President-in-Office of the Council feel that the Community as such would be in a better position to act by virtue of our association with the governments of Athens and Ankara?

Fifthly, on the subject of the new Conference on security in Europe, could Mr van der Stoel give us an assurance that he will provide us with further information on the position to be adopted by the nine Member States before the conference actually starts? Of course, this information could at least be given to our Political Affairs Committee.

(Applause)

5. Change in agenda

President. — At the request of its author and with the agreement of the Bureau, the oral question with debate put by Mr Cousté on behalf of the Group of European Progressive Democrats to the Commission, on the situation in the craft trades industry (Doc. 386/76), has been postponed to the December part-session.

The proceedings will now be suspended until 3.00 p.m. We shall then vote on the motions for resolutions contained in the reports by Mr Hamilton and Mr Martens on amendments to the Rules of Procedure. I would remind you that these amendments can only be adopted if the majority of Members of Parliament vote for them, that is to say at least 100 votes in favour.

The House will rise.

(The sitting was suspended at 1.10 p.m. and resumed at 15.05 p.m.)

IN THE CHAIR: MR SPÉNALE

President

President.— The sitting is resumed.

6. Reference to committee

President. — The proposals from the Commission of the European Communities to the Council for:

I. a Decision instituting a consultation procedure and creating a committee in the field of transport infrastructure

II. a Regulation concerning aid to projects of Community interest in the field of transport infrastructure

(Doc. 244/76),

which had been referred to the Committee on Regional Policy, Regional Planning and Transport, have now also been referred to the Committee on Budgets for its opinion.

7. Amendments to the Rules of Procedures (vote)

President. — The next item is the vote on the motion for a resolution contained in the

second report, drawn up by Mr Hamilton on behalf of the Committee on the Rules of Procedure and Petitions, on the amendment of Chapter XI of the Rules of Procedure of the European Parliament (Doc. 336/76),

which was debated at the sitting of Tuesday, 12 October 1976.

I would remind you that motions for resolutions involving amendments to the Rules of Procedure may only be adopted if a majority of the Members of the House vote for them.

I have no amendments on this text.

I draw your attention to the fact that the following additions, which appear in Mr Martens' report, must be made to this motion for a resolution:

— instructs its Secretary-General to have published a new edition of the Rules of Procedure thus amended, making sure there is perfect concordance between the texts in the six official languages;

— decides that the Rules of Procedure thus amended shall enter into force at the beginning of the part-session following that at which they have been adopted.

Does anyone wish to speak?

I put to the vote the text of the motion for a resolution with these additions.

The resolution is adopted by 118 votes.¹

I call Mrs Ewing on a point of order.

Mrs Ewing. — Mr President, far be it from me to question the tellers, but I did myself take a count of the hands raised, and it seems to me quite clear that they were far in excess of the number read out.

(Mixed reactions.)

President. — Another vote will be taken in a moment. We shall pay as much attention to it as to the preceding vote. You will then be able to compare the results.

We shall now vote on the motion for a resolution contained in the

second report, drawn up by Mr Martens on behalf of the Committee on the Rules of Procedure and petitions, on the amendments to Chapters I to X, XIII and XIV of the Rules of Procedure of the European Parliament (Doc. 335/76),

which was debated at the sitting of Tuesday, 12 October 1976.

The rapporteur has rightly included the original text of the Rules of Procedure in his motion for a resolution, opposite the text proposed by the Parliamentary committee responsible. It goes without saying that the House will vote only on the committee's new text, which is in the right-hand column.

The rules which remain unchanged will not be called. I shall first of all put only the amendments to the vote, and then the motion for a resolution.

On Rule 14 (3) I have Amendment No 1, tabled by Mr Krieg on behalf of the Group of European Progressive Democrats, which seeks to delete, at the end of this paragraph, the words *and accorded a place for debate at the discretion of the President.*

I call Mr Krieg.

¹ OJ C 293 of 13. 12. 1976.

Mr Krieg. — (*F*) Mr President, I must admit that this amendment is the only one not to have been accepted of all those which I put forward in the Committee on Rules of Procedure and Petitions. I nevertheless think that the European Parliament should retain it, because it is obvious that you cannot say, at one and the same time, that the adoption of urgent procedure means that the items concerned shall be given priority over the others and that the place accorded them for debate shall be left to somebody's discretion, even if it is the President of our Parliament. That amounts to wanting one thing and deciding the opposite, and I think it would be more logical, more normal and more lucid to retain only the beginning of the sentence, i.e. to state that the items for which urgent procedure has been adopted have priority over the other items on the agenda and must consequently be dealt with immediately. That is the position which I would like to see adopted by the European Parliament.

President. — What is Mr Martens' position?

Mr Martens, rapporteur. — (*NL*) Mr President, the word 'absolute' was deleted from the original text. That referred to the place accorded for debate. Your committee therefore considered it desirable to make an addition and was of the opinion that the place for debate could best be decided by the President of Parliament, who in any case has some idea of the overall possibilities of the agenda. This on the understanding that the full force of the idea of urgent procedure and priority is retained. I therefore ask the House not to adopt this amendment.

President. — It is most unusual for the President to suggest a change to an amendment. But it seems to me that if 'the President' were replaced by 'the Parliament', the House might perhaps be able to vote unanimously in favour. What is Mr Krieg's position?

Mr Krieg. — (*F*) Mr President, I admit that I appreciate the point of your proposal, especially since, as Mr Martens has just pointed out, it is the President who is in charge of the agenda. But in fact, if it could be agreed that Parliament, on adopting urgent procedure, can decide the best time to hold the debate, I would be perfectly prepared to support this change in wording.

President. — What is Mr Martens' position?

Mr Martens. — (*NL*) Mr President, I agree.

President. — I therefore propose that the text of the amendment be amended as follows:

and accorded a place for debate at the discretion of the Parliament.

Thus our proceedings are in accordance with democratic practice.

I put Amendment No 1 thus amended to the vote. The amendment is adopted by 122 votes.

On Rule 20 (3), subparagraph 2, I have Amendment No 3 tabled by Mr Broeks on behalf of the Socialist Group, which seeks to delete the words *raised by the general report* from this paragraph.

I call Mr Broeks.

Mr Broeks. — (*NL*) Mr President, I am afraid we must retain this amendment, since it is our view that both Parliament and all the committees have the right to deal in their reports with things which have not been submitted for discussion by the Commission. I fail to understand why, if the Commission of the European Communities has not submitted for discussion a matter which in the meantime has been dealt with in the Jahn report, our committee or our Parliament should not be allowed to speak or write about it. I am sorry that Mr Martens is not prepared to accept this amendment.

President. — What is Mr Martens' position?

Mr Martens, rapporteur. — (*NL*) Mr President, Rule 20 applies solely to the annual general report of the Commission of the European Communities, and we thought it would be best — that is at least the opinion of the committee — to limit Rule 20 to the wording as found in the report. There are other possibilities which permit problems that may not have been touched upon to be raised in plenary sitting, and therefore I ask the House not to adopt the amendment.

President. — I put Amendment No 3 by Mr Broeks to the vote.

The amendment is rejected by 80 votes to 43, with two abstentions.

On Rule 31 A, (1) I have Amendment No 2, tabled by Mr Broeks on behalf of the Socialist Group, which seeks to delete this paragraph.

I call Mr Broeks.

Mr Broeks. — (*NL*) Mr President, I understand that the rapporteur is prepared to accept this proposal because another Rule already contains much the same words. I therefore need not enlarge on the matter any further.

President. — I call Mr Martens.

Mr Martens, rapporteur. — (*NL*) I confirm what Mr Broeks says. We accept this amendment.

President. — I put Amendment No 2 to the vote. Amendment No 2 is adopted by 122 votes.

I put the motion for a resolution to the vote.

The resolution is adopted by 122 votes.¹

¹ OJ C 293 of 13. 12. 1976.

8. *Statement by the President-in-Office of the Council on political cooperation (resumption)*

President. — We shall now resume the debate on the statement by the President-in-Office of the Council on political cooperation.

I call Sir Peter Kirk.

Sir Peter Kirk. — Mr President, the President-in-Office this morning gave us a wide-ranging and very informative review of the activities of the Conference of Foreign Ministers since we last debated this matter some months ago. This confirms the opinion which has been rapidly growing in my mind, and I think in that of other observers of the Community, that — rather, I must admit, to my surprise — the common foreign policy side of the Community is in extremely good health and improving day by day. We have had our slips of course from time to time — Angola about a year ago was notable one — but on the whole the situation is getting better. I feel therefore that the news that the President had to tell us this morning should perhaps be more widely known to the general European Community outside those of us who work or live in the institutions.

It is now a matter only I think of some three years since the foreign policy activities of the Community began to be coordinated in the sense that the Conference began to meet regularly. It was only two or three years ago that we had that memorable day when the Conference of Foreign Ministers met in Copenhagen in the morning and the Council of Ministers met in Brussels in the afternoon — all I believe travelling in the same plane from the one place to the other. The progress that has been made since then is in my view extremely praiseworthy and the Council, or rather the Conference, are to be congratulated on what they have done.

But although this quiet revolution has taken place, it does lead me to another reflection on which perhaps the President might be prepared to comment when he comes to answer in this debate. It is this: he gave us a *tour d'horizon* this morning, singling out various parts of the world where there were particular problems which the Conference of Foreign Ministers was dealing with. Yet in giving it — and strictly speaking he was absolutely correct — he had to wear only his foreign policy hat and doff his cap as President of the Council of Ministers. Perhaps I can cite three examples, one of them I think very serious, to show precisely what I mean.

He talked to us, quite rightly, about Community policy towards Africa, in particular towards South Africa — recognition of the Transkei and so on. But how is it possible to talk about Community policy towards Africa, if even in the strictest foreign policy sense, if we do not talk about the Lomé Agreement? Because that is the keystone of any African policy,

whether it be foreign policy or economic policy, that we are likely to pursue.

He talked to us about relations between the two divided parts of Europe, between the East and West. He again pointed out, quite rightly, the need for a proper examination of the follow-up to the Helsinki Agreement, the need for real preparation for the Belgrade Conference. But again, how can you discuss this in meaningful terms if you don't discuss the Wallenstein mission to Moscow, the return Comecon offer and, as I understand it, the rejection by the Community within the last 48 hours of the proposals which Comecon had made to the Community? These again are all of a piece. You cannot separate foreign policy from economic policy in the way that — not the President, because I acquit him of any ill intention here — but the Community itself tries to do.

The third instance is perhaps the most dangerous of all, because even if the other two are nonsense, I am quite certain that when ministers come to consider these things, they look on them as a totality and do not divide them into boxes in the way that we have to do here. But the third one, the question of Cyprus, really could be dangerous. How is it possible to discuss the question of Cyprus without also discussing — and this may be discussing the undiscussable — the Greek application for membership and the negotiations with Greece? Whatever one's views on the Greek application — and I am all in favour of Greece joining the Community as soon as may be — there can be no doubt whatsoever that there are repercussions that flow from that on the Cyprus situation and there are repercussions from the Cyprus situation that flow from that on the application. We cannot consider these things in isolation.

(Applause)

Before I come to discuss Cyprus in more detail, I would say that in broad terms the ministers are doing very well, but I think the time really has now come when these separate personalities, the President of the Council of Ministers on the one hand and the President of the Conference of Foreign Ministers on the other, ought to shake hands and agree that they really are one and the same person, operating one and the same thing, in one and the same theatre of operations.

Now, Sir, about Cyprus itself. Obviously this is a problem which is of the greatest delicacy and if the President feels that he cannot go very much further than he did this morning, I for one would quite understand. But I think we really must be aware within the Community of the tensions that are building up over the Cyprus issue and the related issue of the Greek application. All of us here in this House have had reports from those members of our groups who sit on the Joint Delegation with Turkey, and we are well aware of the fact that relations between the Community and Turkey now are probably as low as they

Kirk

have ever been. Part of the cause of the trouble is undoubtedly the attitude of the Community towards Cyprus and a feeling among the Turks that by pressing ahead with the Greek negotiations as fast as we are doing, we are in some way taking sides. I don't believe that to be true. But this is a feeling that the Turks definitely have, and therefore a feeling that I am certain the minister would wish to put right if he possibly could.

Here it is perhaps a matter of responsibility more than anything else, and I think we tend to overlook the fact that Cyprus is also a state associated with this Community. Indeed I, as the minister may recall, had the honour with Mr Jahn to negotiate on behalf of this House with the then Cyprus Parliament a parliamentary agreement which never came into effect, because within a month the Sampson coup had taken place, the Turkish invasion had taken place and the situation was transformed. But our responsibility for Cyprus, our responsibility for our responsibility as a Community, is second only, I believe, to the responsibility of my own country through the London and Zurich Agreements. And I accept with pleasure what the minister has said — that the ministers have offered the good offices of all the Nine in an attempt to solve this problem. But can I ask him this? Since, as I remember well from some 7 years ago and he may remember too, his knowledge of the Greek situation is probably greater than that of almost anybody else in this Chamber at the moment, does he really think it possible to discuss Cyprus in the context of Greek-Turkish relationships without discussing the Aegean, and does he really think it possible too that one can divorce the discussion on the Cyprus-Aegean-Greek-Turkey situation from the whole problem of the Eastern Mediterranean, now made that much more dangerous by the civil war in the Lebanon and by the approaches that have been made in those areas by some of the Communist states?

Now, Sir, I raise these questions not to be awkward: if the Minister feels that he does not wish to discuss these matters in public from now on, perhaps we can discuss them at a future colloquy, which we will undoubtedly have through the Political Affairs Committee. I raise them really because I have a growing fear that the situation in the Eastern Mediterranean is really very much more dangerous than most of us in this House imagine it to be and that the time is rapidly approaching when either the Community or its fine constituent members are going to have to take a firm decision on what they are going to do about the situation, involving as it does three of our associated states — and on the very doorstep of the Community. The idea that we can somehow remain apart from it is, I believe, an idea which is illusory.

I would conclude Sir, as I know some of my Honourable Friends want to take part in the Conservative

time in this debate, by saying simply this. The very fact that it is worth my while to raise those questions now is an indication of the extent to which we have moved in political cooperation in the last three years. So I come back to the point at which I started. I think congratulations are in order to the ministers and I for one, though I spend most of my time attacking them, will never grudge congratulations when they are in order.

(Applause)

IN THE CHAIR: MR LÜCKER

Vice-President

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

Mr Sandri. — *(I)* Mr President, we appreciated the positive features of the address by the President-in-Office of the Council. This morning they were considered optimistic by one Member and, in this respect, we interpreted them as an expression of hope for the future rather than as an assessment of the present state of political cooperation between the nine Community countries.

As a matter of fact, we feel that the contradictions between the policies of the Member States are becoming more and more evident or at least that the discrepancies are widening. Of course, there are also examples of constructive cooperation, and the President-in-Office of the Council quoted several.

I would like to stress particularly the declaration by the nine Member States on southern Africa, refusing recognition of the Transkei, which is regarded not as a nation, but as a reservation increasing and aggravating all the problems of apartheid. Nevertheless, ladies and gentlemen, even this political declaration by the nine Member States is really little more than half-hearted if it is considered that the policy of the Community countries does not in actual fact always correspond — and in some cases even runs contrary — to that declaration of principle, in view of the nature of the relations between some Member States and South Africa.

Moreover, we see no evidence of a Community presence involving initiatives or attitudes determined by a comprehensive view of world issues.

As regards the Lebanon, for example, I think we can welcome the recent statement at the United Nations Assembly by Israel's Foreign Minister, criticising the silence of the United Nations and of every other international organization on the tragic events in the Lebanon. Here, too, another international community was silent — the European Community. We know the reasons of course — we have been told that the Community remained silent because the Arab League had requested that the Lebanese issue be considered as the exclusive concern of the Arab world. However,

Sandri

we still think that the Community could have taken a stand, spoken out and taken steps to promote a just solution to the dramatic situation which has built up and is still afflicting an area just outside our own Community.

To return to Africa for a moment, we must also note the delay — to put it euphemistically — in the Community's reaction to events in Angola. On this point, the chairman of the Conservative Group expressed a view which is, to my mind, correct — that we cannot discuss Angola without seeing this problem against the background of the overall policy pursued by the Community, in other words the Lomé Convention. It should also be pointed out that the Community's irresolute, hesitant and contradictory attitude has done nothing to consolidate the Lomé Convention, since Botswana, Zambia and Tanzania have adopted a position directly opposed to that of the Community. Nor has it done anything to extend the Lomé Convention, because Mozambique and Angola have stated openly and unambiguously that, in view of the European Economic Community's attitude to events in Angola, they would both think twice before entering into negotiations with us.

It would perhaps be well at this point to recall the Community's position at the UNCTAD Conference in Nairobi: a leading Commission representative spoke in this House of 'abominable rifts revealed in the most important assembly uniting underdeveloped and industrialized countries'.

I could give further examples, but time and good manners prevent my doing so. On behalf of our group, ladies and gentlemen, I should merely like to point out briefly that the present situation is marked by a major upheaval in international economic relations, with the political landscape showing signs of détente on the one hand, and unresolved crises, confusion and interference by leading powers in the running of other countries on the other. In this overall picture, in which, moreover, East-West relations are marking time and those between North and South deteriorating — the Paris Conference is proof enough of this — we feel that the need for political cooperation between the Member States of the Community is as urgent as it is at present inadequate and as the outlook is bleak.

It is said that European unity can be achieved through cooperation and we wholeheartedly agree with this. However, before discussing the operational structures for this cooperation, we think it necessary to underline the objectives which should be aimed at and the principles which should motivate the cooperation itself. We shall be so bold as to do just this.

As we see it, one of the main objectives is progress in détente. We hope that the Community countries will participate in the Belgrade Conference with a

common position aimed at discovering to what extent the provisions, or rather the conclusions, of the Helsinki Conference have been implemented by both sides.

As Mr Radoux has pointed out, we are in favour of an active presence. It is therefore up to the Member States to take steps to find solutions to as yet unresolved crises which threaten international order. I hope Mr Bertrand will permit me to disagree openly with what he stated on behalf of the Christian-Democratic Group. While it is true that we must support the Palestinian cause, we should not forget Israel. We must help to break the deadlock caused by both sides' refusal of mutual recognition which is threatening to cause another conflict. However, where southern Africa is concerned, Mr Bertrand, before discussing the slaughter of whites which could happen tomorrow, let us devote our attention to the slaughter which is already a daily occurrence. Please do not forget that, in the Soweto township alone, two or three hundred black students have been killed by the South African police in the space of a few weeks. Nor should you forget that in the past few days Rhodesian troops have violated the territory of Mozambique and butchered around six hundred peasants. We must focus our attention on this region as a Community, taking a stand aimed at easing the situation and preventing escalation of the conflict, a stand which will at the same time help those peoples gain the independence which is in the best interests of the Community itself.

One last point. We hope that, at a time when the increase in the price of oil is encouraging those who call for another mobilization of the West against the developing countries, the nine Member States of the Community will reject this course, which would mean a breaking off of relations, and instead adopt a position which will give priority to the development of those countries which have no oil, no raw materials, no industrial products, but only debts which are threatening to ruin them.

I would therefore like to express my astonishment at the fact that the President-in-Office of the Council did not include the Euro-Arab dialogue among the results which the Community has achieved. When discussing Africa we ought to have spoken of the Lomé Convention, but when we speak of the Euro-Arab dialogue, why not begin with the agreements already signed and the other agreements with the Maghreb countries which are about to be implemented. These put the Euro-Arab dialogue on a sound footing and make the Community, provided it remains consistent in its action, acceptable to the other Arab countries which are not so far associated with the Community through the two agreements mentioned.

Sandri

As things stand at present, these are the objectives and principles which we feel ought to determine our cooperation policy. They presuppose a political resolve which does not appear to be there, since our impression is that the unity of the whole of the West at all costs is still the dominant aspiration of the governments of the nine Member States. The result of such unity would be to make Europe subordinate, with the major decisions being taken elsewhere, whereas we are convinced that the nine governments should muster the political will for internal cooperation in order to fulfill the aims mentioned previously — taking particular account of the aspirations of their peoples and the urgent need for an autonomous, independent Europe ready to cooperate with the two superpowers and, of course, the Third World.

(Applause)

President. — I call Mr Deschamps.

Mr Deschamps. — *(F)* I shall not take long; the views of the Christian-Democratic Group were expressed — and very well expressed — this morning by its chairman, Mr Bertrand.

There is only one point which I would like to stress, that of internal cooperation between Community institutions.

This morning, in an excellent speech, Mr Radoux said that the European Community should show initiative, take action in world affairs, offer its good offices, and that it had the necessary resources for this role. Well, I hope he is right and that you, Mr President of the Council, can answer him in the affirmative. Speaking for myself, however, I have my doubts. To enable us to play in world affairs the really effective part we all want to play, I think it is essential that relations between the Member States be strengthened immediately and as a matter of urgency, in other words that the European Union be established as quickly as possible.

In this debate on political cooperation I should therefore like to dwell upon one matter which seems to me to be of central importance: the close link between European elections, which we in this Parliament rightly consider to be of prime importance, and the progressive establishment of the European Union as envisaged in the Tindemans Report.

Of course, there are some who consider the Tindemans Report and the question of elections by direct universal suffrage to the European Parliament as two separate matters. In their view, the elections are a result of the implementation of the Treaties, which make express provision for them. European Union on the other hand is a concept which goes further than the Treaties. Looked at from the strict standpoint of international law, they are correct. However, I cannot help thinking and saying that, if we discard this legal-

istic attitude, it will be clear that these two factors, equally essential to the life of Europe, are closely and, in my opinion, indissolubly bound together.

Looking back over the long road which has led us to the fundamental decisions we shall shortly be called upon to take, there can be no doubt that since the European Summit in Paris in October 1972 the idea of European Union, and at the same time that of economic and monetary union, has been closely linked with the ideas of direct elections to Parliament: both depend on a clear political will to move towards a closer unity of the peoples of Europe.

In 1972, attention was focussed on the desire for greater supervisory powers for the European Parliamentary Assembly and on the reference in Article 138 of the Treaty of Rome to elections by direct universal suffrage. In the same resolution, the Community institutions were asked to prepare a report before the end of 1975 envisaging a new system of relations between the Member States of the European Union. Since then, from summit meetings to European Council meetings and from European Council to Council of Ministers, resolutions, decisions and measures have shuttled to and fro, dealing both with the Tindemans Report and direct elections. Neither we nor the Council can therefore detach one issue from the other, take a decision on elections and at the same time put off indefinitely an examination of the report on European Union and the conclusions to be drawn from it.

What we must do — and on this everyone is agreed — is to enable Europe to get its second wind, and no effort must be spared in that direction.

Therefore, as Mr Radoux emphasized this morning, we must at all costs avoid pitting one institution against another, as some people are too inclined to do, and we must also avoid separating the effort being made to bring about European elections in 1978 from that aimed at achieving European Union by means of a discussion and the gradual implementation of the report by Mr Tindemans, referred to by Jean Monnet in his *Memoirs* as a wise and very resourceful man.

After all, nothing which contributes to the building of Europe should be discarded or underestimated if its stature in the world is to be maintained. Such a task requires a spirit of positive cooperation from all those involved.

It would also be a mistake to focus attention on the transitory rather than the permanent. I would be the last to suggest that any further increase in oil prices, with the stark economic and social repercussions it would have, should not be discussed as a matter of urgent importance and carefully studied by the Council. But such an eventuality may not be used as a pretext for removing from the agenda, or for failing to discuss fully and conclusively, a matter of such fundamental importance as the report on European Union.

Deschamps

On the contrary, the disarray in which the previous increase in oil prices left us and our inability to take united and therefore effective action to deal with the situation both underline the need for a full and urgent discussion of the Tindemans Report. Only if the Council succeeds in detecting a common attitude and some positive conclusions on this question can we hope to see Europe gradually progress towards becoming a union and thus able to face up to the perils which threaten — and which will, alas, continue to threaten — its existence and the survival of its peoples.

(Applause)

President. — I call Mr Dalyell.

Mr Dalyell. — I just want to ask Mr van der Stoel two questions. Does he know that the Transkei authorities have closed the frontiers with Lesotho and that Lesotho are seeking the support of the Community? Some of us hope that this support would be forthcoming.

Secondly, as one who, with colleagues, will be going to Berlin next week on behalf of this Parliament to meet Mr Psemazoglou and other Greeks, I would like to know from Mr van der Stoel what he thinks we can sensibly say about the whole issue of Cyprus, inextricably bound up as it is with Greek entry. Since Sir Peter Kirk has covered this subject, there is no need for me to say any more.

President. — I call Mr Guldberg.

Mr Guldberg. — *(DK)* Mr President, I rise to speak on behalf of my Group and in support of what Mr Durieux has just said because, as a Member of my Group, I should like to address a few words to the President of the Council and at the same to the President of the Conference of Foreign Ministers, since I consider the two persons to be one and the same.

I would like to say that it appears to our Group and to myself personally that there is a considerable discrepancy between the view which outsiders have of the Community and the way we look at it and manage it from the inside. Those who view our economic and political cooperation from outside — not least those in the Third World and also in the United States — see Europe as a unit of considerable economic and political significance. They thus attribute to us — unfortunately, in my opinion — a political and also an economic solidarity which we are in reality far from having achieved. I think that this discrepancy between the outside view of us as a Community and the harsh reality of the situation inside seriously endangers cooperation between us.

In connection with the world economic crisis as a whole and our attitude to energy problems, it is more

or less assumed that the Community which Europe constitutes is so strong a unit that it can pursue a common policy in the same way as the United States or Japan. However, we have to admit that the unity we feel on foreign policy issues and in other spheres is in reality not so great as to allow us to act like the partners which others think we are.

I would therefore say to the President of the Council and of the Conference of Foreign Ministers, Mr van der Stoel, that there are many of us — I believe this is true of the majority in my country — who deplore the discrepancy between the outside view of us on the one hand and our intentions and capabilities on the other. Many of the matters requiring attention during this and the incoming Presidency make, and will continue to make, such demands on our Community that it is not sufficient for us merely to hope that direct elections in 1978 will provide the stimulus which will enable us to live up to the impression outsiders have of us. On the contrary, we shall be called upon every day, at short notice, to demonstrate our unity and our capacity for cooperation, even when there are difficulties in the way.

For those reasons, I would like the President of the Council to know that I deplore every instance where one or more Member States, whether on traditional historical grounds or because of misunderstandings or mistakes, dissociates itself from close Community cooperation and tries to adopt an individual or joint position. It is understandable that this should happen from time to time. I regret such occurrences but I would also like to say that, if such cases do occur and are held up as examples of how not to behave, then they serve a constructive purpose. On the other hand, if they are taken to indicate that others may also further their own interests in preference to a unified approach, I find that deplorable.

We must be realistic and accept that the reason for our failure to make greater progress towards integration and in particular to provide the monetary basis for our cooperation must regrettably be attributed to conflict between special economic interests, and we must also accept that economic interests may be at the root of dissenting attitudes; this may apply more to the larger than to the smaller Member States but, in either case, the situation is to be deplored and we should do our utmost to prevent it.

I hope that the President of the Conference of Foreign Ministers and of the Council understands why I have taken this line on behalf of my Group. I should like to add that it is important for us to endeavour to avoid differences of opinion, understandable though these may be. If they do arise it is to be regretted and we must see to it that, instead of being the rule, they are the exception or are due to misunderstandings.

(Applause)

IN THE CHAIR: MR BERSANI

Vice-President

President. — I call Lord Bethell.

Lord Bethell. — I would like to join with other Members who have expressed their appreciation of what the Council has achieved in recent months in the field of common foreign policy. In a difficult year in which the Community has not made very great progress, this is perhaps the single positive achievement of the Council, apart from direct elections.

There can be no doubt that progress has been made, particularly in the United Nations forum, towards coordinating our foreign policy and this is something for which we must be extremely grateful and which we must hope will continue.

I only have two points on which I wish to press the Council. One concerns Cyprus, which other speakers have discussed, and the other concerns the final act of the Helsinki Agreement. I agree with Sir Peter Kirk when he said a few minutes ago that the Council has perhaps not given enough attention to the problem of Cyprus and the whole question of the Eastern Mediterranean. There seems to have been an impression — and it may be that this impression has gained ground in this Parliament as well — that this is a subject which we should keep off, and that by interfering we may make matters worse. But the situation seems to deteriorate in spite of our paying no attention to it and I think that in the new year we really will have to do something to use our good offices to bring about some sort of a cure for this festering sore. The Council has explained how relations with Turkey are not very good at the moment, but I hope that it will make a real effort to explain to the Turks exactly what is happening in the Eastern Mediterranean and what could happen if a hundred thousand Greek refugees are allowed to remain in their present state. I do not want to go into a catalogue of mutual injustices between Greece and Turkey over the centuries, or to work out a balance of injustice over the Ottoman Empire, Smyrna, expulsions from Crete, the treatment of the Turks as second-class citizens in Cyprus. This is no doubt all true, but it leads one nowhere and we have to face the fact that the present situation is extremely dangerous and something which must be dealt with in this Assembly and by the Council. I think that there is some small room for hope at the moment. We will soon have a new American administration and I think that new administration may have a better chance of exerting influence on both sides. The Republican administration was, rightly or wrongly, discredited among Greeks, distrusted by Greeks and it is. I think, hopeful that the new administration will start with a clean sheet and perhaps be able to make some headway with both sides. It is also, I think, a hopeful sign that in January the presidency of the Council will be in the hands of

the United Kingdom, a country which has strong historical links with Cyprus and which is perhaps more knowledgeable about the problem than others, for obvious historical reasons. I trust, therefore, that the Council will deal a little more intimately with this problem and keep the House informed about any progress which it thinks it is making or any doors which it thinks are capable of being opened.

In my last minute, Mr President, I simply want to refer to what Mr van der Stoel said about *détente* and the Helsinki final act. He is, as he rightly said, trying to define what *détente* is even now he and his successors will be preparing for the washing-up conference in Belgrade next summer. But there is one thing that worries me about this conference. On many occasions, representatives of the Council have told us that they are monitoring the Helsinki Agreement. On 13 October I asked Mr van der Stoel's colleague, Mr Brinkhorst, exactly what was being done over this monitoring. I asked whether they were compiling a list of alleged violations of this agreement. I referred specifically to contacts between East and West in the cultural field and personal field and the problems of the reunification of families. Mr Brinkhorst in his reply was not able to tell me anything very specific, but I hope Mr van der Stoel will be able to say now, or will be able to write to me or to the President of Parliament and say whether, in fact, a list is being compiled of these various alleged violations. I would simply end by again thanking the Council for making this extremely useful and, in general, optimistic statement of progress in political cooperation.

(Applause)

President. — I call Mrs Dunwoody.

Mrs Dunwoody. — Mr President, I welcome this opportunity of taking part in this debate, because it seems to me that it is particularly in the field of foreign affairs that the European Community has a very practical role to play. Sometimes, rather like the pelican, it seems to me that the Community swallows whole all sorts of subjects which it then has to digest, and from time to time it appears to be in grave danger of choking to death on them. So, when we come into a field where, even if we do rather resemble the awkward squad, we are slowly shuffling forward towards some practical conclusion, it seems to me that we should do everything in our power in this Parliament, not only to aid that move but to make sure that the peoples of the Nine know exactly what is happening.

I would like to address Mr van der Stoel particularly on the problems that I foresee in the Mediterranean area. I would like to do so in several different ways, because it seems to me that we are after all, as a Community, not just concerned with trade but concerned with the whole question of politics. The problem of Cyprus has been very widely rehearsed

Dunwoody

today, both by Sir Peter and by my colleague Mr Dalyell, but there is another area in the east Mediterranean which is almost equally politically sensitive. I am referring, of course, not only to the state of Israel but also the Arab states that surround it. It is quite clear that this Community, because of the trade agreements that it concludes, not only with Israel but also with the Mashrek and the Maghreb countries, is taking a positive role in the political evolution of the Mediterranean. I will admit that, speaking personally, I do from time to time have reservations about some of the conclusions that the Community seems to reach in the trade field. I know that for a very long time there have been very close ex-colonial connexions between some of the countries of the Community and the Maghreb countries. But, when very specific advantages, which are given, quite rightly in many instances, to those countries for historical reasons, are widened to take in a much bigger political grouping, the Mashrek countries, then I do foresee a situation where, rightly or wrongly, it will be interpreted by some sections of the world that we are taking a political judgement in the Euro-Arab dialogue. I do not necessarily believe that to be true, but I am afraid that, if one is to create associate status, if one as part of that is to negotiate specific trade terms, then they must be part of the overall relationship between the Community and the countries of the eastern Mediterranean. And I think we should be exceedingly careful not to appear to be taking decisions which are influenced, perhaps, by the *number* of Arab countries as opposed to the *size* of the state of Israel when, after all, what we should be concerned with is maintaining a stable and sensible situation in the Mediterranean as a whole.

Further to that, I am particularly concerned about the whole question of Greek entry. It is a little difficult, when one has been known for one's outspokenness about the EEC, to discuss the problem of the entry of Greece without appearing to put up a wholly negative case. But I am concerned, and I think it would be only honest to say so, with the lack of discussion, not only in this institution, but, it seems to me, both in the Council of Ministers and in the other European Institutions, of the true implications of the entry of Greece into the Community. I accept the fact that, because they are a democratic state, because they have every right to apply for membership, one must talk to them in practical terms and one must certainly offer them, if they require it, the sort of status that will enable them to become full members of the Community.

But I do wonder if we have, as an institution, here in this Parliament, fully explored the implications of that move for the Community as a whole. There are those who feel that the last three member countries have themselves proved difficult enough to swallow. There are even those, I think, who from time to time might be almost as glad to see us gone as they were to welcome us in, in the first instance. But, if you think

of the problems that a country with a much lower individual income per head of the population will face in their transition into the Community, you will realize that there are very great political stresses and strains, that will inevitably occur inside countries like Greece, Portugal, eventually even like Spain, who are applying to join the Community. And they will require tremendous assistance. In this Assembly we are frequently told of the considerable problems that are created because of the lack of economic unity, because of the expenditure needed in the Regional Fund, in the Agricultural Fund, in the support grants, problems between the Nine as they are. How much greater will those problems be when we have admitted Greece, when we have begun the transition period with Portugal, and when we are seeking to encourage Spain to become a fully democratic state with a view to giving it full membership of the Community! I do not believe that we have yet considered how we are going to set about helping those new members. There is hardly any point in talking about an interim period that is not long enough to give them time to bring up their standards to enable them to face the very considerable pressures that will apply after that transitional period is over. And I speak as someone who sees my own country going through very, very considerable trauma because of the changes that are required by our entry into the Market. On occasions, you know, accusations are made against those of us who dare to bring up unpleasant facts connected with the accession, that we are simply seeking to be negative, but I would accuse this Assembly of being positively unrealistic on occasions.

I believe, for example, that the Tindemans Report has been wholly overtaken by political progress and when we talk about the sort of unity it represents we are talking about something we are going to find exceedingly difficult to achieve. In some instances in this Assembly itself, I think, the further we get away from the practical problems of Europe, the greater our degree of association.

So, Mr President, in conclusion I am delighted to take part in this debate, not simply because I believe it is time that a realistic assessment was made, but because I think it is time we heard from the ministers themselves whether they are yet aware that if they put yet greater pressure on this ramshackle organization they may tear it totally apart and the vacuum left in Europe will be far more dangerous than anything we have seen for the last three generations.

(Applause)

President. — I call Mr Lückner.

Mr Lückner. — *(D)* Mr President, in the few minutes at my disposal I wish to express once again the keen concern and deep unease which my colleagues and I feel over the present situation in our Community and over the serious challenges and dangers with which we will have to cope in the immediate future.

Lücker

If I have correctly understood Mrs Dunwoody's remarks to the effect that the Tindemans Report has been wholly overtaken by political progress and that we have got very much further than the report suggests, I am glad that I have the opportunity to speak after her, since I take a diametrically opposite view and find myself much closer to the opinion expressed this morning by Mr Radoux on behalf of the Socialist Group. Mr President, despite every effort to be optimistic — I am by nature an optimist — I am sorry that today I cannot be so; what I have to say to you, Mr President of the Council, is not addressed to you personally, but you are here today to listen on behalf of your colleagues to what Parliament has to say — we must speak our minds openly and not remain silent on matters about which we are sceptical and which cause us concern for the future.

I think we are all agreed, Mr President, that new initiatives and strenuous efforts are necessary if we are to extricate the Community from what I consider to be the present state of stagnation. If we are to counter the danger of internal decay in the Community — and there are many indications of such decay — we must review the situation realistically.

In saying that, Mr President, of the Council, I am glad to recall the optimistic note you sounded at the very end of your statement today. You said that you were convinced that the Community must increasingly speak with one voice, and I am sure that you were referring not only to Community external policy but also to the need for increased Community solidarity on policy issues within the nine Member States.

Let us consider the situation quite realistically, Mr President, let us take our economy and our economic position, let us examine our monetary policy and all its attendant problems. Let us look at the latest figures, which show that the average rate of inflation in the Community has again reached approximately 12 % with disparities — considerable and once again increasing — between individual countries and in its effects on employment. When we say that our balance of trade with the Third World is beginning to deteriorate, when we are in no doubt, Mr President — although I do not wish to sound like a prophet of doom — that at the beginning of 1977 oil price increases will present us with further problems, given all the effects they will have on the balance of payments, the international credit situation, and on business and employment in our own countries, then all one can say is: Have we any grounds for optimism today? With the best will in the world I cannot agree that we have.

If we turn to external policy, Mr President, I would say this: the zenith of our cooperation in external policy so far was surely reached at the Helsinki Conference on Security and Cooperation in Europe. However, looking at development since then, I cannot agree — however much I would like to — that there

has been any tendency towards increased cooperation in foreign policy; I would say rather that it has been reduced. I do not deny that we have made progress, but when I compare progress in the important fields with that in the less important ones, then I must say that, on questions of real importance, we have not achieved the degree of cooperation which we should be aiming at. These remarks are not addressed to you personally, Mr President of the Council. I think we know you well enough to realize how committed you yourself are to a progressive development of our Community, but I think these things should be said today in view of their relevance to the Nairobi Conference and the North-South dialogue which is about to be resumed.

If one proceeds on the assumption — as I am sure you do, Mr President of the Council — that all bilateral action by the Member States, each single step which we as a Community take, should be based on a genuine concept of internal and external policy — and there has been much talk of this today — then I ask myself: why has the Council, why has the European Council, after almost eleven months, still not drawn up an overall plan for joint action to achieve real Community progress on the basis of the report and proposals of the Belgian Prime Minister, Mr Tindemans? Mr President of the Council, I should like you to take with you to convey to the European Council in the Hague on 29 and 30 November our heartfelt wish that something should be done there so that action can be taken by the Council of Ministers to revive our hope by debating, voting on and progressively implementing the Tindemans Report and its proposals, which at least point the way with suggestions for the future course of Community policy on all important questions. Otherwise, Mr President, if we do not have the courage to adopt such an attitude, I fear that the symptoms of decay in our Community may become very much worse in the immediate future than the overall picture which has been presented to us here today.

President. — I call Mr van der Stoel.

Mr van der Stoel, President-in-Office of the Council. — (NL) Mr President, after this interesting exchange of views, I should like to begin my reply to the debate by correcting one misunderstanding that seems to have arisen in the course of the discussions. This morning I presented a report on progress made in the field of political cooperation, during which I adopted a reasonably optimistic tone and stated that we were in agreement in a growing number of cases. I also pointed out that this did not happen every time. In this context I also mentioned the voting in the United Nations, which sometimes shows that the various Member States do not always follow the same line. I did not talk about the general situation in the Community, since if I had done that I would have been

Van der Stoel

bound to express my great concern, as did Mr Lücker and certain other speakers in the debate. Mr Lücker mentioned a number of examples of the problems facing the Community, which are so serious that there is every reason to keep them constantly in mind. I should thus not like to create the slightest impression that I regard the present situation with irresponsible optimism; there are unfortunately no grounds for that. I should also like to say in this context — Mr Lücker himself mentioned the North-South dialogue — that we as a Community have not so far managed to adopt a thorough-going Community position, however desirable that may be. I think, though, we can be said to have made some progress in the past few months with regard to European political cooperation, and I hope to give further examples of this in the course of the debate. I must add — and here I once again return to what Mr Lücker said — that there is a limit to what can be achieved in external relations if the internal development of the Community remains at a standstill. In my opinion, the Tindemans Report rightly pointed out that there must be a certain parallelism between internal and external development. We are approaching the limits of our possibilities in the conduct of foreign policy unless we make greater headway in the internal development of the Community. Here I agree with Mr Radoux's observation that with regard to European political cooperation the Community has too often confined itself to merely reacting to situations and that it has too seldom taken positive action.

I would have liked to see a situation develop in which it was possible to pursue an active policy such as Mr Radoux advocated. But as long as it remains a question of trying each time to reduce the nine positions to a common denominator he too, from his own great experience in this field, will agree with me that the opportunities for taking positive action are limited. That does not mean that I would not like to see it happen. I merely wish to stress how great the practical difficulties are in this matter. At any rate, I should like to assure Mr Radoux that — if I may speak for a moment in my capacity as Netherlands Minister for Foreign Affairs — I very much hope that matters will develop in the direction he wants.

Mr President, there is one other possible misunderstanding arising from this debate that I should like to get rid of. Mr Bertrand and Mr Deschamps both noted that I made no mention of the Tindemans Report. There is a technical reason for this. The Tindemans Report is not being dealt with in the context of European political cooperation on which I reported this morning. A special procedure has been worked out for dealing with the Tindemans Report, which is not specifically an EEC procedure, nor specifically a political cooperation procedure but — if I may put it like this — an *ad hoc* procedure under which the Ministers of Foreign Affairs of the Nine clear the ground

for the discussions on the Tindemans Report in the European Council. The European Council has reserved for itself the right to decide what conclusions must finally be drawn from the Tindemans Report. As Mr Lücker rightly pointed out, the Tindemans report sets out the broad features of future development towards European Union, and for my part I can but hope that it will be possible for this very important report to provide a basis for taking concrete decisions which will once again open up new prospects for this Europe of ours. We all owe Mr Tindemans a great debt of gratitude for the work he has done. We are also bound, in view of the importance of the subject, to take it very seriously and place it high on our agenda.

Mr Bertrand recalled the Luxembourg Prime Minister's statement that he was concerned at the lack of progress in dealing with the report. I share this concern, and therefore right from the start of the Netherlands Presidency I have repeatedly urged my colleagues, however overburdened the agendas, to set aside sufficient time for discussing the various chapters of the Tindemans Report. This means that many extra hours have been put in, and that in order to prepare the Ministers' discussions a working party of senior civil servants has had many days of meetings, just because the Netherlands Presidency was determined, in accordance with the wishes of the European Council, to ensure that it will be possible to come to the necessary conclusions on 29 and 30 November, when the European Council meets in The Hague. But having said that, Mr President, I must add two things. Firstly, it is precisely because of the multitude of ideas embodied in the report that lengthy discussions are necessary if the nine Member States are to be able to reach definite conclusions and if the nine ministers are to be able to formulate. And then there is the purely practical problem of finding a time when everyone can be present, which is sometimes made even more complicated by certain new problems. At the end of October, for example, we had intended to devote a whole day in the Hague to discussing the Tindemans Report. Part of this day, however, had to be reserved for discussing the acute threat of a crisis in the fisheries sector. An attempt on my part to get the meeting started on the previous Friday evening and thus make up the lost time unfortunately failed because one of the Member States could not be represented at ministerial level.

The same problem arose last Monday evening when the Tindemans Report was once again under discussion and it was agreed that we would conclude our discussions on Chapter 5 on Tuesday.

Mr President, yesterday evening at about 6 o'clock I had to conclude that we did not have the necessary quorum to continue the discussions. This is no reflection on my colleagues, who all had engagements in

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their own capitals and were all able to present thoroughly valid excuses. It is a sad fact that the combination of European, national and parliamentary obligations often leads to great difficulties. Accordingly, I made an attempt, precisely in order to solve the various timing problems, to call another meeting at a different time, on a Saturday or a Sunday evening, but once again I had to conclude that because of various other commitments this was not possible. The final result of all the efforts made over the past few months is that the ministers have prepared their conclusions on four chapters, while with regard to the fifth chapter on institutional questions my colleagues have asked me to submit to the European Council a report in my own name on the discussions so far. That is the present state of affairs concerning the Tindemans Report and the procedures that have been followed in dealing with it. I should like to emphasize once again that every effort has been made to ensure that the necessary time and attention is devoted to this important report, but there are practical difficulties which even the President-in-Office of the Council cannot solve and which he has to submit to. However, a report has been drawn up on four chapters, and detailed discussions have been held on the fifth chapter, which has allowed me to get a thorough idea of the positions of the various countries so that I shall be able to inform the European Council in detail of the state of affairs with regard to this chapter. I hope it is clear from what I have said that it cannot be claimed that the Tindemans Report has received insufficient attention in the past few months. It was not mentioned in my introductory statement because it does not come under the procedures for European political cooperation.

Mr President, I listened with particular interest to Sir Peter Kirk's speech, in which he spoke of the positive developments in the field of European political cooperation and noted that there were numerous points of contact between European political cooperation and cooperation in a Community context. He illustrated this with a number of interesting examples. Mr President, I can assure you that the interest shown in the context of European political cooperation towards Africa — I shall return to this point later — and particularly southern Africa and the threat of conflict in that area, in no way means that the Lomé Conference has been pushed into the background. As President-in-Office of the Council I recently had talks with the Prime Minister of the Fiji Islands and on that occasion — Mr Cheysson was also present — we discussed a large number of practical problems arising from the implementation of the Lomé Convention. Some progress was made towards the solution of these problems, and the African and Caribbean participants expressed particular satisfaction at the way the discussions had gone.

As to East-West relations I should like to correct the impression that has perhaps been given that the Community has given a straight 'No' in reply to the

proposals put forward by COMECON. What has happened, essentially, is that the Community's reply took account of the powers vested in COMECON, and these powers are different from those of the EEC. It was thus not an unconditional 'Yes', nor was it an unconditional 'No'; It was an indication that we are prepared to cooperate in the fields for which COMECON, in view of its particular structure, can claim to be competent. I would point out in this context that the Community reaffirmed in its reply to the COMECON proposals that the Community was always willing to conclude trade agreements with individual COMECON countries.

Before answering Sir Peter Kirk on the question of Cyprus and the Greek application for membership, I should like to repeat in general terms that there are naturally many points of contact between the EEC and the European political cooperation machinery. Sir Peter did not in fact seek to give an exhaustive summary. This is also, I think, the background to Mr Tindemans' proposal in his report that an end should be put to the distinction between the EEC and European political cooperation, in the sense that it should be possible to discuss both EEC and political cooperation matters at the same meeting. In doing so it will of course be necessary to observe both the rules laid down for European political cooperation and the provisions of the EEC Treaty.

I shall now turn to the question of Greek membership, which was also mentioned by Mrs Dunwoody. Following her comments this morning I shall try to answer this question as briefly as possible, though this matter was raised by other members as well. As I understand it, Mrs Dunwoody is particularly concerned that the internal cohesion of the Community might be weakened as a result of the accession of new members; she thus asks for particular attention to be paid to the cohesion of the Community. Allow me to recall in this context that this concern has led a number of Member States to observe that if the Community were to be further enlarged it would in fact be desirable to apply the principle of majority decisions. However, I do not know whether this idea has Mrs Dunwoody's approval. As far as Greece is concerned I should like to say this. What is the position? we have an EEC Treaty in the preamble to which other democratic European states are expressly invited to join with the peoples of the EEC in a joint effort to build a united Europe. That is a political fact which the Council naturally cannot ignore. Secondly, the current Association Agreement with Greece contains clear references to the ultimate transformation of this association into full membership. Here again we have a political fact which the Council cannot ignore. And thirdly I must point out — there is no secret about this, I think — that the accession of Greece to the Community will undoubtedly strengthen the fledgling Greek democracy. This point requires

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no further explanation. These are the facts behind the Community's decision of principle to open negotiations with Greece on accession to the Community. These negotiations will be continued, and it would be wrong — this brings me to Sir Peter Kirk's point — to link this with the Cyprus question. I do not shut my eyes to the Cyprus question, nor does the Council, but it is my firm conviction that the solution of the Cyprus question will not be brought any nearer by establishing any sort of link between such a solution and the question of the current negotiations on the accession of Greece to the Community.

I come now to the Cyprus question itself, which was also raised by other speakers in the debate. I should like to start by saying that it was rightly stated in the debate that we must not speak about the Cyprus problem alone as a disturbing factor but that we should pay equal and perhaps even greater attention to the tricky problem of the demarcation of the Aegean continental shelf.

It is above all the combination of these two problems — and here I thoroughly agree with the speakers who drew attention to this — that presents an extremely serious and dangerous situation. This is the situation behind the fact that right from the beginning of the Netherlands Presidency particular attention has been given to ways of reducing tension and of helping the parties finally to get round the negotiating table. I have visited Athens and Ankara, and in both capitals I heard the same story, that both countries had an interest in maintaining friendly relations with one another, that whatever their differences it was of such overwhelming importance for them to live together in friendship that despite this background it ought to be possible to find a solution to the current conflicts. The role of the Nine has not always found its way into the press, but I can assure you that in those days of crisis in connexion with the oil drilling operations the Nine definitely asserted themselves in a very active way. I can also assure you that there was the closest cooperation between the Nine and the Netherlands Presidency on the one hand and the United States administration on the other hand, precisely in order to prevent any further escalation. This same policy is still being pursued: every effort has been made — once again in conjunction with our American friends — to promote moves towards consultations on the demarcation of the Aegean continental shelf; time and again the parties have been urged to get down to negotiations. You will be aware that meanwhile negotiations have been started. We are now considering the possibilities of making a further appeal to both parties to really break the deadlock on this issue. Much the same can be said with regard to Cyprus.

Both on the occasion of my visits to Ankara and Athens and when I met my Greek and Turkish oppo-

site numbers in New York I specifically appealed to both parties finally to begin negotiations. The same goes, naturally, for the Cypriot Government. In the circumstances we thought it best to give maximum support to the efforts of the Secretary-General, Mr Waldheim, to bring the parties closer together. This line is still being followed, once again in close collaboration with Washington. Time and again we examine ways of bringing the parties closer together. This willingness to take an active part, Mr President, is also reflected in the willingness to investigate whether the Community can possibly contribute in a more direct way to resolving the conflict by formulating certain principles or by acting as mediator. But, Mr President, I hardly need to explain in this Assembly that such a role can only be effective if all parties concerned really want the Community to play it. If one of the parties concerned says: 'please keep out of this, don't try and act as mediator', then you will immediately appreciate that there is little sense in forcing ourselves on them, as this would jeopardize the success of the operation before it started. The situation is that we are constantly endeavouring on the one hand to make it clear that the Community is willing to act as mediator, while on the other hand, in conjunction with our American friends, exerting pressure on the parties concerned to show moderation, both with regard to Cyprus and on the Aegean question.

Mr President, I should also like to comment on some remarks made by Mr Bertrand about the Middle East. I would assure him that in not mentioning in so many words Israel's right to exist within secure, recognized frontiers, I in no way intended to push this idea into the background. I could almost say that it is self-evident, since it is precisely what the countries of the Community have stressed time and again. It can be found in the declaration of 6 November 1973, and the same idea can be found in numerous speeches made in the United Nations by representatives of the nine countries of the Community. I can assure Mr Bertrand that nothing has changed on this point — we are convinced that within the framework of the peace settlement a formula must be found on the one hand for a political solution to the Palestine problem, while on the other hand a solution must equally be found for withdrawal from occupied areas and the guaranteeing of secure, recognized borders for all states in the area, which, of course, also includes Israel.

I should also like to clear up a possible misunderstanding about our position with regard to the white population in South Africa. Mr President, on the occasion of a recent UN debate in was stated on behalf of the nine countries of the European Community that the South Africa question was not a colonial question. This point was further elaborated, precisely in order to point out that white, brown and black have an equal right to live in South Africa. But this is only possible — as was explained on that occasion, and I hope that

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Mr Bertrand agrees — on a basis of equality, and it is precisely this equality which is so blatantly lacking in South Africa at present. If Mr Bertrand expresses concern about the future of the white community in South Africa, I for my part would say that, quite apart from the current oppression of the black population, it remains true that a peaceful solution is only possible if the principle of equality is eventually accepted, and that with each day that the white South Africans continue to refuse the idea of equality the dangers of an escalation into violence increase.

Mr President, Mr Bertrand, and other speakers as well, talked about the definition of the concept *'détente'* and here and there in the debate people seemed to me to be saying: 'In defining the concept *'détente'*, are we not creating dangers, and arousing all sorts of illusions which, alas, cannot at the moment be turned into realities?' I should therefore like to go into the definition of *'détente'* a little more closely. One of the elements, one of the central points of the discussion on the concept of *'détente'* is precisely that when there is a setback in one field of *détente* this inevitably has its effect on *détente* in other fields. To take an example, if no progress is made on the question of humanizing relations between East and West this inevitably creates an unfavourable climate in Europe for making progress in other fields connected with *détente*. It is considerations of this sort that are being discussed within the framework of European political cooperation. I should like to add that we have already prepared a detailed assessment of what has been achieved in implementing Helsinki and, as I said in my introduction to this debate, this is a separate assessment country by country. That seems to be both desirable and necessary because from country to country there are marked differences in the assessment. Needless to say, the question of applying the 'third basket' principle has not been overlooked — on the contrary. There are regular contacts in the various capitals of the Eastern bloc between the authorities and the representatives of the Member States of the Community which also relate to questions of family reunification and other humanitarian problems.

In reply to Mr Durieux's question, I should like to say first of all that I share his great concern at the situation in the Lebanon, but that I cannot, on the other hand, subscribe to the criticism directed at the Community's role in this conflict. If we had been able to take more positive action on this question we would gladly have done so, but as has already been said in this debate the Arab League expressly let it be known that it wanted to keep the political solution of the conflict in its own hands. As to the possibility of any humanitarian action, we have unfortunately had to accept that precisely because of the continuing hostilities the chances of undertaking any operation have been greatly reduced. All the same, this is a

matter that has been constantly on our agenda. We continue to hold consultations on this problem and we are looking for ways of taking effective Community action in the humanitarian field once hostilities have come to an end and a point has been reached where reconstruction can begin.

I can see no connexion between the question of the increase in oil prices, on which Mr Lücker, I think rightly, expressed his concern, and the position of migrant workers from the producing countries concerned in the countries of the European Community.

I shall be pleased to comply with Mr Durieux's request for more detailed information on the Community's position on Namibia. The Community starts from the assumption — and this has been made quite clear to the South African Government — that the South African presence in Namibia must be ended as quickly as possible and that Namibia must be given independence. Moreover, we consider that the process of self-determination in Namibia must take place under the auspices of the United Nations. It is also our Community view that SWAPO, as a political organization of great importance, has a central part to play in all this. These are our three principles. I very much hope that in some way a direct dialogue between SWAPO and South Africa can now get started, but I fear that at the moment the prospects for this are still not bright. In any case it remains our aim to work for this and thus ensure that the Namibia question can be peacefully resolved.

As to the situation in Angola, on which Mr Bertrand also commented, I should like to say that I did not return to this point because I thought everyone knew that the Community and the individual Community countries had strongly condemned any foreign intervention in Angola and had also made repeated public declarations to this effect. I would add that the Nine naturally take the view — not only in the case of Angola, but quite generally — that in the Member States of the United Nations, just as anywhere in the world, human rights must be respected.

I should like to assure Mr Dalyell that I have in fact received reports that the Transkei has closed its border with Lesotho, which indeed gives rise to complications for the latter country. I discussed this yesterday morning with the Lesotho Ambassador and I hope that if his country presents specific requests in connexion with possible Community assistance, perhaps in some form under the Lomé Convention, it will be possible to take the necessary steps to provide it. It must be said, however, that in view of the recentness of this event it is not yet possible to make any firm pronouncements on the subject. The problem has been noted, and the Government of Lesotho is also aware of the possible ways of enlisting the Community's assistance.

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Finally, I should like to return to the question of the enlargement of the Community in general. Following my remarks on the negotiations with Greece, which are at present in progress, so that it would be wrong to prejudice the issue in any way by making political pronouncements, I wish to add that further enlargement of the Community would indeed create problems with regard to the internal cohesion of the Community. It certainly seems to me to be necessary for this matter to be discussed and for us to examine ways of reinforcing the decision-making process — personally I would say particularly improving the decision-making process — so that we can still manage to preserve the cohesion of the Community. This is a difficult problem. It seems to me — and here I am speaking once again not on behalf of the Nine countries but in my capacity as Netherlands Minister for Foreign Affairs — that Mr Tindemans' report contains a number of important suggestions on this point.

To Mr Guldberg I should just like to say that it is, of course, not always possible for the countries of the Community to maintain a common front in external affairs, for example in the United Nations, where the Community countries sometimes have clearly divergent points of view. But it remains true that all Member States of the Community are expected to stand by a point of view once it has been agreed on and to be consistent in applying it.

And this, Mr President, brings me to the end of my reply.

(Applause)

IN THE CHAIR : MR LÜCKER

Vice-President

President. — I call Mr Radoux.

Mr Radoux. — *(F)* Mr President, I should like to thank Mr van der Stoel for the answers he has given to the questions I raised with regard to foreign policy proper. But I had raised a second point, i.e. relations between Parliament and the Conference of Foreign Ministers. I recalled this historical background to this; I drew attention to the current breakdown in these relations and I made certain proposals. I am not asking the President-in-Office to reply today but I would be obliged if he would, if possible, give me a reply on another occasion.

President. — I call Mr Bertrand.

Mr A. Bertrand. — *(NL)* Mr President, following this reply from the President-in-Office of the Council I should like to express my sincere appreciation of the detailed way he took up my questions in connection with the current state of discussions on the Tindemans Report. Perhaps the President-in-Office got the impression from my speech that I was expressing an

opinion on the conduct of the Netherlands Presidency during this period. I should like to state that I am quite sure the Netherlands Presidency has spared no effort in its attempts to get consultations going on a number of questions. My remarks were thus directed not at the conduct and actions of the Netherlands Presidency but at the general attitude of the Council towards a number of problems for which the President-in-Office can doubtless not be held personally responsible. On the contrary: I should like to thank the President-in-Office of the Council for the great efforts he had made to get things moving. The fact that he has not succeeded can not be blamed on the Presidency, as it is the Council as a whole that must be held responsible today for the lack of sufficient action and of sufficient imagination in respect of the further development and reinforcement of the European edifice.

President. — I should like to thank you most sincerely, Mr President-in-Office, for the detailed way you have replied to the questions, and I would ask you to transmit to the Council and also to the European Council the ideas that have been expressed here in this House today on the question of the Community and on the immediate political prospects in the Council and the European Council.

The debate is closed.

9. *Oral questions with debate:*
Fishing policy

President. — The next item is the joint debate on three oral questions:

— Oral questions with debate, put by the European Conservative Group to the Council and Commission of the European Communities (Docs 384/76 and 385/76):

Subject: Extension of fishing zones of Community Member States and preservation of fish stocks within the Community's proposed 200-mile exclusive economic zone

Concern is increasingly being expressed at the danger that Community waters are being over-fished by ships of the Member States and of third countries. The Community's present policy on the control of fishing by zones or quotas appears unlikely to resolve the problem and may lead to unnecessary conflict between Member States. In view of this, will the Council (Commission) state:

1. Whether it will consider a more flexible approach towards national fishery limits — either by extending the 12-mile national limits to 50 miles or by allowing for a limit of 35 miles in specified areas?
2. What compensation it will offer to those Member States whose interests are most vulnerable if a rigid limit of 12 miles is imposed?
3. Whether a Community system of policing will be established for the proposed 200-miles Community zone, given that the burden of policing will fall unequally upon Member States?

President

4. Whether a modification of the Treaty is intended in order to maintain existing fishery limits indefinitely, after 1982, in the interests of preserving stocks?
5. Whether all Member States accept the principle of quotas. If so, how will they be enforced and by whom?
6. Whether it will bring forward proposals for the strict licensing of all vessels fishing within the proposed 200-mile economic zone?

— Oral question with debate, put by Mr Prescott on behalf of the Socialist Group to the Council of the European Communities (Doc. 391/76):

Subject: The extension of the Community Member States' fishing zones to 200 miles on 1 January 1977; fishing agreements with non-Community nations; and a revised Common Fishing Policy

1. When will the Council reach final agreement on an extension of the Community Member States' fishing zones to 200 miles, and when will the extension take place?
2. When will it approve a negotiating mandate for the Commission concerning fishing agreements with non-Community nations?
3. What progress has been made by the Council towards agreement on a revised Common Fishing Policy for Community waters?

I call Mr Hughes.

Mr Hughes. — Mr President. It does occur to me that since these questions were put down, in all good faith, a number of important changes have occurred and my colleague Mr Kofoed, of the Committee on Agriculture, has drafted a report, a copy of which I received yesterday. I think that we should ask that Mr Kofoed, as rapporteur for the Committee on Agriculture, be given a chance to put his views before we proceed to this debate.

President. — I call Mr Kofoed.

Mr Kofoed. — (DK) Mr President, I should like to continue where Mr Hughes left off and point out that new factors are present. I think it would be something of a waste of time for Parliament to discuss these fishing problems since the Commission has submitted a proposal which is to be discussed in the Committee on Agriculture on Monday and Tuesday, and which we hope to be able to deal with in a report which can be discussed in Parliament in December. Since all the Members will then be able to obtain the necessary information, the debate will be more effective and I hope therefore, Mr President, that we can postpone it until December.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — With the greatest respect, Mr President, this is an oral question with debate to the Commission and to the Council. It has been tabled for quite a long time and there are several important issues to be raised during this short debate on it. We

had a debate on this matter, I know, last month and we shall be having a debate perhaps sometime in the December part-session. I think it is out of order for honourable Members to try to stop a debate on an oral question. This oral question with debate is on the order paper which the enlarged Bureau submitted and which the House itself agreed to on Monday. Can we therefore proceed to the debate and stop wasting time.

President. — I call Mr Prescott.

Mr Prescott. — Mr President, we have before us a proposal that we should not hold a debate on an item which has been accepted by the enlarged Bureau and has gone through the procedures for inclusion on our agenda. We have had the same point before and indeed on the occasion of the last debate, if I remember rightly, Mr Kofoed tried to prevent the discussion and refer the matter to committee when there was less reason to do so. The argument that the House has to decide here is whether the new factors that have been presented form a justifiable reason for not holding the debate. I do not think so. We have decided on the debate and we should have it. It is quite true that the committee will be meeting on Monday, but frankly that committee will be dealing with documents that in the main are concerned with the internal fishing policy. The question we are asking is not only concerned with internal fishing policy but also external fishing policy, Iceland and the 200-mile limit, which are indirectly connected with the internal fishing policy; but we also want to ask what happened in the first day's negotiations with Iceland and to impress on the Council the views and concern of Members of Parliament of different nations which hope Iceland can come to some agreement with the Community. The negotiations are taking place now and I do think it absolutely right for us to proceed with this debate, express those concerns and then refer matters to committee at a later stage.

(Applause)

President. — I call Mrs Ewing.

Mrs Ewing. — Could I rise to support Mr Prescott in all that he has said and could I also raise quite a different point. I think it is almost a point of order. There are certain documents in Mr Prescott's hands which apparently he managed to get from London but which are not available to me. They are in the documentation office and I went to get them but was refused by the person in charge, probably under instructions. It is not his fault, I have no doubt. I was unable to get a copy of documents that are relevant to this debate. As a backbencher I must really protest against this situation where there are apparently documents that some Members have got that are being refused to others.

President. — Mrs Ewing, may I ask you to settle this matter internally; it is no relevant to the decision we have to reach in this House.

President

I see that the Group which put this Oral Question insists that it should be debated. The question has been put on the agenda by the President and the House and I think we would do well to adhere to this rule, and I therefore suggest that we proceed with the debate.

I call Mr Fletcher to present the European Conservative Group's questions.

Mr Fletcher. — Mr President, I have been approached by several colleagues in the course of this afternoon asking why we should have another debate on common fishing policy. I believe that people who are asking that question are unaware of the urgency of this matter, not just in the United Kingdom but in almost every other Member State of the Community. We approach this question out of an enthusiasm to try and find a Community fisheries policy, not with the idea of trying to find none, or perhaps it should be eight, different fisheries policies within the Community itself.

Mr President, the oral question that we have tabled indicates some of the points that are concerning fishermen and people in the fishing industries in Member States. We believe that in debating this subject again this afternoon we are indicating to the Commission and to the Council and to colleagues in this Parliament that we cannot run away from problems, that we cannot hide them by not discussing them and that, in fact, while we are seeking a solution in the Commission and in the Council and in Parliament's committee, it is helpful for us to exchange ideas and try to find some common understanding on what is a very vexing problem in most Member States.

Now I have said that we do not dispute the need for a common fisheries policy — that indeed is the objective of this parliament and of the Community — but the test of the acceptability of this policy must be how it manages fish stocks and the confidence it gives fishermen in all the Member States that there is a serious attempt at conservation and control of fishing and an equitable distribution of fishing rights, taking account, of course, of the historical interest that Member States have. I think it has been said, Mr President, that some Member States have a better record than others as far as the conservation of fish stocks is concerned. What concerns fishermen of course about some of the proposals for a common fisheries policy is the suggestion that it will mean in fact a free-for-all within the 200-mile Community pond, — a free-for-all that will theoretically be controlled from Brussels, but a free-for-all that Brussels will in fact be quite unable to control. We therefore believe that the responsibility for conservation through a common fisheries policy must still rest with the individual Member States, with the coastal States themselves.

We think also that the idea of quotas is an obsolete suggestion that is rejected, I think, by fishermen in every part of the Community, whereas the suggestion

from the Commission and from others, of licensing is becoming more and more acceptable to fishermen, who can see the benefits and the tighter control that the licensing of fishing boats would bring about. The question that arises again of course is : who is going to control the licensing through which the conservation will be exercised? Again, will it be Brussels or will it be the Member States? Now I would suggest that there is an argument here that both parties have a role to play — Brussels laying down the common policy and the Member States implementing and policing this within their own particular area.

I think that the common fisheries policy in its final form must give the industry confidence that the interests of fishermen are being protected and safeguarded and that the allocation of licences and fishing rights will take account not just of Community interests as a whole, and not just of the interests of Member States, but of the interests of those regions and local Communities within the Member States who depend on fishing and the fishing industry for a living. I think that the design of such a policy is obviously extremely difficult, but it is more likely to succeed if we — the Council, the Commission and this Parliament — openly share our views and exchange our experiences. That, as I said at the beginning is the purpose of this debate.

It is not our desire to pre-empt the considerations of the Committee on Agriculture — I can assure my honourable Colleague of that — but it is our idea to help them in their deliberations, to help Parliament and the Commission to prepare for the next plenary when, hopefully, there will be firmer proposals before us. We will listen with great interest to the replies that we receive to our questions and I hope that we will hear from the Commission, in particular, that they have some flexibility in their mind as they listen to the arguments that are put forward and they are prepared to change their ideas and pay some attention to the very sincere requests that they are receiving from the fishing industry in all of the Member States and from Members of this Parliament in particular. At the end, Mr President, with your permission, we will consider our position regarding the tabling of a motion for a resolution, but at this point we would now like to hear what the Council and the Commission have to say.

(Applaus)

President. — I call Mr Prescott to present the Socialist Group's question.

Mr Prescott. — Mr President, in many ways the debate that we had on the last occasion in Strasbourg covered a lot of the ground that we wish to cover today. But certain factors have changed, and I am glad the House agreed to have this debate, which will allow us to express concern about the matters under negotiation at present.

Prescott

Certainly the circumstances have changed and negotiations have begun. It is quite true that the key matter to the whole fishing policy is that which is determined within the internal waters of the Community, namely the new Community fishing policy which is at present being fashioned. Whatever happens, there will clearly be some effect on the external agreements and our 200-mile limit. Nevertheless, I accept and welcome the agreement now on the imposition of the 200-mile limit. That certainly is a considerable step forward, though it raises the question of policing, which is now being looked at. That is a matter which we will also have to look at when we come to the problem of conservation, which I shall deal with shortly.

The second aspect, which one welcomes and congratulates the Commission on, is the beginning of discussions on the external negotiations which must take place between those countries who are not members of the Community and who have been fishing in waters now to be declared Community waters and with whom it is vital, in the interest of a number of Member States, to get common agreement on fishing policy matters. I am quite clear many of the things we have to say today will have to be referred to the relevant committee and discussed in detail. I presume, because of the importance of the matter, that the Committee on Agriculture will not be the only one to look at the matter of fishing. The consequences for both the budget and external relations are clear, and I have no doubt that the appropriate committees will have some points to make.

And, indeed, that's what really is emphasized in these negotiations. Fishing is not a matter of one simple resource like coal or steel: indeed it is very noticeable that in the Commission and the Council it is not necessarily the Commissioner or Minister for Agriculture alone who is involved in matters affecting the Community fishing policy; fishing policy is dealt with also in conjunction with the foreign policy relationships of the Commission and the Council. Because fishing is very highly political, both in the external relations of countries like Iceland and Norway and of the EEC, and also in the very complicated diplomatic area of relations between East and West. And so we have to decide upon matters which clearly are politically very sensitive, as indeed fishermen off Ireland and off Cornwall in Britain will tell you in regard to Eastern fishing vessels. Agreements have to be reached there.

So, to that extent we have a very difficult problem to deal with. I want to put on record that I think the Commission have done a good job up to this stage, and I think also that the Commission are probably better suited to deal with this problem than any national government. That might seem a peculiar idea to be coming from the lips of myself, but there are areas on which — irrespective of one's views about

institutions — there clearly has to be common accord and common agreement. And it is in this very area that one finds the desire to achieve common agreement. And it is in this very area that one finds the desire to achieve common agreement. I believe quite sincerely that, if there is any opportunity for my own country to get an agreement with Iceland, that agreement can only come about through the Commission and the Community; it cannot be achieved — after the rather disastrous situation lasting a number of years and involving both governments — by my own country.

I want to use this Assembly to make a plea. I want to use this Assembly to say to the people of Iceland that there has to be some agreement with them, not only for Britain, but for Germany and Belgium also. They themselves have agreements with Iceland. What we say to the Icelandic people is that we recognize their difficulties, but in turn they must recognize ours. There must be some accommodation, be it for a short period of time, and I wish Mr Gundelach well, for he has to negotiate a very difficult brief indeed. I have every confidence that if there is anyone who can secure an agreement with Iceland, it is Mr Gundelach, acting on behalf of the Commission and in some relation to this House itself. I hope that the people of Iceland will recognize that through Mr Gundelach we are negotiating on a matter of goodwill between the Community and Iceland, and that agreement can be achieved subject to fish conservation requirements. I know the argument well, as most do here, about conservation, but there really is room for manoeuvre. I hope that the goodwill of the relationships will enable us to avoid talking in a threatening posture — my own position has never been to threaten Iceland anyway in the difficult times of my own country — and to recognize that we need agreement. I hope Iceland will heed the lesson of all of us who want some form of compromise in this. A little time is needed — be it a short period of months — but there has to be a short period of time while the Community sorts out its own fishing policy, upon which the relationships in external policy depend. And therefore I wanted to place that on record.

The final point I want to deal with is the whole matter of the internal fishing policy. It is right that the Committee on Agriculture will be dealing with the proposals that are in some documents. And I want to say to Mrs Ewing that these documents were sent to Members — and other Members, I presume, in London — who have an interest in these matters. The fact that I was able to acquire a document faster from London than apparently our own secretarial service can provide it is not a condemnation of this House. It is due to difficulties of operating here and in London at the same time. It was not a matter in any way of privilege — of documentation being made available to myself or any other Member. And let us be clear about that.

Prescott

My final point in the matter of the Community fishing policy. I made clear the view of the Socialist Group the last time in Strasbourg on where agreement has to be achieved. We all recognize, as the Commission document points out, that fishing capacity has gone up and that there is corresponding decline in the amounts of every type of fish in all areas. We have an excess catching capacity and too little fish. How do we preserve those stocks? We have put before this House a formula. Unfortunately, whilst it was accepted in some parts of the debate, it led to some confusion — I'll say no more than it — with some of our Irish colleagues, who to a certain extent, I think, misunderstood what was involved and landed this House with an amendment which meant that we wanted a fishing policy based on the same principles as Community agriculture policy. That rejects even the Commission's twelve-mile proposal, so I presume that we can put the House's opinion in Strasbourg down to confusion rather than its real opinion on what should be done about fishing policy. But let the Commission be clear. I believe — and I think it is a strong opinion in this House also — that if you are to find an agreement between those who desire exclusive control of fishing areas and those who say it should be freely open to all, you have to find an accommodation; and I reiterate in fishing. Mr President, that that accommodation is in line with the motion put down by the Socialists on the last occasion in Strasbourg to the effect you have to ensure conservation by giving the coastal state the right to control, using licensing and other procedures to effect internal policing by the fishermen themselves. They know who are entitled to be in the area and they can exercise that control and report. But at the same time we have to assure other nations that they have some influence on quota control. I haven't time to develop that; I did all that in Strasbourg. I hope the Commission have not lost sight of a possible compromise to meet the competing and conflicting demands in the Community; I hope we may have some indication of that when the Commission reply in the light of the negotiations that have taken place both with Iceland and on the Community fishing policy so far.

(Applause)

President. — I call Mr van der Stoel.

Mr van der Stoel, President-in-Office of the Council. — *(NL)* Mr President, these questions deal with an extremely important and complex matter which urgently requires a rapid solution and this is why the President of the Council is doing his utmost to speed up the decision-making process now that Questions Nos 67 and 77 have been put by the honourable Members and the European Parliament has received the Commission proposal on the establishment of a Community system for the conservation and management of fishery resources. What is more, the Council,

as you know, recently adopted a number of very important provisions regarding the matters referred to by the honourable Members in Questions Nos 67 and 77. Firstly, it agreed that 200-mile fishing zones would be set up by the Member States in concerted fashion as of 1 January 1977. This applies to the Member States' North Sea and North Atlantic coasts, but is without prejudice to action to be taken in due course in respect of other fishing zones, particularly those in the Mediterranean. It also agreed on the need to ensure, by means of appropriate Community agreements, that Community fishermen obtain fishing rights in the waters of third countries. The rights of third countries to fish in the waters of the Community should also be discussed. To this end, the Council has instructed the Commission to open negotiations forthwith with the third countries in question. These negotiations will be conducted with a view to concluding, in an initial phase, framework agreements concerning the general conditions which will obtain in the future for access to stocks in both the fishing zones of third countries and the fishing zones of the Member States of the Community. The negotiating directives for the Commission take account in particular of the current proceedings of the Conference on the Law of the Sea, and of past fishing activity and participation in conservation and exploitation policies. Negotiations are in some cases already under way. It is to be hoped that they will very shortly lead to the conclusion of agreements, particularly since several fishing agreements between some Member States and some of the third countries concerned are due to expire very soon and the Community wishes to avoid any break in continuity.

The Council also agreed that the Community and the Member States would in future follow the approach proposed by the Commission within regional fisheries commissions.

The last aspect of the matter concerns future internal fisheries arrangements. I shall not be giving anything away if I say that this was the main stumbling block. The Council, however, at least adopted an initial position on some important problems concerning these internal arrangements. It concerned itself with the special position of Ireland and of certain other regions in which the local inhabitants are particularly dependent on fishing and related industries. Realizing that the replenishment and protection of fish stocks, so as to obtain the optimum yield from potential Community resources, involved strict enforcement and Community measures, the Council also examined problems arising out of the organization and fair allocation of the burden of the necessary policy. There issues, I repeat, will be settled during the examination of the proposals for a Regulation currently before Parliament. This Regulation and Regulation No 101/76, as supplemented by the Act of Accession, will provide the basis on which the conservation measures may be taken, for example, in the field of agriculture.

Van der Stoel

The quota system suggested by the Commission was accepted as a working basis by all delegations, although their final positions will naturally depend on whatever overall fisheries arrangements are ultimately decided upon.

However, as regards the other topics covered by the honourable Members' questions concerning, in particular, the problems of an exclusive coastal strip, Parliament will understand that the Council cannot give a reply at this juncture as it has not yet been able to adopt a position.

In reply to Mr Nyborg's question on the exploitation of the sea bed I should like to remind him that this item has been postponed until a later part-session. I will therefore not go into it now.

(Applause)

President. — I call Mr Lardinois.

Mr Lardinois, Member of the Commission. — *(NL)* Mr President, you will understand that there is little point in my repeating what the President of the Council has already said, and in answering Mr Fletcher's question. I shall therefore omit what has already been dealt with in detail by Mr van der Stoel.

The second sentence of Document No 385/76 speaks of the Community's present policy on the control of fishing. May I point out, first of all, that no such Community policy exists? In other words, the present policy on the control of fishing is a purely national matter in which the Community or the Community institutions have so far played absolutely no part. I must say that I regard this point as one of extreme importance, particularly because it means that the Community can make a fresh start instead of having first of all to explain to the fishing industry why the present control policy is completely inadequate. This policy is indeed inadequate because it is based on loose international agreements which cannot be enforced either by Community law or by any Court of Justice. I should therefore like to make clear once more that the Community as such has nothing to do with the present system of quotas — although we can learn a great deal from it, including how not to go about it.

With regard to your first question, i.e. whether we will consider a more flexible approach towards national fishing limits by extending the 12-mile national limits, I must also object to one phrase — although this is a phrase which may be of great significance. What I mean is that there are no 12-mile national limits. The figure of 12 miles for some areas was indeed agreed upon in the Treaty of Accession, but this does not constitute a national limit in the traditional sense of the term. What we have now proposed is that this system should not automatically expire in 1982 as was agreed — or at least intended — in 1972, but that we should say that we have a priority which will continue after 1982 with retention of historical

rights. And, Mr President, I hope Parliament and the public will understand one thing. These 12 miles seem so little — only 6 % in an area of 200 miles. But what people do not realize is that the 50 % of the total Community catch is effected within 12 miles of the coast, and this is something which you must bear very clearly in mind. We should not look at the overall picture and say, 'Well, out of 200 miles we could take 35 or 50 because 12 miles are nothing'. Those 12 miles, Mr President, are a great deal; they represent half of the total catch in that area. Moreover — and this is perhaps just as important — this zone also contains the most important mating and breeding areas and is therefore of the utmost importance for the future.

There is one other point, Mr President. Up to now, I have been in two minds about using this argument, particularly as we have now reached the stage of difficult international negotiations, which means that we in the Commission must be a little more cautious in the arguments which we put forward in public. However, I regard the discussion of the 50 or 35 mile limits for the Community as so important that I must overcome my diffidence on this point. Well then, Mr President, no formal agreement has yet been reached in the United Nations talks on the 200-mile limit, but a general consensus has been reached of which we must take account. Firstly, the vast majority are in favour of a 200-mile zone and recognize exclusive fishing rights, i.e. an exclusive coastal strip of 12 miles such as exists more or less in most areas. But it is also generally agreed that outsiders should be given certain rights, and for these outsiders no limit is fixed between 12 and 200 miles. In other words we must never let our internal policy put us in a position whereby third countries would be given the right to fish between 12 and 50 miles while other Community countries would not enjoy these rights.

This was a major factor in our suggestion that there should be a 12-mile zone of more or less exclusive rights for the coastal states together with a quota system — but not outside the 12-mile limit. I hope you will take particular note of this argument, since it is central to the present debate, and Parliament will, in my view, do well to examine all the available documents from the fishing conference in great detail on this point since it could be a deciding factor in our entire internal discussions regarding 12, 35 or 50 mile limits.

Perhaps I can now answer the other questions more briefly. I do not think, Mr President, that in connection with our conservation policy we can simply ask, 'Who will suffer most?' or say, 'This one or that one has more right to compensation than someone else'. We must never work from such principles. We are, after all, in a certain sense, fortunate that this question of the 200-mile limit has arisen at the same time as the biologists have told us that we had better do something urgently about our inshore fishing, since time is

Lardinois

running out fast. We are still in a position to start first of all with a fishing policy and secondly with a fishing programme based on conservation, so that some time in the future we will perhaps be able to offer our fishermen reasonable fishing in our coastal waters, which is something they will most certainly not have in the next three or four years. We will have very little to share out, particularly as regards certain types of fish. It will be a very difficult time and one which will call for a great deal of solidarity. We recognized in our proposals that there are two very specific areas which must be taken into account when fixing quotas. These are the areas the President of the Council has already mentioned.

I should like to leave it at that, Mr President, and proceed to the next question.

Policing will indeed officially be a matter for the Community, but the Community will have to delegate this responsibility to the coastal states.

We must also see to it that the coastal states do not have to bear a disproportionately large burden in relation to the amount of fishing they themselves can do. This principle was also contained in the Hague Agreement: if the costs arising from policing by national fleets should become too great at any time, they should, at least partly, be borne by the Community. Nor do I think that there is any need to consider modifying the Treaty, as suggested in paragraph 4, and it is even possible — at least according to the experts — that there will be no need to modify the Treaty of Accession.

In addition, the Council of Ministers of Agriculture and Fisheries, or rather, in this case, the Council of Ministers of Fisheries, has issued an extremely important statement regarding our proposals. The Council declared unanimously that our proposed system of quotas and policing, both at sea and at landing points, is technically satisfactory. That is to say the Council has already officially decided that it will be technically possible to tackle and solve the problems in this way once we have got over the political hurdle. I also feel that we need a system of licensing for each vessel in addition to a system of quotas. Policing at sea will be used to enforce this, and the total catch landed will also be checked. So much for my answer to Mr Fletcher's questions.

A brief comment now on Mr Prescott's remarks. I am particularly grateful — and I am sure I am also speaking for my colleagues in saying this — for what he said regarding the Commission's strategic position, i.e. that it can, as it were, start from scratch in these extremely difficult international negotiations. I thank him for the confidence he has expressed in the Commission in this respect and I fully agree that we have a difficult job before us. We will have to manoeuvre extremely circumspectly, and not start by insisting on getting our own way. We must first of all

try to find out where we agree with the Icelanders and not where we disagree. I would point out that the discussions on this matter have so far been by no means as negative as the press would have us believe. One very important point — also with regard to what Mr Prescott said — is that the Icelanders are particularly grateful to us in the Community for our determination to make a start on a conservation policy. The fact that Iceland is in such an isolated position in the North Atlantic does not mean that it can conserve its fish stocks all by itself. As I have always said, there is no single Member State which can conduct conservation programmes independently. The fish swim from one coast to another, one coastal area is the breeding ground for the other. Even Iceland is dependent on what we in the Community do with regard to conservation, particularly what we do or fail to do in Greenland's coastal waters. Our internal provisions for Greenland determine to a great extent the stock of fish around Iceland and its future prospects. I therefore also feel, Mr President, that the way to look at it is that we must try to work together as one North-East Atlantic family, or at any rate try to work in the same direction. Then we will be able together, as a Community, to have a decisive influence on the overall situation.

(Applause)

President. — I call Mr Vandewiele.

Mr Vandewiele. — *(NL)* Mr President, every time we discuss this matter, people become more and more impassioned and agitated. Particularly after Mr Lardinois' detailed observations, it will be extremely difficult for the speakers to keep within the time limits set. And now without more ado, to the subject itself. I am pleased to note that in spite all our pessimism the Council more or less managed to reach agreement on 30 October regarding the introducing of a common 200-mile zone with effect from 1 January — and this is good news. The difficulty now, as Mr Lardinois very rightly said, relates to the Community's internal fishing policy. This will call for a great deal of hard thinking on our part. The Christian-Democratic Group, however, is pleased at the results achieved so far, but would nevertheless like to express its concern at the fact that the entire fishing debate threatens to get out of hand unless all the Member States involved adhere strictly to the basic Community text. The questions which have been put to the Council and the Commission provide an opportunity to give not only Parliament but also the people of the Member States further information, and the explanations of the situation given by the President of the Council and Mr Lardinois were certainly such as to reassure many people who are following these debates with a certain anxiety. I should like to appeal to Parliament on behalf of our Group not to hold a fundamental debate

Vandewiele

at the present stage. We are pleased to hear that the Committee on Agriculture is currently considering the document mentioned by Mr van der Stoel just now. I am referring to the draft regulation on the introduction of a Community system for the conservation and control of fish stocks. We have been able in the meantime to examine this document, for even those of us who are not members of the Committee on Agriculture can find it in the Official Journal.

It is my firm conviction after carefully reading the proposed text, that many questions will become much clearer and receive a clearer answer if we simply trust the Committee on Agriculture and let them prepare a motion for a resolution. At the moment, a motion for a resolution is being circulated by Mr Dykes and his colleagues in the European Conservative Group. May I venture to ask Mr Dykes, in the light of the arguments so clearly put forward by Mr Lardinois and probably also in the light of what other speakers will say after me, not to ask us to vote on this motion for a resolution now. It is possible that we will agree with it in many respects but I would be sorry if certain aspects on which we have for the time being not reached agreement gave rise to a premature conflict. I therefore feel that we should have a thorough debate on the basis of the report and the motion for a resolution by the Committee for Agriculture. In the light of what other speakers have already said, I should like to mention some other important issues. It is difficult to separate the question of the exploitation of the sea bed from the problems of fishing, but they must be kept distinct, and the President of the Council rightly asked us not to go into it now. I should nevertheless like to assure Mr Cointat and his colleagues that we shall debate this matter very seriously when the time comes. It is an extremely important matter, but we would prefer not to discuss it today.

Secondly, it emerged quite clearly from the talks on fishing policy held in Luxembourg and The Hague that there are two conflicting views on this matter. The original Member States in particular are calling for a free organization of the market and they regard the fishing grounds as common property. According to them, freedom of movement for ships is just as important as free movement of goods. This view is taken by Denmark, West Germany, the Netherlands, Belgium and France. Another view, that of Great Britain and at any rate of Scotland and Ireland, is that fishing grounds must be regarded in the same way as mineral deposits, such as coal or ore, and therefore, some of them conclude, there can only be a question of free movement of goods and not of unrestricted rights for neighbouring Member States or third countries to exploit these fishing grounds. And this, Mr Lardinois, is the reason for our impassioned debates. We always admire the calm way in which you reply to sometimes extremely heated debates, which reflect the passion with which we tend to discuss the delimitation of certain restricted zones. I should like to draw your attention to the Treaties, particularly the Treaty

of Accession, on which our Group bases its arguments. According to the provisions of Article 100, the Member States — you drew attention to this fact yourself — are authorized to restrict fishing in waters situated within a limit of 6 nautical miles to vessels which fish traditionally in those waters and which operate from ports in that geographical coastal area. In Article 101, this limit of 6 nautical miles is extended to 12 miles for a limited number of areas. This indeed gives rise to new questions. We do not deny this, but would nevertheless request you to postpone the debate proper until we have heard the conclusions of the Committee on Agriculture.

Our Group will continue to follow this debate with great interest. Nevertheless, we should like to draw attention to the fact that the social context of this fishing debate should not be neglected. I am referring to the problem of re-structuring and the whole question of employment in a number of threatened areas.

President. — I call Mr Kofoed.

Mr Kofoed. — *(DK)* Mr President, I should first of all like to say that I cannot see how anything new can come out of this debate. The same old arguments are being trotted out by those who initiated the debate. I fail to see that any new factors have arisen in the situation since our last debate in Strasbourg. I cannot refrain from pointing out how strange it is that certain circles in the United Kingdom are so keen to have this debate at a time when we still do not have the relevant data. I am surprised that these honourable British colleagues did not defer this debate until the relevant data were available. We know that there is agreement on the 200-mile external limit. We also know that the internal problems cannot be solved today, tomorrow or next month. There has therefore been no change in the situation, and the two members who put down the question will get an answer which will be not a whit better than the one they got in Strasbourg. The other information, about the 200-mile limit, has appeared in the press and so was already public knowledge.

I do not wish to get deeply involved in the debate, but I am pleased to see that the replies from both the Commission and the Council make it clear that a liberal attitude is to be adopted in this matter, insofar as the Commission and the Council are responsible for negotiations with third countries. We already knew that but we are glad to have confirmation of it. I should also just like to repeat that I take it for granted that the internal negotiations about quotas, renewal of fish stocks, etc. will also be the responsibility of the Commission and Council and will not be left to the individual states which are parties to international conventions. I am glad that the Commission and Council take the view — which I share — that the Community, and not the individual states, should be responsible for enforcement of these regulations within both the 12-mile and the 200-mile limit.

Kofoed

Those countries which have attacked the inaccuracy of other countries' statistics should be particularly on their guard to ensure that enforcement is kept out of the hands of individual states. The only body which can enforce the regulations is the Commission. It is only in this way that we can obtain dependable statistics and information. I have plenty of experience of the charges of inaccuracy made against the figures supplied by a partner's enforcement agencies. In this Community we must be able to rely on the figures given and feel confident that the regulations are properly enforced.

One last comment, Mr President: I have just had put into my hand a motion for a resolution in which five honourable Members express certain views under ten headings. They are enterprising and highly intelligent people, people who in many ways deserve our respect. However, if it is intended that we should have a debate in the Committee on Agriculture and deliver a report, then I must object that these Members have now produced the report in full already. I hope therefore that they will express their views to the Agricultural Committee where we will give them rational and expert consideration. We will not discuss them here today. It cannot be the intention that Community fishery policy should be laid down under ten headings, without prior examination, by 35-40 members of this House. I hope that the five honourable members will appreciate this point and that we can have the matter referred back to the Agricultural Committee.

(Applause)

IN THE CHAIR: MR YEATS

Vice-President

President. — I call Mrs Ewing.

Mrs Ewing. — Mr President, since we have been through a lot together in these many debates on fishing, if we could look back — because, as some one has already said, there is not much new to be said today — we might say that when the six Member States got together on the eve of Britain's entry to botch up an EEC fisheries policy, it was obviously done in such a way that the Six would be benefitted. What is new is that the world's maritime states have come to consider the coastal states' ability to conserve stocks and, although the Law of the Sea Conference did not come to a particularly clear conclusion, unfortunately perhaps for us all, nevertheless it clearly advanced the idea that there should be a coastal zone of 200 miles. It also clearly came to the view that the best conservationists were the coastal states concerned, having already got their fleets and perhaps townships and communities dependent on this source of income. This is what prompts me to ask Commissioner Lardinois some questions, some of which, I

must confess, have been put to me by various fishing associations.

I will deal first of all with questions I have been asked to raise by the Herring Industry Board. I was asked whether it is not the case that the Commission is considering quotas and that it is going to decide the quotas by their present effectiveness without considering to what extent the fish caught is for human consumption or for other purposes. I would like to have a clear answer. If quotas, which have never worked up to now, are going to be one of the guide-rules of the Commission in solving this problem — I will not reiterate the problem, which has been mentioned by everyone who has spoken: I would just ask the Commission to pin themselves down — are we going to have any distinction between fishing for human consumption and other purposes? That is a very simple question. My questions never seem to be answered by the Commission: perhaps I might ask that this particular question be answered today.

I am also asked if the Commission will say how they define a coastal vessel, because my information, (which is not as good as some other people's, though I don't blame Mr Prescott for having his papers: indeed, I congratulate him) is that, according to the Herring Industry Board, referring perhaps to Commission paper C 2553, the Commission proposal so far advanced is that a coastal vessel has a waterline length of less than 18 metres 59 feet, if I dare convert with trips to sea not exceeding on the average two days. Well, this just will not do for Scotland or Ireland, or indeed for England, because we shall need a waterline length in the area of 24 metres and a different conception of the number of days for which the boat goes to sea to fish for human consumption. That is another question — a fairly simple one, I think: perhaps I could have an answer on that one.

Thirdly, how can Commissioner Lardinois speak about 12-mile exclusive zones when he has already stated, in a letter of 23 September 1975 to the Herring Industry Board, that within the six- and twelve-mile zones fishing rights which the Member States enjoyed in regard to the coastal state on 31 January 1971 continue to apply? Without saying I have a too suspicious mind — I am probably just averagely suspicious for a politician — I would really like to have these questions answered.

Now we have a situation where I am afraid I must knock my own government. We apparently have conceded the case in advance and said that a 100-mile zone, which is what the fishermen's associations wanted, is unobtainable. We threw our hand in on that; but can you imagine how a fishing MP goes back to a fishing constituency and says not only did they throw that hand away but our government is not even seeking the minimum of 50 miles which our association had accepted in an attempt to reach some agreement recognizing traditional fishing rights? How

Ewing

can we go back and say that our government is only seeking a variable belt of 12, 35 or 50 miles?

I have made so many speeches on fishing that I am perfectly certain you must be tired of listening to me, but I still have a duty to do so, because I do represent a fishing constituency and the inshore fishermen of Scotland provide 80 000 jobs among a population of 5 million people. It is not so much the jobs, even though we are in a world where male jobs are a very scarce commodity, not only in the UK but in the other Member States: we are also talking about a situation where the Scottish fishing-fleet has been a good conservationist in common with Norway, Ireland and England, and I am afraid we cannot say that of all the Member States. Mr Prescott last time proposed a compromise which I found difficult to support, because I have got to go back and face my party and my fishermen. I nevertheless supported it, because I thought if we all gave up something, perhaps we could reach some reasonable agreement here. That, unfortunately, was defeated by one vote. I noticed most particularly that German representatives here came in good numbers to defeat that compromise, which I think was a very fair compromise. They came indeed, having very few coastal waters of their own, and I would suggest to this House that this matter is something you cannot brush aside under Mr Lardinois's unreasonable umbrella. Really if you were going to do injustice to this great industry of people who have the same interest as we all have to conserve the fishing stocks in the North Sea, if you are not going to regard coastal waters as a logical extension of the coastal state or bear in mind that these states have, because of that, built up townships, communities, a way of life, then think that no one can really come to this Community and expect justice.

President. — I call Mr McDonald.

Mr McDonald. — Mr President, we have listened with interest to the President-in-Office describe how the Council of Foreign Ministers has decided that Member States will extend their fishing-zones off their North Sea and North Atlantic coasts to 200 miles on 1 January next, that this extension will be carried out by concerted action and that fishing within the extended zones by vessels from third countries will be regulated by agreements between the Community and the countries concerned. The resolution adopted by the Council also recognizes that the vital needs of fishermen in certain regions of the Community must be taken into account in the new common policy on fisheries and that this policy must be applied so as to secure the continued and progressive development of the Irish fishing industry on the basis of the Irish Government's development programme for the development of coastal fisheries. The resolution does not impose a legal obligation on the Community but will merely serve as a guideline to the Commission when it draws up its own proposals.

For a few moments, Sir, I would like you to reflect on the importance of the fishing industry to Ireland. We are talking about a small country with very few resources. There are serious regional disparities between the east and the west coasts. The west coast is under-populated and is an area where agricultural land is of very poor quality and where there is little industry to provide alternative employment. Because of this, fishing provides a potential way of developing this depressed area. Now consider the Irish fishing industry in comparison with the fishing industries in other Member States. It is in its infancy. It is relatively under-developed. Because the Irish fleet is predominantly a coastal one, we consider that the development of the industry can best be accomplished by an exclusive coastal band, preferably of 50 miles. The Irish Government considers the 50-mile band to be of such vital importance that it regards agreement on it as a precondition to the granting of new mandates to the Commission for negotiating access agreements with third countries.

The Commissioner mentioned conservation. And conservation of fishing stocks is something that will have to be considered very carefully. The world is now paying the penalty for many years of irresponsible over-fishing. There is a pressing need to reconstitute fish-stocks before the decimation of certain species becomes irreversible.

In my view, Mr President, a conservation policy which relies primarily on quotas cannot be fully effective. Quotas have not worked well in the past in such organizations as the North-East Atlantic Fisheries Convention, and there is no reason to believe that they would work well in our Community. The only way to ensure that stocks will be conserved is to introduce an exclusive coastal band. The country concerned would have the incentive to conserve stocks within this band. Licensing arrangements would also be preferable to a quota system.

In conclusion, Sir, I wish to state that the fishing industry is one of vital importance to certain under-developed areas of the Community. We owe it to those areas to allow them to develop this vital interest, which may be the only way open to them to provide employment and to encourage people to continue living in those areas.

In supporting, Sir, the idea of an exclusive 50-mile zone, I am not being nationalistic for its own sake. I am asking that an under-developed area be given a chance to live, and that hard-working men be given the chance to continue doing, as their fathers and grandfathers before them did, the work they are accustomed to and are trained to do; and I am asking that effective steps be taken to ensure the growth of our fish-stocks, which can only benefit the entire Community.

I would also like to point out that the Community has a duty to eliminate regional disparities in the Commu-

McDonald

nity, and the development of the fishing industry in these areas is a good way to do it. If these means are not used, money will have to be expended from the Social Fund and the Regional Fund — perhaps with less success.

(Applause)

President. — I call Mr Johnston.

Mr Johnston. — Mr President, I think that it was really a little bit unreasonable to criticize the motives of my colleague, Mr Kofoed, in seeking a postponement of this debate since, as he forecast, there has been a great deal of repetition of what was said at Strasbourg and, after all, this Parliament does use referral back to committees as a well-tryed method of further examination of Commission proposals. For example, I agree with a great deal in this document which I also have just received — the motion for a resolution by Mr Dykes and others — but I do not think that a vote on the basis of this would be a proper way of reaching a decision at all.

I would like to suggest that in addition to the proposals under discussion being a matter for the Committee on Agriculture, as has been mentioned, and in addition to the possibility that this matter does have, as Mr Prescott said, budgetary implications and therefore should possibly be considered also by the Committee on Budgets, I think very much it is the province of the Committee on Regional Policy, Regional Planning and Transport because, as Mr McDonald has just said, a great many of the fishing communities about which we are talking are situated in geographical areas which are the main concern of that committee would have things of some value to say and contribute to this debate.

I will be very brief and emphasize only two points, neither of which I really had the time to mention in Strasbourg. Mr Prescott rightly raised the question of policing the 200-mile external limit, *vis-à-vis* external countries, as from 1 January 1977. I rather expected Mr Lardinois to say something about this when he responded, but in fact, as far as I can make out, what Mr Lardinois said was that he really could not say anything about it, because the Commission did not know how the policing of the external 200-mile limit would be shared out. As far as I could establish, no clear discussions were under way. One could ask numberless questions about this, about what sort of protection vessels are necessary, how many vessels are necessary, whether they would operate under some common control or in individual countries or what. There are a great many questions to ask. And the fact is that from the very beginning of the implementation of the 200-mile limit it will be broken. And it will be broken quite often, and therefore there will be immediate demand for some method of preventing it being broken. And therefore, surely, I think we have got to look at this extremely carefully.

Secondly, there is the question of stocks and control within the 200-mile limit. And here I would just

simply like to emphasize the question of policing again, rather than the whole general issue, although the view that I expressed in Strasbourg, in support of what I would perhaps be so bold as to call the 'Prescott Compromise', remains exactly the same, namely that individual countries with historic fishing industries and rights will tend to have the real incentive, resources and knowledge to effectively protect stocks. But be that as it may, we may well have a secondary band, which may be 35 miles, as Mr Lardinois was saying, or may be 50, but in any event it is highly likely that there will be a second band. And indeed, even if there is not, licensing, as Mr Lardinois himself said a minute ago, has to be supervised at sea as well as at the ports. Now that means a second level of policing has presumably to be introduced, unless the two are to be the same, but I would have thought that it is likely that a second level of policing is going to be necessary and that is a fairly large organizational requirement, because and I repeat this in making my last remarks, the new system must start well in order to obtain the trust, confidence and cooperation of fishing industry. The simple platitude remains that only a policy which conserves fish and yet at the same time — and this is not very easy — provides a relatively stable income and conditions for fishermen will be acceptable. But that will be acceptable. Fishermen are nationalistic like everybody else and they are making their maximum demands like everyone else, and rightly so, but it remains true that, whether we are talking of the fishermen of Scotland, many of whom I represent, or of the other Member States of our Community, they want urgently to see a solution found and they will accept a solution which is seen to be fair. And the only fair solution is one which protects the fish and the fishermen at the same time.

(Applause)

President. — I call Mr Nyborg.

Mr Nyborg. — (DK) Mr President, I was very pleased today to hear the representative of the Committee give his views on the 12 or 35, the 50 or 100 mile limits. I think it was most satisfactory to have a clear, concrete statement of the Commission's opinion on this issue.

On the other hand, I am rather surprised to hear Mr Prescott repeatedly saying something quite different to what he said in 1975 about one year ago. With your leave, Mr President, I should like to quote a few extracts from Mr Prescott's statements. In the part-session in question I spoke in this Assembly about Danish fishery policy and on the importance of the fishing industry for Denmark. This elicited the following statements from Mr Prescott: 'We have to recognize that some countries, particularly Denmark, which has been mentioned, and Iceland, although it is not a member of the Community, have economies which are much more geared to fishing than are the economies of the huge industrial nations like Britain'.

Nyborg

In addition, Mr Prescott stated that in the United Kingdom less than one percent of the gross national product was related to fishing. He also said: 'Industrialized countries must recognize that we must give up some of our rights in these areas to assist those countries which industrialize their economies'. Mr Prescott also stated: 'The Community policy must therefore take that into account rather than use its countervailing power, as one Member suggested, to force what is to our advantage (but) to their disadvantage.' It seems as if Mr Prescott has forgotten the words he spoke on that occasion or at least has put them to another tune for, as has been said several times, a lot of national feeling has been evident in this debate. However, what we are discussing is the industry, the right freely to pursue an occupation, the right which our fishermen in the Community countries have had for very many years.

From the comments on limits which have been made here it might seem as if a 12-mile national limit meant that fishermen of the country in question could not fish outside that limit. But, of course, they are fully entitled to do so. What people are asking for is a huge pond to which they would have exclusive rights, but you cannot put a fence around such a pond and fish swim wherever the fancy takes them.

In the interests of freedom, in the interests of a free industry, I hope that we will have as few limits and as few regulations as possible so that the people who go to sea, our fishermen, who are freedom-loving people, may be fully entitled to follow their calling with the least possible restrictions.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Mr President, first of all I must thank the President of the Council, and indeed the Commissioner, for their replies. I think these matters are getting just a little clearer now, after the second debate within 5 weeks. Though we have got even further to go, it is thanks to both their answers that we are beginning to see just a little clearer how we are going. And certainly, judging by the number of people who have put their names down to speak — 17 or 18. I think — it appears that there is a certain amount of interest being shown in this subject in the Chamber, Mr President.

There are two or three points that I want to make very quickly. The first one concerns relations with third countries. Mr Prescott emphasized how vital it was that the Commission should be able to continue — and I congratulate the Commission as indeed he did — with the negotiations with Iceland concerning the Community's ability to fish within their 200-mile waters. This is particularly of importance to the United Kingdom. I was hoping that the Commissioner might be able to say something about this, because we heard Mr Gundelach on television in the United Kingdom not so long ago, saying he was very doubtful whether he could get any kind of agreement before 1 December. We would like to know what

happens on 1 December if no agreement is arrived at, and what the state of these negotiations is at the present time; because it is important to know whether fishermen in the United Kingdom will be excluded from those particular grounds on 30 November.

A point has been made by the President-in-Office of the Council concerning the 200-mile limit, which I hope will become a final fact. A mandate will be given to the Commission to negotiate with third countries as regards the ability to come into that 200-mile zone — the European fishing pond — and to fish in it. Access will be confined, *I hope*, to those who have historic rights within this particular pond, I am a little worried about this, which is why I think it is particularly important that we have this debate. There are, I gather, two different categories who are going to be allowed to come into this zone, and those are the people who have a fish surplus which they can sell to the Community, as the Commissioner said, and others with whom there is a two-way traffic between trawlers: our trawlers going into their 200-mile zone and their trawlers coming into ours.

If this is so, then it becomes even more important that the next issue should be dealt with in the way which is being proposed both by Mr Prescott and by the honourable gentleman of my own group as well. I am referring to the exclusive zones, or those zones which are going to be controlled by the coastal states, which comes to the same thing at the end of the day. This is absolutely crucial. If we are going to have ships coming into the 200-mile zone and being allowed to fish in those historic areas for the kind of fish which we — the Community, not only the United Kingdom — consider absolutely vital to the wellbeing of our fishermen, then it is going to be absolutely essential for there to be a zone of at least 50 miles, which will be controlled by the coastal state.

And now I take up what Mr Johnston has just been saying. The 200-mile zone that the President of the Council has been talking about is all very fine but, unless we can police it, then the whole system will collapse. How is it going to be controlled? The Commissioner has said, I understand, that it will be the coastal states who will be policing the 200-mile zone, 50-mile zone or whatever; they will be doing it and will be given financial help by the Community. That is what I understood him to say. But it will need much more than that. There simply are not the vessels available today to do this particular policing properly. How do you think, for instance, that a small tug is going to be able to control a Russian trawler, which can do 17 knots and can go on fishing at the same time? Do you think that small tug — whether it is British, French or German — is going to be able to stop it? Of course it cannot. There will have to be a much better system of control than exists at the moment. I hope we would be able to develop other means of control, such as helicopters and so on, to carry out this particular task.

Scott-Hopkins

Now, Mr President, my honourable friends and myself will put down a resolution following the answers given by the Council and the Commission. I hope this resolution will commend itself to the House. I am more than willing, and my honourable friends will, I hope, agree, for this to go to the Committee on Agriculture for discussion and for closer scrutiny. It sets out many vital points which, we believe, are absolutely crucial to this issue of fishing in both the external and internal policy of the Community. I hope this particular resolution will be allowed to go as it stands to the Committee on Agriculture for their further consideration, and perhaps be brought back to the House at a later stage.

(Applause)

President. — I call Mr Gibbons.

Mr Gibbons. — Mr President, the word 'conservation' has been used a great deal in this debate and I think there is a genuine and true recognition that there is a very serious conservation problem besetting the fishing industry throughout the Community. If that is so and if there is sincere and genuine recognition of this need for conservation, I would suggest straight away, Mr Chairman, that the best way in which this conservation can be achieved is by permission being granted to all coastal states to declare an exclusive zone of 50 miles to be fished in only by themselves. Because unless this is done the lip service that is being paid to conservation can only be branded for what it is — as shallow, worthless lip-service.

I think that the reality of the situation that we are dealing with now, and that we Irish representatives are most worried about, is the fact that rich countries within the Community, having overworked and exploited their own fisheries to the degree that they are seriously impaired, are now casting about for other areas in which to fish; and it so happens that we, an island people, hold that what we have is our own and belongs to us by right — the coastal waters around our country. The greedy eyes are falling on the fisheries around our country and we deny the right of anybody to take these from us; we deny it on social grounds, because the people in certain areas of my country have no other resources to rely on. Countries like Germany, Holland, Belgium and Great Britain itself, where there are very highly developed fishing fleets, can very well afford to look after their people more than we can and give them alternative employment. We have nothing to offer our people on the western and southern coasts except fisheries, and that is why no Irish Foreign Minister can contemplate accepting anything less than a 50-mile exclusive zone — and let that term not be bandied about or disguised in any other way. I sincerely hope that our Foreign Minister hasn't sold the pass already. I would hate to think that he has. No Irish minister has a right to

yield on the principle that we must insist on the essential minimum 50 miles, exclusive to Irish fishermen. I would suggest, Mr President, that it is necessary for the Community that this be accorded to the Irish Government, because you will not achieve conservation of fisheries unless there is a restriction in fishing. You will get a restriction in fishing if you impose 50-mile limits. If you give every coastal state a 50-mile limit, those who want to overfish their own coastal waters will have to put up with the consequences. I am quite certain that the Irish Government would not permit this to happen.

Now, the question of quotas has been bandied about throughout this debate. This too is unacceptable. I suspect that the arrangements that have been acceded to by the Irish Government will contain, concealed somehow adroitly in the manifesto language, a built-in allotment of quotas to other Community countries to fish right up to the shore line. This is intolerable and unacceptable to Irish fishermen, and indeed to the Irish people as a whole, and I would like to remind our own minister that this will not be accepted by the Irish people.

I want to go back again, Mr President, to the vital necessity from the social and regional point of view, of maintenance of the fishery resource for the people of Ireland for themselves, because they have no other resource. If this resource is taken from them they will perish from the face of the earth and that is why we cannot concede it.

I would advance the idea that if this limit is imposed, it will be to the benefit of the Community as a whole because there will then be some area in Community waters where fish can proliferate and restore themselves and species can be maintained. I think that the pretensions of other people to be concerned about the Community as a whole, to be concerned about conservation, is simply spurious piety; I think the reality is that the highly mechanized, highly organized fleets of other Community countries, having fished out their own waters, want to fish our waters out as well and again I say this is totally unacceptable, and I ask the President of the Council, I ask the Commissioner, to bear this in mind. We have been good members of this Community; we do not want to share what is our own to our own detriment and to the obliteration of our own people. We will not accept it.

(Applause)

President. — I call Mr Spicer.

Mr Spicer. — Mr President, I only wish to deal with the establishment of the 200-mile limit on 1 January of next year. That, Sir, is in 6 weeks' time and the purpose of establishing that 200-mile limit I think we can all welcome in this House today, because what we are doing is virtually saying that we will lock out the intruder, and that will leave us free to decide upon the

Spicer

next stage in the exploitation of our own coastal waters and how we put our own house in order.

It is very easy to say that by establishing that 200-mile limit we will be locking out the intruders, but it is very much more difficult to make that locking out really effective. It is of course, Sir, very easy for us to set up a full procedure of national quotas on stocking, on monitoring of stocks, on size of nets — all these things we can do. But we come back again to the central question: how on earth do we police the rules that we set up and establish? It has been talked of by my friend Mr Scott Hopkins, it has been mentioned by Mr Johnson and up there in the gallery, I may say, Mr Commissioner, we do have the Honorary President of the British Inshore Fishermen; and when you talked about the responsibility of the coastal states for policing that outer limit, I think he would have loved to have come down here and said to you that, as far as we are concerned in the United Kingdom, that is an impossibility. It is the fault of our own government admittedly, the fault of probably successive governments in the United Kingdom, but all we have under construction at the moment is four fishery patrol vessels with a top speed of 15 knots; and as the President, an ex-sailor, said to me, a Russian ship could leave its nets in the water and sail on away from it, and that they will do. So, Sir, really we will have to think very long and hard about how we are going to effectively control that 200-mile limit established by the Community. Community help will be needed and we will need to work together very much more closely.

A second point I would like to put to the Commissioner: what thoughts has he had, or is he suggesting, about international inspection within that 200-mile limit, because that again is a vital thing and we must have the right of international inspection in those waters? Do we plan equally for a common standard of fines for those vessels caught fishing inside those waters? At the moment it is left to the coastal states, and you have the absurd situation where our Irish friends produce the right answer by hammering Russian and Rumanian trawlers into the ground and confiscating their gear, whereas they come into the United Kingdom ports and they are fined £250, given a pat on the back, and sent on their way laughing.

And finally, again as many other people have said, we have only six weeks to go. Can we have some further indication about how discussions are going with those third countries? Because quite honestly, in that six-week period, if this doesn't start well, then we are in trouble. It has got to be seen to work from the word go, and if other nations can come in and flout what we have agreed upon from 1 January, then I say again we shall be in great trouble. There is no question, Sir, of our waving a magic wand at midnight on 31 December and suddenly all the Russian, Rumanian

and Polish trawlers will go scurrying back to their home ports because we in the Community have said that we have a 200-mile limit. If we are going to have that limit, if it is to work, then we must have the will and we must have the strength to enforce it, and I would end by just repeating what Mr Johnston said: we must start well if we are to achieve success. And I hope the Commissioner will be able just to give me a few more indications on what thoughts he is having in these directions.

(Applause)

President. — I call Mr Creed.

Mr Creed. — Mr President, I indeed welcome the opportunity of taking part in this very important debate and I am also very pleased that the President-in-Office mentioned the special place of Ireland in the context of the fishing industry. I am not a fisherman and I don't come from a fishing constituency but it is quite plain to everybody here in this room tonight — including, if I properly interpret their views and wishes, the fishermen of my country — that the most important aspect of the whole industry is conservation. Conservation is very important and unless immediate action is taken on it, we won't have waters to dispute and we won't have fish to catch. I would appeal to the Commissioner and to the Council of Ministers that this is a very important aspect of the whole fishing industry, because the exploiters of our fishing waters and the exploiters of our breeding-grounds will have to be stopped.

It is the clear view of our public opinion and the clear view of my government that the vital national interests of ensuring conservation of our fishing stock and the future development of our fishing industry cannot be secured by such means as the proposed non-exclusive 12 mile coastal band and a system of quotas largely based on historic performance, thus favouring those who have been over-fishing as against those whose fishing industries are underdeveloped. I am not saying that quotas have no part to play in a common fisheries policy. No doubt despite their known deficiencies they could be a useful adjunct of such a policy; but no policy relying outside a 12 mile non-exclusive band mainly on quotas and not permitting Member States to conserve their own coastal fishery resources within and beyond 12 miles, just as they conserve their agricultural and mineral resources, could be acceptable to the Irish government or the Irish fishermen or the Irish people. The relationship between this vital aspect of the common fisheries policy and the other issues before us — the proposed extension of our fishing limits by declaring a fisheries zone of 200 miles off our shores and the negotiation by the Community of reciprocal agreements on fishing with third countries — is, I think, evident to all. First there is no overall Community surplus of fish and if access is given to third countries within the

Creed

200-mile zone, this could lead to fishing by third countries in the 200-mile zone declared by Ireland; even if concessions to third countries were strictly limited to the 200-mile zone declared by other Community countries, that could still lead to a diversion of fishing efforts by Community countries towards our shores, which prejudiced the potential of our fishing industry. These matters cannot be dealt with separately or piece-meal, for the simple reason that one can directly prejudice the other. Other Member States have their priorities, we also have ours, and although having only 1¼ % of the Community's population and ⅔ % of its gross national product, we will by the declaration of a fishing zone provide almost a quarter of the total additional waters thus generated by Community countries. We could in no circumstances agree to separate treatment of these issues.

Of course, every detail of the new common fisheries policy does not have to be settled before we agree on mandates for negotiations with third countries. That would be unnecessary and unreasonable and we do not wish to injure our partners' interests in this matter. But the basic principles of this exclusive coastal band that Ireland is to enjoy in the future, of ensuring that any quota system will secure the vital economic, social and developmental needs of the Irish fishing industry and of Community financing of protection and conservation enforcement measures, must be agreed simultaneously with these mandates.

Could I conclude Mr President by saying I want to support the case made by my colleagues, Mr McDonald and Mr Gibbons, in connection with the depressed areas along the western seaboard of my country. Fishermen there have invested large sums of money in gear and equipment. It is vital to their livelihood. Small farmers are part-time fishermen and this is of major importance to the future of the fishing industry and indeed, could I say, to the future of the economy of my country. I think that is an urgent matter, I think that it is encouraging to hear the President-in-Office of the Council say that Ireland has a special case, and for that I am grateful.

(Applause)

President. — I call Mr Jakobsen.

Mr Jakobsen. — *(DK)* Mr President, we are dealing here with an external policy issue which looks as if it may have a successful conclusion. Earlier today we had a discussion in which there was some grumbling because there were not so many issues which were successful. If this one is, it will then be possible to say that our cooperation has been very productive, and there are strong indications that the will to succeed is present.

That was the first matter on which I wished to express my satisfaction. I should also like to welcome the development which has taken place since our part-session

in Strasbourg. I readily admit that, when I heard my good friends on this side of the Chamber and my fairly good friends on the other side agree to discuss the fishing industry in Strasbourg, I admit that I thought of going home and saying to Danish fishermen: 'If you are smart, you will now invest heavily in cannons and machine-guns, otherwise Danish fishermen will have little opportunity to fish in the future'. That's what it sounded like in Strasbourg. However, the motion for a resolution before us today, put down by my colleagues in the European Conservative Group, is worded in a totally different language, reasonable and sensible, and I have no doubt that we shall come around to the idea that we must all put up with some disadvantage for, as has been said repeatedly, we must preserve fish stocks. We must all submit to the limits required by the situation so that industry may continue to flourish and we must also make allowances for countries where fishing is a comparatively more important factor than in others. But that is something to which we have grown accustomed in the Community. That is something we have learnt.

I fully approve of the motion for a resolution from Mr Fletcher, Mr Dykes and the three other Members. I am pleased with its tone of moderation. I am uneasy, even if I am by nature nothing like as suspicious as Mrs Ewing, where the question of policing is involved. It is not just policing as such which makes me anxious. I believe that it can be carried out and carried out correctly. But I am rather afraid that the duty of policing may be affected by political considerations, such as a desire to devise regulations which would allow one's own ships to be within a certain area but render it very difficult to make room there for the ships of other countries. Therefore I think that I would be most inclined to support those who agree that control should be performed by means of ships and exercised by the government of the country closest to the area in question, but there must be directives approved by the Community, otherwise I do not believe we shall avoid the clashes which have occurred elsewhere.

Naturally, I will fully support the proposal contained in the motion for a resolution, that fishing boats be licensed, rather than have the quota system which has been the rule until now. I am of course not familiar with all aspects of the situation. I support the suggestion that the matter be referred back to committee for further examination, but in any case it seems to me on the face of it a much more simple and straightforward system than the quotas which, as we know, have given rise to considerable difficulties.

Mr President, fishery policy is an issue which affects only a limited number of the people in the Community, yet, as all of us here realize, it is an important issue.

There is talk of firm decisions, which will be of vital importance to the limited number of people involved.

Jakobsen

I hope therefore that the Commission and Council will show, not merely their capacity to take decisions, but also their capacity for decisions which, while firm, at the same time take account of the many complex individual problems relating to traditional fishing grounds, local employment prospects etc. Fishermen, when they feel the effects of this policy, must not be left with the impression that Brussels is trying to impose on them an unrealistic *diktat* by drawing straight lines on a chart. On the contrary, fishermen must feel confident that such action is taken in their own interests, their long-term interests, taken firmly, because it is high time something was done, but taken with human understanding.

(Applause)

President. — I call Mrs Kellett-Bowman.

Mrs Kellett-Bowman. — Mr President, it is a sad reflection that if the international fishing commissions — namely, the International Commission for the North-West Atlantic and the North-East Atlantic Fisheries Commission — had succeeded, a 200-mile zone might never have been needed and we shouldn't have had the problems we have today. Had the total allowable catch with those commissions worked out scientifically been adhered to, fish-stocks would not have been fished out in many waters as they have been. But because of a mixture of greed and sheer bad management, some species have ceased to exist as commercial species and others are in danger. And not only in European waters but off the United States and Canada as well. As each fishing-ground has been exhausted and each species depleted, the pressure on the remainder has built up, until now the herring is endangered and stringent measures must be taken to rebuild stocks. With proper conservation, herring could build up again rapidly; without such measures it, like some of its predecessors, is doomed. Moreover, cod, haddock and whiting, although protected species, are caught young by industrial fishers and their future is imperiled. Off the United Kingdom coast a few weeks ago, there was a Russian mothership, as my friend referred to, processing for 12 small trawlers, and this is quite intolerable. Any quotas should be based on fish for human consumption only, as my colleague remarked.

If we are to have really effective conservation, it is vital that there should be fishing conservation zones of 50 miles controlled by the coastal states. Undivided responsibility and control are absolutely essential if over-fishing is to be avoided and fishstocks built up again. This will in no way rule out reciprocal agreements among Member States for fishing within the 50-mile zone, so long as these do not prejudice conservation.

The key to conservation is licensing. There should be a two-stage licensing system — the first to fish at all and the second to fish within the 50-mile zone of a

Member State on the basis of the reciprocal agreement I referred to. In the past, quotas have not been popular, because they were widely regarded as unenforceable. Indeed as my colleague, Mr Fletcher, said, quotas are obsolete, but they could be successful only if they were used simply as a basis for vessellicensing. The important thing is to control excessive fishing, and quotas are merely a tool of planning to determine the number of licences which should be issued. Already herring-boats are licensed by the Herring Board in the United Kingdom: each boat has a quota every day; moreover, every skipper can tell any ship miles away and knows exactly who should be fishing and who shouldn't. This has worked perfectly well, and there is no reason why this type of licensing should not work within the 200-mile zone.

In the immediate future a new agreement with Iceland is essential, and I hope that these negotiations will proceed satisfactorily. Iceland all too often behaves as though all the trump cards were in her hand. Mr President, they are not. She needs our markets as much as we need her fish. She also wants EEC herring from the North Sea, and if she attempts to exclude our vessels from Icelandic waters when the current agreement expires on December 1, Protocol 6 of the Icelandic-EEC Agreement enabling Iceland to enjoy gradually-reducing customs duties on imports of her fish into the EEC should be immediately suspended. There should be no question of temporarily turning the other cheek.

On the structural side, it would seem that the middle-water multi-purpose boat is the one of the future, and cash from the 400 million units of account proposed by the Commission for restructuring to enable the conversion of distant-water boats to middle-water ones would be very welcome. Already CAP money has been used to finance 67 projects to help British fishermen and to improve Hull Harbour and for various other projects. This help could be extended to boats, whose role may well be changed by the new arrangements at present being made.

With common sense and cooperation, there can be a reasonable future for our fishermen and fish processors, but speed and firmness are essential if our men are not to be driven from the high seas.

President. — I call Mr Shaw.

Mr Shaw. — Mr President, I will not detain the House long, because I spoke a month ago in the debate then and my views have not changed since that time. Nonetheless I do welcome this debate. Things are happening fast in the fishing world and the purpose of this debate is not just to go over the same ground again but to show a containing interest in the developments as they are disclosed to us between each part-session. And I think it is right that we should keep a very close watch on developments and give encouragement to those who are responsible for the negotiations.

Shaw

Clearly, this last month we have seen the difficulties that have arisen during the negotiations with regard to Iceland. We hope that as rapid progress as possible, and as much firmness as possible, will be used in coming to an agreement with Iceland. But arising out of the difficulties has come the clear need to organize both firmly and fairly the waters within the 200-mile limit as quickly as possible. This is of the utmost urgency. I think it can be safely said, having listened to both debates, that the idea of licensing boats is a valuable one that has general acceptance among the interested parties. But whatever the system that is finally adopted, the key to its success must lie in its effective enforcement. And that is why I believe that the comments that have already been made by my colleague, Mr Spicer, and others tonight about the need for efficient policing are so important. I would have liked to have heard much more about this subject from the Council on this occasion, because it is agreed that enforcement by way of boats, helicopters, aircraft, whatever it be, will come, albeit possibly with financial help from the Commission, from the individual countries themselves, and it is vital that the individual countries recognize their responsibility and show that they are prepared to do something about it in providing the resources.

I am obviously not going through the speech I made last month, but may I emphasize one point again. It is this question of the withdrawal of the distant-water fleets to the near water, the pressure that is building up on the coastal waters, and the need to make sure that we get an acceptable arrangement for the coastal waters to make quite sure that the fish-stocks of the coastal waters will be safeguarded and with them the livelihood of those engaged in the inshore-fishing industry. Mr Lardinois has said today that we need not worry too much: 50 % of the fish comes from the 12-mile zone. That may be so, but the agricultural liaison officer for the Commission of the European Communities says that 90 % of Britain's mollusc and crustacean catch come from within the 12-mile limit, together with such fish as herring and mackerel, in so far as there are still any herring; but for the haddock, the cod, the plaice and the whiting we have to go beyond that limit, because only some 20 % of what we catch comes from within the 12-mile band. And that, I think, does go some way to showing the importance that we attach to the exclusive zone's being of some 50 miles in width. I must emphasize this. I do believe that it is very important that it should be under the exclusive control of the coastal state. But I must also emphasize what I said last month, that I am not prepared to restrict the exclusive control entirely to the question of conservation.

There are other important factors as well, and I must make that quite clear.

Finally, may I say, Mr President, that the outcome of the negotiations, the arrangements that are made,

must be such as can win over the confidence and understanding of those who have to fish in our waters. It is only in that way that we have any chance of making the arrangements work.

(Applause)

President. — I call Mr Kavanagh.

Mr Kavanagh. — Mr President, during the Strasbourg debate on fishing I made a strong demand for the conservation of fish stocks in the area within the 200-mile limit proposed by the Community as an exclusive fishing zone. On that occasion I pointed out that the concentration of fishing potential was being directed to a small area of this zone, as a result of the deep-sea fleets being expelled from other fishing areas, and also as a result of diminishing stocks in several areas within the proposed Community limit, and I called for a rigid conservation regulation to be applied to that small area.

In addition, I felt that within the EEC zone there should be a special 50-mile band around the coastal states within which fishing and conservation methods would be the exclusive responsibility of the relevant state. I particularly welcome the whole new debate on fishing at this time, because I believe it gives us all an opportunity to formulate a policy for the Nine which will represent the needs of the whole Community. This is in contrast to what occurred when the Community of the Six promulgated its common fisheries policy in 1970. If we now have a difficulty in arriving at an agreement, it surely can be attributed to the stand taken by the Six in dealing with the applicant countries, which then not only included Great Britain, Ireland and Denmark, but also Norway. The hastily drafted policy of the Six in 1970 presented a united front on fishing during the accession negotiations, which was totally unacceptable to my country, and particularly to my party at that time. It was, for me, one area of the final negotiations, contained in a referendum on entry in 1972, which demonstrated an unacceptable face of the Community. The regulations implementing the common fishery policy presented us with a *fait accompli*, as it did, I believe, for Great Britain, since it involved the imposition on the Nine of a policy that suited the interests of the original Six who had, by that time, largely fished out their own waters. In the case of Ireland and Britain, it meant a potential right of almost unlimited access to their waters for fleets of the enlarged Community. The alternative to acceptance of the 1970 fishery policy was exclusion from the Community, which Norway, of course, accepted, but our interests in other respect committed us to accept the full package of the Accession Treaty, to the detriment of our fishing industry. However, our task now is to devise a common fisheries policy appropriate to the new situation which we all

Kavanagh

now face, and which will safeguard the interests of Member States individually and collectively. It is my view that this can best be achieved by adopting the policy of the Socialist Group which we put forward in a motion for a resolution during the October part-session and some elements of which are now repeated in the Conservative motion, although the entire motion would not be acceptable to me, personally. I believe that a lasting solution can only be achieved on the lines put forward by the Socialist Group in October.

(Applause)

President. — I call Mr Lenihan.

Mr Lenihan. — I will be very brief and would just like to point out a few pertinent matters. First of all quotas, in my view, based on historic fishing rights, are totally unacceptable as far as the coastal states are concerned. This is a misconception that is not acceptable and can only give rise to a completely wrong approach towards the development of our fisheries over the years ahead. It is important to remember and I would here in particular appeal to our partners who are not strong coastal states — that if exclusive fishing limits are given to the coastal states, you can trust the coastal states. I want to assure our partners in this respect, because we, who are in the coastal states and have these fishing waters, if we get exclusive rights within fifty miles of our coast, can then and will then make arrangements with the Community in which we can share policing, in which we can adopt licensing, all on the basis of the exclusive rights for the coastal states. On that basis we can then do business with the Community. This is the reason why we in the Irish group could not support the Socialist resolution moved in Strasbourg on 14 October, because that resolution encompassed and envisaged a quota regime. Now I appreciate that in the present Conservative resolution, the quota element is toned down, as it were, in paragraph 3 and recognizes that quotas are a tool of planning and not of control. I would prefer, however, to see quotas removed altogether as a conception in regard to fisheries development within Community waters. I prefer to see the whole concept of quotas eliminated from our thinking in this respect and get back to a concept based on exclusive rights within a 50-mile band of the coastal states. On the basis of those rights remaining with the coastal states, arrangements can then be made with our partners who do not have these fishing waters. You can be assured that it would be in all our interests within the Community to have arrangements based on licensing and joint policing, provided the coastal state has got exclusive possession of these waters. This does require a degree of faith on the part of our Community partners. This can only be based on trust and can only be based on the fact that the coastal state is in the best possible position, being adjacent to these waters, to recommend and to organize the required arrangements for licensing, conservation and policing.

There is one other aspect that I would like to mention. The first aspect concerns the negotiations now being carried on by the various ministers in the Council. That first aspect is all important as an *a priori* principle. The second aspect is the social aspect, which is tremendously important, namely regional development. We have had many debates on regional development in this Parliament over the past three and a half years. In the waters that we are talking about, the coastal states are entitled to a 50-mile exclusive band in which they can take the initiative and take the lead in making the arrangements I have mentioned. These particular waters are all adjacent to the most disadvantaged regions within our Community. We have talked here *ad infinitum* in our regional policy committees and in major debates over the past three and a half years about regional policy and the inadequacy of the Regional Fund, but here is a practical way in which we can give real expression to a positive regional policy by helping precisely the disadvantaged regional areas as defined by the Commission and by Commissioner Thomson here on numerous occasions in this House. It is precisely the areas defined by the Commission that require the greatest proportion of regional help, and these are precisely the areas adjacent to the coastal waters that we are talking about. I believe it makes good sense for the coastal states to have sovereignty over the 50-mile zone in regard to fishing and to be in charge of the policing and management of those fisheries, and to negotiate with our partners in the Community on licences and the share that may be taken in the policing of that particular area. It also makes good Community sense from the point of view of having a positive regional policy.

(Applause)

President. — I call Mr van der Stoel.

Mr van der Stoel, President-in-Office of the Council. — *(NL)* Mr President, I am delighted that so many speakers have taken part in the debate on an uncommonly difficult and complex subject which, as has been rightly emphasized, is of vital importance for very many Community citizens. To a significant degree they are dependent for their future livelihood on a satisfactory solution to this question. I am also particularly glad that so much emphasis has been put on conservation measures. We must above all ensure that there are still fish available before we come to blows with one another about how to divide the catch. It strikes me that rather a lot has been said about what the fishing fleets of various Member States do, but that less attention has been paid to what the fishing fleets of third countries do, although this question has been mentioned by a few speakers. I should like to draw attention in particular to the fact that there has been an uncommonly large increase in the Soviet Union's catch in the waters around the Community, which has considerably increased our problems.

Van der Stoel

As to the creation of exclusive zones as an essential part of any solution, I have already said that on this matter the Council is not yet in a position to communicate its views to Parliament. I shall not be betraying any secrets if I say that there are also proponents of exclusive coastal zones in the Council, while on the other hand great emphasis is put on quotas and on the possibility of finding a fair and just solution by means of a quota system.

There are two elements to be considered here. In the first place, it is necessary to ensure that the coastal states concerned actually take up and maintain these quotas, and — this is an element that I failed to find in the debate — a Community reserve must be created, precisely in order to help those countries which might otherwise not get their fair share.

In seeking a decision at its meeting on 20 October, the Council rightly gave particular attention to those areas which depend heavily on fishing for their economic future. I would remind you that with regard to Ireland the Council has declared its intention of applying the provisions of the common fisheries policy in such a way as to ensure the gradual, steady development of the Irish fishing industry on the basis of the Irish Government's development programme for coastal fisheries. I would further remind you that the latest resolution expressly states that there are other areas in the Community in the same position as Ireland: this means Greenland and the Northern regions of the United Kingdom, where the local population is highly dependent on fishing and related industries. The Council has therefore agreed that, in applying the common fisheries policy, consideration must be given to the vital interests of these people. That, Mr President, seems to me to be a clear position.

There was talk of supervision and control in the 200-mile zone. In the resolution that I quoted just now, the Council has already mentioned the need for strict control and has thus also accepted the principle of a fair distribution of the burden. Various speakers expressed their concern about how this control can be exercised effectively. Mr President, I am aware that various Member States are giving active consideration to this question and that bilateral consultations are being held between Member States, and I hope and trust that suitable measures will be taken in good time.

10. *Change in the agenda*

President. — Before I call on Mr Lardinois there is a matter I would like to raise with Members. I understand that the President-in-Office of the Council is faced with the problem that heavy fog is rapidly descending on the Netherlands and he has been advised that if he does not leave immediately for home he will not get there tonight. I do feel that in view of the long day he has put in today, we ought to try and meet his wishes.

(Applause)

There is, however, one issue relating to the agenda that needs to be solved before we can do this.

The next item on the agenda after this debate on fishing is an oral question with debate by Lord Bethell and others to the Council on the environment programme (Doc. 383/76). I propose that we agree to postpone this until December. I believe that Lord Bethell is willing to agree to this.

I am very unwilling, generally speaking, to ask Members to agree to changes in the agenda; however, the Selected Texts relating to Rule 12 provide that

once adopted by the Assembly, the agenda shall not be altered except for serious and unforeseeable reasons and on a proposal from the Chair, a political group, or the representatives of the Commission or Council.

I do feel that under the circumstances we ought to conclude that serious and unforeseeable reasons have arisen and that therefore we ought to agree to this.

I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — I may say on behalf of Lord Bethell that we have no wish to keep the President-in-Office here a minute longer than necessary. If he has to get back to Holland, we will be the last people to wish to stop his going, and it is with regret that we of course accept your suggestion, Mr President.

President. — I call Mr Bertrand.

Mr A. Bertrand. — *(NL)* Mr President, if I have understood correctly, you are proposing that the oral question with debate put to the Council of the European Communities on the environment programme should be postponed until December.

In that case I should like to request that the Albertsen report on the European Social Budget be placed on the agenda for tomorrow morning and not dealt with this evening. This is an important report, and since two reports have been removed from tomorrow morning's agenda, namely the Schwörer report and the Albers report on the laying-up fund, it seems to me to present no difficulty to include the Albertsen report after the Artzinger report and the Walkhoff report.

It is not fitting for us to hold a debate this evening on such an important problem with two, three or four Members. I ask you, if the agenda is changed anyway, to agree that we should deal with the Albertsen report tomorrow morning.

President. — Mr Bertrand, I feel that we should deal with one matter at a time.

Is it agreed that the debate on the oral question by Lord Bethell and others on the environment programme should be left over until next month?

That is agreed.

So I think we can say goodbye to Mr van der Stoel and thank him for his attention today.

(Applause)

President

Now we have the matter raised by Mr Bertrand on the Albertsen report (Doc. 397/76).

I would like to say straight away that in my own view it is more sensible to take this item tomorrow morning, when social affairs are being discussed in any event as a joint debate. However, I would point out that the agenda was fixed on Monday and again accepted this morning and that people may have come prepared to speak on this debate who perhaps cannot be there tomorrow.

Are there therefore any objections to inserting the Albertsen report with the other social affairs items tomorrow morning?

That is agreed.

11. *Oral questions with debate: Fishing policy (resumption)*

President. — We now resume the debate on fishing. I call Mr Lardinois.

Mr Lardinois, Member of the Commission. — Mr President, because twelve out of fourteen Members have spoken English I will try to answer in English with a Dutch accent.

(Laughter and applause)

I hope I can do it very briefly, because although I will use the same arguments as I did two hours ago, I hope they will sink in better if I use the English language.

(Laughter)

First of all, Mr President, Mrs Ewing asked if the Commission was considering quotas without taking into account whether produce was intended for human consumption or other purposes. The answer is no, we take this into account.

Secondly, how does the Commission define coastal vessels? Some documents refer to a length of about 18 metres. Mr President, we are now only using this kind of approach in respect of certain subsidies, but this has nothing to do with the policing of coastal fishing as such.

Thirdly how could I write a letter to the Herring Industry Board mentioning established rights within the 12 miles? That does not apply everywhere — not in Scotland or in much of Ireland, but only in some parts of other countries, like England or Holland.

Mr President, Mr McDonald said a licensing system was preferable to quotas. I will repeat that we are proposing not only quotas but also licensing; we need both, not the one instead of the other. We need the licensing for control on the high seas, and we need the quotas for the control in port. These are not opposites. Both are necessary to effective control at sea and in ports.

Mr Johnston asked what control methods we were using. The essential thing will be for the member

countries to do it themselves, not only for the first 50 miles but also for the 200 miles. The member countries have to do it: they have generally speaking the means to do it, they are doing it on behalf of the Community. Mr President, if Iceland has the means to control effectively at this moment, I cannot understand that the United Kingdom should not have these means. They have these means and naturally we will coordinate in this regard the efforts of the Member States.

Mr Prescott, I think asked some questions with regard to the negotiations with Iceland. I can tell him we had the first talks a week ago. These talks were held in quite a good atmosphere. Officials are at this moment in Iceland, in Reykjavik. Next week my colleague, Mr Gundelach, will again go to Reykjavik and hold formal discussions with the Icelandic Government on arrangements for a framework agreement between the Community as such and Iceland as such. I don't think, Mr President, that we can say that the talks have to find some common ground and feel how things were generally developing. We have reason to hope that the talks next week will much more concrete and business-like.

In reply to Mr Gibbons, I would say that the whole spirit in the Council of Ministers in the Hague proved that it would be possible to give assurances to Ireland, and in particular to west Ireland, that they can develop their small fishing industry within the Community framework of conservation and in the Community framework of responsibility. This can be done also under a quota system, provided that there is very good policing of the whole of the sea. We know Ireland cannot do that, the United Kingdom can. Ireland cannot and, therefore — and because its fishing industry is so small in relation to the area of the fishing grounds — the Council of Ministers agreed to help Ireland with this aspect of the controls.

The main thing, however, as I said this afternoon, is to have a 50-mile exclusive zone. This will not only be difficult within the framework of the negotiations of 1971 and 1972, and of the Treaty of Accession, but also, as I already said, in relation to the overall consensus reached within the United Nations. As I said this afternoon, if you are pressing on this 50-mile concept, a situation could arise where third countries were following the United Nations' concept that they have the right to fish between 12 and 50 miles, while we in the Community are telling other Member States they cannot do it. I think I mentioned this this afternoon — there is a consensus in the United Nations that certain rights must be kept, including the right to fish, not within the first 12 miles, but between 12 and 200 miles. This was also one of the most convincing arguments in the Council of Ministers in The Hague. I repeat it therefore, because it is a very important argument and I think you should take that into account.

Lardinois

Mr Kavanagh said approximately the same in this respect as Mr Shaw. Mr Jakobsen asked that there should be confidence of the fishermen in our new policy, not a dictatorship by Brussels. Naturally there must be confidence, but we cannot give the fishermen of the Community the confidence that there will be enough fish next year, or in two years' or in three years' time. When we really have a policy that bites, then we can say we will have enough fish, probably, for all of them within five or six or seven years. We cannot give hope to all fishermen that, if this becomes a Community matter, there will be enough quotas for everybody. No, we have to restrict fishing not only for third countries but also for our own fishermen quite vigorously. We have to do that. If we do not do that, in my opinion a lot of species will not exist any more in three or four years' time.

I think, Mr President, that is the main message I would very much like everyone to take note of. The Commission put forward their proposal in January this year — nearly a year ago. You cannot ask us to decide about the whole matter now within six weeks. The Council had long discussions before the 200-mile principle was agreed. I am very pleased that Parliament is beginning to study the whole issue very seriously. I hope, indeed, that you can come to a decision in this Parliament within four weeks; perhaps we could then also put pressure on the Council of Ministers to come forward with decisions.

(Applause)

President. — The joint debate is closed.

To wind up the debate on the oral question to the Commission, I have a motion for a resolution (Doc. 425/76) with request for an immediate vote pursuant to Rule 47 (4) of the Rules of Procedure.

I understand from Mr Scott-Hopkins that the request for an immediate vote has now been withdrawn.

I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — May I request that this motion be tabled under Rule 25 which, I believe, means that it should now be referred immediately to the Committee on Agriculture.

President. — I call Mr Gibbons.

Mr Gibbons. — Are we to understand, Sir, that the Conservative Group are not now putting the motion for a resolution to the House? I had tabled four amendments and devoted a great deal of time to this motion especially in order to ensure the procurement of an exclusive 50-mile limit for Irish fishermen. Am I to understand, Sir, that this motion is not being put at all?

President. — Mr Gibbons, the position is that, in the absence of a request for an immediate vote under Rule 47, a motion for a resolution is automatically

referred to the relevant committee. Since request for an immediate vote has been withdrawn, this motion for a resolution, together with the amendments, will now go straight to the Committee on Agriculture as the committee responsible and to the Legal Affairs Committee for its opinion.

12. Directive on direct taxation

President. — The next item on the agenda is the report (Doc. 372/76) by Mr de Broglie, on behalf of the Committee on Economic and Monetary Affairs, on the

proposal from the Commission to the Council for a directive concerning mutual assistance by the competent authorities of Member States in the field of direct taxation.

I call Mr de Broglie.

Mr de Broglie, rapporteur. — *(F)* Mr President, ladies and gentlemen, the motion for a resolution put to you by the Committee on Economic and Monetary Affairs concerns, strictly speaking, a proposal for a Commission directive on the mutual assistance which the Member States of the Community could provide in the field of direct taxation. As regards the actual substance, however, the House is called upon to examine the problem of tax evasion, a domestic problem common to all our countries but which, to a large extent, can only be brought under control nowadays through international agreements. It is therefore essential, with regard to all forms of tax evasion, for Parliament to use this motion for a resolution to demonstrate firmly its intention not to tolerate an unhealthy, immoral and dangerous situation, its refusal to put up with its insidious effects and its determination to make an all-out drive against it at Community level.

Tax evasion is one of the most worrying aspects of our economies and of the political and social organization of democratic countries with a free-market economy. It creates budgetary and, consequently, economic problems at national level, produces costly disparities in Community trade and, above all, because of the injustice, resentment and scandalous situations to which it leads, is a sort of cancer slowly destroying the attraction of our Western societies. It is therefore essential for Parliament to adopt this motion for a resolution in a spirit of resolute support for the Commission and its future efforts to combat this scourge.

However, the originality and significance of this proposal for a directive lie also in the fact that it applies not only to tax practices which are actually fraudulent and illegal but, in addition, to any form of tax avoidance — without, however, placing them on the same footing as the former. This obviously takes account of the fact that our present money market with its

de Broglie

floating exchange rates encourages clandestine movements of capital in search of speculative profit, and that the growth of our multinational undertakings facilitates a large variety of manoeuvres ranging from the astute interpretation of texts to the avoidance of statutory or legal provisions, thus distorting the budgetary policies of the individual Member States as well as the financial regulations of the Community.

We can therefore see the basic elements of a more sophisticated Community code of conduct taking shape, under which tax avoidance would be regarded as a first step towards tax evasion, detrimental both to the Community's image and to fair competition between the countries of the common market. Consequently, is it not a welcome step that Member States can assist each other, within the framework of our expanding economies, in keeping more careful track and assessing the acceptability of practices which the inexhaustible inventiveness of accountants, financial consultants and speculators continue to devise in order to get round fiscal regulations?

Ladies and gentlemen, the actual provisions of this proposal for a directive will no doubt appear somewhat timid and restrained in relation to these aims. The Commission should not be blamed for this, since it is itself limited by a stand taken by the Council in February 1975 and which was rather cautious in its wording, and it must be realized that this is a field which involves individual liberties and national sovereignty, thereby raising very complex questions. Only consultation and exchange of information between Member States are in fact provided for, but the authors of the directive have nevertheless attempted to derive the most specific courses of action possible from this principle.

Three types of consultation have been provided for. Firstly, exchanges on request concerning specific cases; these can be rejected by the State from which the information is requested, if it appears that the requesting State has not exhausted its own sources of information. Secondly, automatic exchanges relating to certain categories of cases on which the Member States have decided to hold consultations by prior agreement. Thirdly, spontaneous exchanges which are compulsory in some cases, especially where double taxation or artificial transfers of profits are concerned. A consultation body will be set up in the form of a committee responsible for negotiating the bilateral agreements on matters covered by the directive, and the results of such agreements can then be communicated to the other Member States. This is in fact an *ex post facto* procedure which is slow, cautious and based on the bilateral agreements. Moreover, because of this, there is a danger it might maintain certain distortions and prove inadequate for implementing similar rules throughout the Community.

Need I add that these consultation methods depend upon the integrity and goodwill of the Community

countries, that there is no penalty and no sanction for delays and improper interpretations of this text? Moreover, the directive itself admits two important limitations to the moral obligation which it imposes upon Member countries to assist and inform each other. The first relates to the fiscal sovereignty of Member States which can withhold information for reasons of public policy or national legislation. The second relates to secrecy and is based on the perfectly legitimate concern for the safeguarding of taxpayers' rights. However, is it effective and fair for each Member State to enjoy sole discretion as to the confidentiality of fiscal information or its disclosure? As a result, it is clear that much is left to the goodwill of the Member States and that we have by no means reached the stage at which appeals can be lodged at supranational level against improper interpretation of the laws governing taxation.

The Committee on Economic and Monetary Affairs therefore asks you to share its reservations and its regrets as to the shortcomings of this text which it would have liked to have seen more uniform, less favourable to bilateral agreements and especially more binding. It also asks for your support not only in calling upon the Commission to continue its search for objective criteria for a general system of regulations, but also in requesting the Commission to study and submit to the Council another directive to rectify cases of double taxation which could arise precisely from the margins of assessment left to the individual countries by the present directive.

Despite these reservations, the Committee asks the House to acknowledge the definite value of a document which has the merit of getting to grips with a delicate problem, of making a start on establishing some sort of solidarity between Member States with regard to fiscal problems, which each country is powerless to solve on its own, and of finally setting down at least the moral principles on which Community sovereignty could be based in the fight against tax evasion and avoidance in order to achieve the fair taxation which is the essential complement to economic freedom and political democracy.

(Applause)

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

Mr Notenboom. — *(NL)* Mr President, at this late hour I shall only take up a very small amount of Parliament's time. Our Group simply wishes to declare that it thoroughly approves of the Commission's proposals and of Mr de Broglie's excellent report. This is a good report in that in our view the rapporteur rightly, and without hesitation, supports the Commission's proposal. As much as two years ago Parliament declared its approval in principle for the issuing of

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such a regulation since there was a great need for a move towards cooperation in this field. The first concrete step has now been taken towards joint investigation of tax evasion and we therefore join with the rapporteur in wholeheartedly supporting the Commission's proposals.

But the rapporteur was equally right to put his finger on a number of shortcomings which are apparent in this first measure. A careful reading of the document still reveals traces of mutual distrust on the part of government departments, and for anyone who has some acquaintance with tax authorities this is not surprising. What is still lacking, as Mr de Broglie rightly pointed out, is sanctions. It has been made too easy to avoid giving information to the country for which the information is intended.

All this shows that this first measure was very difficult to accomplish, but precisely for this reason the Christian Democratic Group is anxious to express its appreciation of the Commission's proposal, in the hope that this first concrete step will be followed by others, so that Community control can help to speed up the harmonization of taxation.

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

Mr Liogier. — (*F*) Mr President, ladies and gentlemen, right from the start of the European Economic Community it was realized that the establishment of a true common market having all the features of an internal market implied fiscal harmonization going far beyond the formal provisions of Articles 95—99 of the Treaty of Rome. Even though certain people are today astonished at the continuing lack of major Community initiatives on direct taxation, this situation — regrettable though it may be — is nevertheless understandable. In every country in the world, and the Member States of the EEC are no exception in this respect, taxation systems are the product of a whole series of factors arising from the history, social structures, economic context and even psychologies of the populations for which they are intended.

A given tax which is readily accepted in one country would undoubtedly raise a storm of protests were it to be introduced in another. Yet, in view of the growing interdependence of our economies, and especially the growth of multinational undertakings, fiscal action is indispensable today at international level and, above all, at Community level, as Mr Broglie rightly point out in his excellent report on behalf of the Committee on Economic and Monetary Affairs.

We are therefore gratified that the Commission has put forward this directive concerning mutual assistance by the Member States in the field of direct taxation. The international character of tax evasion and avoidance presupposes that the fight against such prac-

tices will be waged at international level. The intensifying of collaboration between the national authorities as set out in the draft directive represents a first step in this direction. This Community-level collaboration assumes particular importance in cases where a given tax may be avoided thanks to divergent laws or by means of evasion (for example, when multinational undertakings transfer profits from one country to another or carry out transactions through the intermediary of a third country in order to gain tax advantages). In our opinion, the implementation of these provisions — be they the mutual assistance procedure, the enquiries which can be instituted by one Member country on behalf of another for the purposes of obtaining information, or the possibility for an official from one Member country to be present on the territory of another — is a step in the right direction.

Nevertheless, we regret that the Community character of the procedure envisaged is insufficient. This means that the application of several provisions of the directive will depend on the good — not to mention the bad — faith of the Member States or on bilateral agreements. Even so, we hope that the Community will be able to play an important coordinating role. Each Member country, ought, for this purpose, to inform the Commission regularly as to the progress of the procedures in force in order to permit an assessment later on, of the effectiveness of the directive.

Likewise, and without the sovereignty of the individual countries being in any way called in question, it would have been preferable to draw up an exhaustive Community list of direct taxes covered by the directive, rather than leave the matter entirely to the Member States.

On the other hand, the Group of European Progressive Democrats wholeheartedly agrees with the directive's approach to the confidentiality of the information exchanged. Even so, the rules laid down must be enforced so that the confidential nature of data gathered is safeguarded and that no improper use is made of these data. Moreover, it would have been wise to arrange for taxpayers under investigation to be notified. On a more general note, we would like to stress that this directive should not give rise to exchanges of information concerning existing fiscal structures and putting an end to what are known as 'tax havens' is concerned — and everyone here is in favour of this — the case must be stated clearly and the necessary action taken. But this is not the purpose of the directive before us.

Furthermore, as this directive might well have unfortunate side-effects, that is, an increased risk of double taxation, we urge the Community authorities to adopt rapidly an *ad hoc* supplementary directive, as they recently envisaged.

Lastly, we must be careful not to penalize only European enterprises to the advantage of their foreign

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competitors. The scope of the cooperation procedures must therefore be immediately extended beyond the frontiers of the Community.

(*Applause*)

President. — I call Mr Normanton to speak on behalf of the European Conservative Group.

Mr Normanton. — Mr President, in principle the European Conservative Group strongly supports the adoption of this report standing in the name of Mr de Broglie, but feels that a number of points require to be made — some of which were made in the course of the committee discussion on the paper, and some of which may have arisen since. First, as regards content, and secondly, on the question of phraseology. I must tell the House that it had been my intention to table a number of amendments under the heading of Changes in Phraseology, but perhaps if the points are made as the Conservative Group's contribution on the subject, that in itself should be sufficient.

Firstly, if the Community is ever to mean anything — and that surely is what we are all striving and yearning to do, to make it a meaningful exercise — we have to work towards a time when we have full harmonization of the fiscal systems which operate within the present nine Member States. These different systems, which have developed over hundreds of years, are just as much an obstacle in the path of trade, just as much an obstacle in the path of establishing a true common market, as the tariff barriers which are progressively being demolished. Our ultimate object must be a Community fiscal policy, a Community system of operating taxation systems of all kinds, applicable to every company, to every person, to every institution throughout the length and breadth of all Member States. For example, I think we should not forget that unless and until a common system of personal taxation is operating we shall never get true mobility of men and women throughout the whole of the Community in the course of their employment.

Whether these people are management, top management or blue- or white-collar workers is totally irrelevant. All persons at all levels of income are in fact being inhibited in their ability to move freely by the present chaos as far as fiscal systems are concerned. I quote as evidence only one particular case, and I quote it as a perfect example of the sheer downright idiocy of the way in which our nine different, multitudinous, multifacet tax systems are working. There are two establishments, one in Germany and one in Britain. They are managed, as it happens, by men who in fact are British by nationality, but the take-home pay of those two managers is four times as great for the manager in the German factory as it is in the British factory. And yet the factories — their equipment, their staff, their products — are exactly alike in those two Member States. This is typical of the kind

of differences which we have got to bring to an end, and this proposal of the Commission is not aimed at achieving that. Of course, we recognize that this is an attempt on the part of the Commission to bring about some movement in the direction of harmonizing the collection of taxes. I would like to put on record that I think if the same amount of thought and effort were expended on trying to bring together the taxation formulating authorities to establish one single system of taxation, that time and that effort would be more fruitful and more effective. How much better, therefore, if we could ultimately see a prospect of reaching that state of one single common taxation system throughout the Community!

The second point I want to make is really to draw to the attention of the House — we have done so on many other occasions and under many different headings — the fact that we have nine Member States which are actually colluding with each other to set up systems which vary and, indeed are in conflict one with the other. I quote as an example the way in which Member States, with their present fiscal systems, give indirect, underhand subsidies if a particular company will come into their country, as opposed to another Member State, and set up business. They give them tax-free honeymoons, direct grants; direct and indirect subventions are paid. All of these are distortions and, I think, deviations — immoral deviations — on the part of the taxation authorities themselves. And that is something which this House strongly and rightly should decry.

The third and last point I would make, Mr President, is on this question of phraseology. I feel it is extremely difficult when we are dealing in six different languages to arrive at an identical meaning when we use words in one language and try to translate them into another language. The use in this report of the phrase 'tax evasion and avoidance' is really bringing chalk and cheese together. It is not the intention of Mr de Broglie to do that, nor is it, indeed, the Commission's intention to do that; but because of the difficulty of finding appropriate words to express the original French or German, those two terms have been brought together, and I think that is quite unjustifiable. Tax evasion is illegal. Tax evasion and, indeed, tax frauds must be fought, must be resisted, by all Members in this House and by all Community institutions and by all Member States; but tax *avoidance* is totally and perfectly legitimate. It is a rightful duty of any and every individual, whether he be an individual tax-payer by virtue of being an individual trader or a corporation, to pay such taxes and neither more nor less than such taxes, as it is his legitimate due to pay. And that is something which is under the heading of taxation terminology 'avoidance'. I regret, therefore, the combination of these two terms, 'tax evasion and tax avoidance', as though they were both immoral, illegal and to be resisted.

Normanton

Having made that point, I am quite certain that that was not in the mind of Mr de Broglie when he wrote the report. The contents of that report command our full support and we certainly endorse the determination of the Commission to move one microscopically small step nearer that ultimate goal of a Community fiscal system.

(Applause)

President. — I call Mr Guazzaroni.

Mr Guazzaroni, member of the Commission. — *(1)* Mr President, I should like to begin by congratulating Mr de Broglie on his thorough and detailed report on a problem which, as this debate has clearly shown, is fundamentally important for the economic and financial life of the Community and its Member States. The Commission is convinced that it is not enough merely to harmonize the existing provisions of fiscal law. It is also necessary to locate and reduce or, if possible, eliminate altogether distortions caused by the incorrect assessment of taxes, especially in the case of tax frauds or improper practices, all of which — to go back to what Mr Normanton said a few moments ago — have come to be labelled as international tax evasion.

The proposal for a directive before the House aims precisely at intensifying mutual assistance by the tax authorities throughout the Community. The fiscal jurisdiction of each Member State obviously ends at the national frontiers. This is why other international organizations, such as the OECD, are also tackling the problem and why efforts are being made to extend this type of international cooperation of third countries.

The problems of international tax evasion and avoidance are extremely complex and must be faced and solved with determination, but without undue haste. In this context, I would like to draw Parliament's attention to the fact that Article 10 of the draft directive provides for a permanent exchange of information between the Member States and the Commission in order to enable the latter to organize new initiatives in this field.

While approving the draft directive, Parliament's motion for a resolution expresses some reservations, which the rapporteur also mentioned, with regard to the consultation procedure, which it considers unsatisfactory in that the Commission would be informed only *ex post facto*, and to certain objective limitations to the exchange of information. The proposal for a directive does, in fact, leave some scope for bilateral arrangements between Member States. The Commission would certainly have preferred to have given a greater Community character to this measure, but present realities have to be considered, and the fact is that the possibilities of internal tax control vary

considerably from one Member State to the other for legal, practical and psychological reasons.

The Commission will do all it can in this respect to achieve greater harmonization in accordance with Council Resolution of 10 February 1975. However, it is clear that this cannot be achieved in the short term, and a certain amount of scope must therefore be left to the Member States, at least for the time being, to adapt the exchange of information to the possibilities existing within the framework of their bilateral relations. For the same reasons, it is advisable to keep exchanges of information within the strict limits of public policy and reciprocity. It should be stressed at this point that the tax committees, modelled along the lines of those existing within the OECD, provide for further limitations such as commercial, industrial or professional secrecy.

As for reciprocity, it must be understood that distortions to competition could occur, if, for example, country A were able to request information from country B on the taxation of foreign companies operating on its market, but had no equally efficient means of fiscal control over its own companies.

It is true that the proposal for a directive does not provide for sanctions against a country refusing to provide the information requested, but here again we must accept the facts as they are. It is practically impossible for a third person, i.e. anyone not belonging to the fiscal authority in question, to judge whether the latter is not furnishing the information requested because it does not want to or because it cannot. On the other hand, no sanction could really be applied: the only effect which it could have would be to exert a certain political and moral pressure on the country concerned. This pressure could, however, just as well be applied through the envisaged consultation procedure. In any case, Member States have everything to gain from providing information, it is in their own interest also to receive information.

With regard to the sanctions applicable to violations of fiscal confidentiality it should be stressed that the proposal for a directive introduces, for the first time, harmonized fiscal confidentiality at international level. Nevertheless, sanctions of civil, administrative and criminal law in cases of violation or fiscal confidentiality will remain within the jurisdiction of the requesting State. Besides, the harmonization of these sanctions would go far beyond the framework of the proposal for a directive.

However, Mr President, the Commission is gratified to learn from this debate that the European Parliament fully approves the step it has taken, and is ready to continue on this road knowing that it has the House's full support.

(Applause)

President. — Since no-one else wishes to speak, I put the motion for a resolution to the vote.

The resolution is adopted.¹

13. *Agenda for next sitting*

President. — The next sitting will be held tomorrow, Thursday, 18 November 1976, at 10 a.m. and 3 p.m., with the following agenda :

- report by Mr Gerlach on the regions of the Community's internal frontiers ;
- report by Mr Albertsen on the social budget ;

- report by Mr Artzinger on the Community's economic situation ;
- report by Mr Walkhoff on unemployment amongst young people ;
- report by Mr Seefeld on the harmonization of certain social legislation relating to road transport ;
- report by Mr Albers on tariffs for the carriage of goods by inland waterway ;
- joint debates on the reports by Mr Giraud, Mr Mursch and Mr Mitterdorfer on the carriage of goods ;
- report by Mr Nyborg on transport infrastructure ;
- oral question to the Commission on Community water policy.

The sitting is closed.

(The sitting was closed at 20.20 p.m.)

¹ OJ C 293 of 13. 12. 1976.

ANNEX

Questions to the Commission which could not be answered during Question Time, with written answers

Question by Mr Ellis

Subject : Information policy for the United Kingdom

Has the Commission an information policy for the United Kingdom ?

Answer

Yes.

Question by Mr Molloy

Subject : 'Community Free Health Service'.

Will the Commission embark upon examination for the ultimate establishment of an integrated 'Community Free Health Service' ?

Answer

The Commission has undertaken several studies on different aspects of the organization of medical care in the Community. Three studies are in progress at this moment :

- Comparative study on Health Care in the 9 Countries of the European Communities — Current situation, evolution and trends ;
- A micro-economic approach to problems relating to the cost of hospitalization ;
- Sanitary and economic aspects of the increase in pharmaceutical consumption in the countries of the European Communities.

Consultations with government and independent experts also take place on a regular basis within the framework of the Commission's action for the concertation of social protection policies, covering the whole range of social protection including medical care.

It is not the Commission's policy at the moment to promote one particular structure of medical care in the Community. The purpose of the aforementioned studies is to examine problems which are common to the medical care systems of all Member States with a view to developing common solutions if possible.

Question by Sir Brandon Rhys Williams

Subject : Social security systems

What a progress has the Commission made with the comparative study of social security systems which it undertook to make in May 1976 in response to the motion for a resolution on social security (Doc. 382/75) ?

Answer

Since May this year the Commission has proceeded with several studies which have an important bearing on the issues raised in the Parliamentary resolution adopted as a result of Sir Brandon's initiative.

In particular, our Statistical Office has recently published a comparison of the purchasing power values of the different national currencies which is the essential basis for a comparative analysis of social benefits.

Moreover, a new edition of the comparative tables on social security will be appearing next year, and we have already begun the work on the Second European Social Budget.

Finally, several of the projects included in the European Anti-Poverty Programme contain an analysis of income maintenance systems in different countries. One interesting project is a comparative survey of families in three relatively poor areas in London, Paris and Cologne.

Question by Mr Scott-Hopkins

Subject: Price of duck meat in the Community

As the present sluice gate price for duck meat imported into some parts of the Community is below the costs of production outside the EEC, when will steps be taken to redress this situation by increasing this price in order that Community producers are not unfairly penalized by imports from Communist countries?

Answer

The Commission is aware of the problems to which the honourable Member refers. It expects to be able in the near future to come forward with a proposal for an adjustment to the sluice-gate price.

Question by Mr Bangemann

Subject: Common trade policy

In connection with the visit to Europe by a Japanese trade delegation, the press has repeatedly reported the conclusion of bilateral 'self-restraint' agreements.

Does the Commission not feel that these agreements form part of the common trade policy?

Answer

The Commission considers that the Community's responsibility for commercial policy does indeed cover the field of voluntary restraint measures applied by the governments of third countries to their exports to the Community. Such measures when sought from the Community side form an integral part of the common commercial policy, and the Commission took the opportunity to make this position clear to the Member States in June this year. Since it did so the Commission has had no indication that any Member State was not acting in conformity with this approach.

Question by Mr Howell

Subject: Provision of agricultural statistics

Will the Commission state how soon they will be able to provide statistics on prices received by producers for pig-meat, beef, eggs, fresh milk and wheat in each Member State during the first nine months of 1976?

Answer

The statistics which the honourable Member requests will be published this December in the case of pig-meat, beef and wheat and during the first quarter of 1977 for fresh milk and eggs.

Question by Mr Dalyell

Subject: Coherent policy in the Community in relation to the construction of new refining capacity.

What proposals does the Commission intend to make with a view to achieving a coherent policy in the Community in relation to the construction of new oil refining capacity, given that current projections indicate that existing plant will be used at only 60 — 70 % of capacity at least until the mid-1980's?

Answer

The Commission is devoting particular attention to the situation in the oil-refining industry in the Community. At its suggestion, the Energy Committee has set up a special working party to study the industry's present problems and to propose guidelines for their possible solution.

Excess distillation capacity in the Community seems to be the most important problem in view of its scale and its probable duration (20-30 % in excess of requirements until about 1980/82).

In recognition of the very many implications which this problem has both for the Community and for the world, the Commission, in permanent collaboration with the Member States and having consulted the industry itself, is drawing up a preliminary proposal on the policy lines for possible adoption at Community level.

The Commission will keep Parliament informed of progress made on this very important subject.

Question by Mr Gibbons

Subject: Aids to beef production in Northern Ireland

Will the Commission give its opinion on the 'employment premium' for meat plants in Northern Ireland, which is actually paid to beef producers at the rate of 5 pence per pound, and state whether it is compatible with Community rules?

Answer

The Commission is of the opinion that this premium is not compatible with Community rules. It will in the near future approach the United Kingdom on the basis of the procedure laid down in Article 93 of the Treaty.

Question by Mr De Clercq

Subject: EEC-Greece financial protocol

Can the Commission explain why the negotiations on the second EEC-Greece financial protocol have not yet been successfully concluded?

Answer

At the meeting of the Association Council on 27 July 1976, the Community explained to the Greek delegation the amount of aid which it was prepared to offer in the new financial protocol. This totaled some 225 million units of account in respect of E.I.B. loans, and some 55 million u.a. of aid from budgetary sources. At the time it was pointed out to the Greeks that the Community would have to finalize the details of its offer before negotiations could commence and this was accepted by the Greek side.

Since then the Commission and the Council have been occupied in the preparation of a negotiating mandate for the Commission and this was approved at the meeting of the Council on 15 November. Given the nature of Community procedures, this has inevitably taken time. Discussions will take place shortly between the Commission and the Greek authorities in order to prepare the negotiations, which it is hoped will be concluded before the end of this year.

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IN THE CHAIR : MR SANTER

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.

I call Lord Bethell on a point of order.

Lord Bethell. — Mr President, I would like your advice please. Yesterday evening, at around half past seven, during the debate on fishing, the House removed from the agenda an oral question with debate standing in the name of myself and others about the environment. The motion to remove this item was proposed in my absence and without my knowledge, although I had in fact given my informal agreement to this withdrawal to enable Mr van der Stoel to go back to Amsterdam.

Can you please help me with three questions? Firstly, is it in accordance with the custom and indeed the rules of the House for the agenda to be changed, for an item to be withdrawn, in the middle of a debate? Secondly, is it not customary to warn the mover of a debate that a motion to withdraw the item in question is about to come up before the House, so that he may be in his place and make any comment he considers appropriate? Thirdly, will you, Sir, as President, bear in mind the main point raised in my oral question, namely that the Council of Environment Ministers has not met for a whole year, and use your influence in the Bureau of Parliament to see that this question is discussed at a convenient time in December?

President. — I call Mr Jahn.

Mr Jahn. — (D) Mr President, ladies and gentlemen, as I am one of the signatories of this question, I should like to associate myself entirely with Lord Bethell's questions. I consider that it is neither democratic nor correct parliamentary practice not to consult us when an agenda for which we have prepared is changed and an agenda item is simply postponed until December in the middle of a debate. A few things will have to be different here in December.

President. — According to the information I have received, the question was withdrawn according to the Rules of Procedure and also with the agreement of the chairman of the European Conservative Group, Mr Scott-Hopkins. I would add that at the time no objections were raised by the House to the withdrawal of the report.

As for the suggestions which have been made, I am pleased to take note of them and shall submit them to the Bureau.

I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Mr President, indeed it was accepted by both. Lord Bethell and myself that this particular debate should be withdrawn to help the President in Office of the Council, but it was not said at any time that the chair was going to intervene in the middle of another debate when Lord Bethell was not here. That is the only point at issue. It was in the middle of the fishing debate that the chair suddenly decided to take this step and of course there were difficulties over it. This is the problem. There was no question of any difficulty about the President-in-Office having to leave. This was accepted by Lord Bethell and myself, but it was the way this was done at the time which is the problem.

President. — I take note of your statements, Mr Scott-Hopkins. It was the very difficult weather conditions which forced the President-in-Office of the Council to leave the sitting.

I call Sir Peter Kirk.

Sir Peter Kirk. — Mr President, nobody disputes the fact that the President-in-Office of the Council had to leave because of weather conditions in Holland. The point that we are raising, and it is a serious point, is that the item was withdrawn in the middle of another debate without my colleague, Lord Bethell, being informed. He was only just outside the Chamber and somebody could have gone and told him that this was going to happen so that he could have come here. As it was, he was made to appear very discourteous to the President of the Council because he was not here. Mr Scott-Hopkins did not know either, nor did I, and so none of us was able to do any more than react to a situation that arose when the Member concerned should have been informed. I am not blaming the Council. I am afraid it is the chair which was responsible for this.

President. — I take note of your statement. We shall try to avoid a recurrence of such difficulties. I must nevertheless point out to you that the European Conservative Group was informed of the situation.

2. *Community regional policy for the regions at the Community's internal frontiers*

President. — The next item is the report (Doc. 355/76) drawn up by Mr Gerlach, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the motion for a resolution tabled by Mr Gerlach, Mr Mitterdorfer and Mr Wieldraaijer on the Community's regional policy as regards the

President

regions at the Community's internal frontiers (Doc. 5/74).

I call Mr Gerlach.

Mr Gerlach, rapporteur. — (D) Mr President, ladies and gentlemen. Twenty months ago this House discussed the interim report on the regions at the Community's internal frontiers and unanimously adopted a motion for a resolution.

Since then I have been able to extend the scope and depth of this report. I hope this will not affect the general approval which the motion for a resolution received on that occasion.

Before going into details, Mr President, may I briefly summarize the main points and aims of this report.

As you know, the regions on either side of the frontiers between the Member States have frequently lagged considerably behind the central regions of the various countries of the European Community in their development. I am thinking here, for example, of the frontier between Ireland and Northern Ireland, between the provinces of Groningen and Drenthe and the Federal State of Lower Saxony — where my constituency lies — the area between Namur and the Ardennes or between Lower Alsace and the Palatinate.

The reasons why these frontier regions have, relatively speaking, lagged behind other areas of the Community in their development are obvious :

From the point of view of the economic and administrative systems of an individual country, frontier regions have traditionally been regarded as peripheral areas and consequently neglected. From the European point of view, however, the internal frontier regions are mostly central and would therefore offer better conditions for harmonious development, if only the inhibiting effects of the frontier could be reduced, since it is at frontiers that it becomes particularly clear to the general public what progress Europe has made or not made.

The people in the industrial areas in the hearts of the Member States of the European Community have, in many ways, profited more obviously from integration so far than the inhabitants of the frontier regions.

'In practice' — and I am quoting you here, Mr Thomson — 'in practice, integration within the Community does not begin at the internal frontiers, it only ends at the internal frontiers; the frontier regions inside the Community are in a sense victims of the lack of real economic integration within the Community'.

The way in which persons living in the frontier regions are placed at a disadvantage compared with those living in the central regions is reflected in a variety of symptoms :

— Inadequate opportunities for employment and lopsided industrial structure in several frontier regions

have led young and trained workers in particular to leave for the industrial centres. This flight from the frontier regions in turn aggravates the regional imbalance, since it is the older and untrained workers who remain.

— At times of economic recession, unemployment in the frontier regions of the Community has been shown to be higher than in the central regions.

— Generally speaking, the cultural and social infrastructure in the frontier regions is less well developed than in the central regions, which means fewer schools, institutes of higher education, adult education establishments, a frequently inadequate medical service, inadequate sport and leisure facilities and frequently inadequate water supply or sewage and refuse disposal systems.

— The transport infrastructure is also generally inadequate in two respects. Communications between frontier regions and the central regions of the same country and the neighbouring country usually leave much to be desired. In addition, a large number of border-crossing posts in many frontier areas of the Community are closed down at night, which entails time-consuming detours and additional expenses for the people living in these areas.

— The frontiers are a disadvantage to those persons in the Community who work in a neighbouring country. It has been estimated that there are approximately 150 000 persons in the European Community who cross the border between two Member States twice a day. Their incomes increase or fall with every fluctuation in exchange rates — which have been fairly frequent in recent times.

— There is also the problem of different social legislation on each side of the border, and the fact that trans-frontier commuters are treated differently for purposes of taxation. Their jobs are less secure since they are frequently the first to be dismissed in times of economic difficulties.

— A less obvious aspect, but one which cannot be ignored, is that trans-frontier consultation and coordination is the exception rather than the rule in question of regional planning, industrialization and environmental protection. The results of this lack of coordination in the planning of infrastructure, residential, recreational and industrial areas or in environmental protection can already be seen at several internal frontiers of the Community. For example, there may be an oil refinery on one side of the border and a wildlife reserve on the other side. There may be plans to build lead works on one side, while on the other side of the frontier there is a protected area with vineyards. Nuclear power stations may be set up on both sides of the border without any coordination. This results in overheating of the river forming the border between

Gerlach

the two countries and used by both. Or there may be a new hospital with spare capacity on one side of the border, and a hospital far away from the frontier region on the other side.

Or there may be two new purification plants, one on each side of the frontier, despite the fact that it would have been just as efficient — as well as cheaper — to build one joint plant.

To give another example, it may happen that the victim of a road accident cannot be taken to the nearest hospital because it is on the other side of the frontier.

Mr President, ladies and gentlemen, I could easily go on with this list of examples of inadequate consultation, planning and coordination between the frontier regions of the Community. The lack of trans-frontier coordination in the establishment of industry, protection of water supplies, sewage control, pollution and the planning of transport and infrastructure affects every aspect of the lives of the inhabitants of these frontier regions within the Community. In many regions the inhabitants are becoming increasingly aware of the lack of coordination between the governments of the Member States involved and are starting to tackle the problems themselves. Local action groups such as those in the frontier regions of Alsace and Baden, where the inhabitants of both countries have taken joint action to protect the environment on both sides of the Rhine, stem exclusively from the fact that information and coordination between the two countries in the field of regional planning is inadequate in this region.

The motion for a resolution before you now aims at improving coordination and cooperation between the planning and decision-making bodies on both sides of the frontier.

As the members of my Committee have observed on study trips through frontier regions of the Community — for example the Dutch-German or German-Danish frontier regions, the region between Luxembourg, Lorraine and the Saarland or between Alsace and Baden or Italy and France — the people of these areas are extremely interested in improving trans-frontier cooperation.

In calling for cooperation in the frontier regions with our 'own-initiative' report, which we present to the Commission with the request that they submit it to the Council — and I hope, Mr Thomson, you will promise Parliament that you will indeed submit this report to the Council — we can be sure that this project is one which is close to the interests of the people living in the frontier regions and that they will in most cases support it.

The existing forms of trans-frontier cooperation are many and varied. They range from the total absence of any contact whatsoever at local and regional level to formally-organized cooperation. Examples of highly

developed cooperation are found in the *Euregio* in the Dutch-German frontier region and the *Regio Basiliensis* in the France-Germany-Switzerland triangle.

These positive examples of cooperation nevertheless have one failing. Trans-frontier cooperation of this kind between local or regional authorities is of course not legally binding, and for this reason frequently inadequate. If cooperation on a legal basis is to be achieved — for example by setting up a joint sewage authority — one partner in the cooperation is obliged to recognize the authority of the legal institutions of the neighbouring country, and this is an obstacle to a partnership between two border regions based on equality. In addition to this casual and non-binding form of trans-frontier cooperation, there is also, of course, the traditional form of agreements on the basis of international law. The disadvantage of this form of cooperation, however, is that in spite of all the success it has achieved it is not one with which the ordinary citizen can identify himself. Trans-frontier cooperation is regarded as foreign policy and is thus the exclusive preserve of the Foreign Ministers of the Member States in question. Since international agreements are only reached after tedious and time-consuming negotiations, they are unfortunately far too rare.

It is therefore clear from the report that there can be no doubt as to the need for increased cooperation between the border regions.

The existing instruments of cooperation are generally inadequate, cumbersome and unsatisfactory and therefore need improvement. This must be made perfectly clear.

In our motion for a resolution, therefore, we propose the introduction of a new legal instrument — the European Joint Authority — which will enable cooperation with neighbouring local authorities on the other side of the frontier to be intensified, provided that both sides are interested in such cooperation. Thus, those which are indeed interested will be in a position to cooperate across the border on a firm legal basis and with greater efficiency than in the past.

What form will these European Joint Authorities take?

Local or regional authorities from the frontier region between two neighbouring countries will be able to join together to form a European Joint Authority if they intend to carry out a joint project, e.g. to construct a purification plant, a joint water works, hospital, swimming pool, leisure facilities, or to set up a local transport authority etc. Thus, only local bodies with an *elected* decision-making body, i.e. chiefly local authorities and regional institutions will be able to become members of a European Joint Authority.

The European Joint Authority will consist of a Regional Council, made up of elected representatives from the public authorities and representatives of national supervisory authorities, and a subordinate

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Regional Committee composed of senior administrative officials of the local authorities. Technical matters will be dealt with by the Secretariat, the members of which will be appointed by the Regional Committee.

The draft regulation which forms part of the motion for a resolution describes how these European Joint Authorities — i.e. these regional authorities under European law — will operate.

The activities of the European Joint Authorities may include the following:

Trans-frontier regional planning — for example, the production of comparable data and structural analyses. This is the only way to achieve the coordination of national plans in the frontier regions which is so urgently needed if we are to avoid duplicating work or working at cross purposes.

Another possibility would be trans-frontier gas, water and electricity networks, which could ultimately lead to the establishment of a joint supply authority on the basis of the European Joint Authority.

A European Joint Authority could also be set up for cooperation in local public transport which, if the participating local authorities so desired, could lead to the establishment of a joint local transport authority.

There could be closer cooperation in monitoring and combatting environmental pollution by means of a European Joint Authority or a joint trans-frontier emergency service.

I cannot, of course, give you an exhaustive list of all possible forms of cooperation here today. The local authorities at the borders know best where the problems lie. For them, the concept of the European Joint Authority is an offer of which they can take advantage if they wish. I think it is particularly important to stress this point. We cannot and should not force local authorities into trans-frontier cooperation. The European Joint Authority is therefore an instrument which these local authorities can choose to use if they wish to develop their trans-frontier relations.

The questions of whether, in which fields, and how they wish to cooperate will therefore be decided solely by the local and regional authorities involved.

The local authorities who want to make use of this offer will be in a position — and this is something new — to develop their trans-frontier cooperation at a higher level than was hitherto possible. They will be able to move directly from cooperation based on mere consultation and coordination to cooperation with the power to take decisions.

This is the vital significance of the motion for a resolution before you. Its aim is to promote integration at the frontiers and to reduce the disadvantages which the borders bring to people living near them.

Finally, Mr President, I should like to speak on the opinions of the other committees consulted. The Legal Affairs Committee and the Political Affairs

Committee gave their full support to the report. The suggestion from the Legal Affairs Committee that we should incorporate the original draft outline in a new draft proposal for a regulation was welcomed and followed.

Account was also taken of the suggestions of the Political Affairs Committee regarding the implications of the European Joint Authorities for the sovereignty of the central authorities.

The extension of the contractual powers of local authorities resulting from the European Joint Authority will naturally involve a corresponding loss of sovereignty on the part of the central authorities of the Member States. The Political Affairs Committee, however, rightly points out that this loss of power by the central authority would be offset by the fact that members of the central authority will sit on the Regional Council of the proposed European Joint Authority and will therefore be able to participate directly in its decision-making procedure.

It appears to me from the opinion of the Committee on Social Affairs that there must be a number of misunderstandings. I greatly regret that shortage of time prevented me from taking part in the discussions of the Social Affairs Committee.

I can, I hope, clear up one major misunderstanding by explaining that the motion for a resolution is not aimed at a geographical redistribution of aid from the Regional Fund. It is not our intention to divert the Regional Fund from the present development areas to the frontier regions. Aid from the Regional Fund can and should only be given to frontier regions which have been designated development areas by the Commission. Thus, no one's trying to use this motion for a resolution to change the current distribution practice.

The Committee on Social Affairs recommends that this report should be postponed until the results of the Commission's detailed study into the problems of the frontier regions are available.

I should like to make the following point. The report before you was drawn up on the basis of detailed studies and analyses of the problems of frontier regions. The Commission has announced a study of frontier regions of the European Community for the spring of 1977, and we look forward to this with great interest.

This report will, we hope, be dealt with as follows. Since the European Parliament has no right of initiative, the report will, if this House adopts it, be submitted to the Commission with a request that they urge the Council to pass this regulation. We can therefore assume that the Commission's proposal to the Council will include any additional knowledge gained from the Commission's study. Therefore, there is no need to wait until this study has been completed.

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Finally, I should just like to point out that the European Parliament and the Commission are not the only institutions which have been active in the field of improving the situation at the internal frontiers. The Council of Europe is also preparing a resolution. However, because of the competencies of the Council of Europe, this resolution is extremely general in character.

The Council of Europe welcomes the more far-reaching step taken by the European Parliament. Mr Laan — our former colleague who used to be Chairman of the Committee on Transport — as deputy chairman of the Conference of Regional Authorities said the following in a letter to me dated 17 August :

Basically we feel that your proposed 'European Joint Authorities' undoubtedly represent an ideal solution. One should not, however, forget that the road may still be very long. First of all, therefore, the practical working methods in this field should be improved. The work of the European Council on drawing up the Convention and the various model agreements it will contain represents a valuable element in this practical cooperation and is thus deserving of our attention. There is therefore no question of conflict between what the Council of Europe is doing and the draft you have submitted — these are rather complementary elements with the same end in view.

I fully realize, Mr President, that if the European Joint Authorities proposed in the report become a reality, this will not mean that all the problems at the internal frontiers of our Community have been solved once and for all. Until we achieve economic and monetary union, border checks will have to continue, the incomes of trans-frontier commuters will fluctuate with every change in exchange rates, and the social legislation will lead to differences in the social security provisions for the persons living on either side of the frontier. However, if Parliament adopts the report and motion for a resolution we will, I hope, achieve a lasting improvement in the infrastructure in those frontier regions whose inhabitants wish to establish trans-frontier cooperation. In the long-term, this will result in an improvement of the economic and social structure in the frontier regions.

The construction of a living Europe must begin at its borders. Ladies and gentlemen, in my view, and I think you will probably agree with me, we must not delve back into the last century, we must stop dreaming of past greatness and national power. Alfred Mozer once said, 'frontiers are the scars of history'. We should not forget these scars, but we do not need to cultivate them.

We are not intending to eliminate the borders of our nation-states. We are merely striving to allow the scars of history to heal, and to make possible co-existence and cooperation for the people living at the borders.

This is why I urge you to adopt my report and motion for a resolution.

(Applause)

President. — I call Mr Thomson.

Mr Thomson, member of the Commission. — Mr President, my first duty, and it is a genuinely pleasant duty, is to extend my warm thanks to Mr Gerlach for the exhaustive and painstaking report which he has just presented to this House. It is a report which is as far-seeing as it is far-reaching, and I have reason to know the amount of work that has gone into it. I think I am right in saying that this may be one of the last occasions on which Mr Gerlach will address this House and I cannot think of any more fitting monument that he should leave behind than his report on these frontier regions.

On behalf of the Committee on Regional Policy, Regional Planning and Transport, he has raised a question which goes far beyond mere questions of regional policy as such and is indeed of fundamental importance to the development of our Community. Since I shall have, I am afraid, to make a rather critical analysis of the substance of the constitutional proposal that Mr Gerlach puts forward, perhaps he will allow me to begin by saying that, as far as the aim of the Gerlach report is concerned, there is no difference at all between him and myself or between this Parliament and the Commission. I certainly look forward to the day when citizens of the Community will move about freely inside a truly united Europe, which will retain its rich diversity of national traditions, but where the internal frontiers will be no more than the present local-government frontiers within any of our Member States. This is, of course, the high ideal behind Mr Gerlach's report, and I therefore congratulate him on his efforts. As I have said, there is no dispute between us about the destination, but I think there may be a legitimate argument inside this Parliament and between the institutions of this Community about the best route to reach that destination, and indeed legitimate differences of judgment about the time that may be necessary to undertake and to complete that journey.

I therefore turn, Mr President, straight away to the radical solution that Mr Gerlach proposes in his report for dealing with the problem of frontier regions. Up to now, as he has said in his speech, Member States have sought solutions in bilateral or trilateral committees; with the exception of the Franco-Italian, the German-Danish and the Irish frontiers, I think I am right in saying that practically all the internal frontiers of the Community are covered by such committees of one kind or another. I, like the members of the Committee on Regional Policy, Regional Planning and Transport, have been fortunate enough to visit quite a number of the frontier regions and see something for myself of the aspirations, the problems, and the achievements of the local communities there. For

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example, not so long ago, I visited the region between the Danish frontier region and the Schleswig-Holstein frontier region inside the Federal Republic, and there of course there are no institutional arrangements, but I am bound to say that the informal arrangements seem to work there remarkably well. Certainly, where there are committees, their work is often far-reaching, as is the case in the region that Mr Gerlach has the honour to represent in his national parliament.

Now what Mr Gerlach is proposing is that, in addition to these arrangements, there should be a regulation which would require the Member States to set up European Joint Authorities made up of the local authorities, where the local communities took advantage of that option. This, of course, will be a completely new type of trans-frontier cooperation. The first question that is therefore inevitably raised is the legal question. Mr Gerlach invokes Article 235 of the EEC Treaty as the basis for setting up his European Joint Authorities. What I have to tell the House is that, in the Commission's opinion, Article 235 could only sanction the creation of a new instrument if such an instrument were necessary to attain one of the objectives of the Community as described in the Treaty. Since the purpose of a European Joint Authority would be to bring about the harmonious development of frontier regions, insofar as this is within the power of local authorities and not the governments of the Member States, such development would necessarily be confined to the conventional and limited fields of local-authority services — fire and ambulance services, water, drainage, the kinds of things that Mr Gerlach has mentioned. What I have to put to the House is that, important though these services are, they do not fall within the scope of the Treaty, and therefore I am advised that Article 235 is not, in the view of the legal authorities of the Commission, really appropriate as the basis of this proposal.

There is, Mr President, a second formidable legal problem. The creation of European Joint Authorities would require considerable changes in the legal and administrative arrangements of Member States. No national legislation provides for local authorities to have legal relations with the authorities of another state, as Mr Gerlach himself said very frankly a moment or two ago. In this sense, external relations are still the preserve of Member States' governments. Therefore any change would require not only the consent of the governments but the enactment of legislation by national parliaments. One of the legal consequences of these changes would be that legal differences would be solved in the courts of the country where the European Joint Authority concerned had its headquarters.

Now this, I think the House will appreciate, involves the radical proposal that nationals of one state would be subject to legal procedures within the neighbouring state. I say a 'radical' proposal: it is not a

proposal that shocks me, it is a bold and visionary proposal. But I think one has only got to think, for example, of the problems of applying that particular proposal on the internal Community frontier between the Republic of Ireland and Northern Ireland to see some of the difficulties at the present stage of development of the Community.

In brief, Mr President, while the proposal before us today is an original one and a bold one, it seems to the Commission to be too ambitious in scope to have a chance of making progress with member governments at this stage in the development of the Community. I have to tell the House that if Parliament adopts the resolution attached to the report, the Commission will not feel able to pass the resolution and the report, as they stand, on to the Council of Ministers. The Commission will retain its right to make its own proposals in this field. Having said that, the Commission does not, if I may say so, accept the arguments that appear to emerge from the Social Affairs Committee for delaying this matter. Here I agree with Mr Gerlach, and I can assure the House that this report will provide the Commission, or perhaps I ought to say more precisely, the next Commission, which will take up office in January, with a valuable basis for further reflection.

Mr President, I now turn from the legalities to what might be called the grass-roots realities in the border regions, which Mr Gerlach has described with such vividness and such personal authority. The more one considers frontier regions, the more one comes to the conclusion that the everyday problems which people living near these national frontiers experience go beyond the limits of Community regional policy as normally understood. The whole range of everyday problems — the question of passport delays as you move from one neighbouring community to another; the question of fire services, of water services, of ambulances' being unable to operate across the frontiers, as Mr Gerlach has said — these are the kind of practical everyday problems that the citizens of these regions face. Some of them can, of course, be ameliorated by common sense action on the ground. Arrangements of this kind have already been mentioned, and Mr Gerlach is absolutely right that the whole weight of the Community should be given to persuading member governments to intensify these cooperative arrangements and make them more effective. But what I have certainly found — I've gone through a personal education experience on this in the years that I have been associated with this House — is that what seems on the face of it to be a common sense practical problem to be dealt with in a sensible way at the frontier, involves you, when you follow it through, in a chain reaction, so that, before you know where you are, you are in the national capital facing the problems of the national government and the national parliament and, of course, facing some fundamental

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Communitywide problems. As Mr Gerlach himself admitted at the end of his speech, the best example of this is the immense inconvenience for the 150 000 cross-border workers of the Community who live in one nation-state and get paid in the currency of the neighbouring nation-state. But one is no going to be able to deal with these problems in a world of floating exchanges until we have a Community with a real economic and monetary union. And it is that kind of inevitable logic that presents the real problem we face in respect of the frontier regions today.

Therefore, Sir, the problem of the frontier regions seems to us to be twofold. It goes beyond regional policy as we know it, and overlaps other areas of Community policy. The Regional Development Fund itself is primarily concerned with helping the more deprived regions of the Community, and some of these regions are, of course, frontier regions, though by no means all of them. I thought Mr Gerlach put the paradox of this situation extremely well in his report where he says, in his introduction, that because of national frontiers these regions have become peripheral regions even though in most cases their position in the Community can be regarded as unquestionably central. So the Regional Fund has a limited application. But Community regional policy is fortunately a good deal more than the Regional Fund and it must certainly encompass the frontier problem. That is why the Commission believes, and I personally have always told this House, that the work of the new Regional Policy Committee is as important as the operation of the Regional Development Fund. This Regional Policy Committee is a committee, as the House knows, of the key senior national officials in this field and seems to me to be the key instrument in making progress in reducing these internal frontier barriers. Therefore, when Mr Gerlach made his interim report and Parliament debated its resolution on frontier regions in March of last year, I emphasized the importance of making progress in persuading the member countries to reach a consensus on this matter through the operations of the Regional Policy Committee.

There are, however, some ways in which the Regional Development Fund can help directly in this matter, and the Community can certainly make a direct contribution to solving some of the problems of frontier regions. The Commission is carrying out several studies of the cross-frontier situation which should be of benefit in the future. We have been studying the problem of trans-frontier pollution, which Mr Gerlach quite rightly underlined; we have just initiated a study on the Londonderry and Donegal area, between the Republic of Ireland and Northern Ireland, and we are looking into the whole area of the social and fiscal problems faced by the 150 000 cross-border workers to whom Mr Gerlach drew attention. Moreover, the

Regional Policy Committee is studying the bilateral and trilateral intergovernmental committees which exist everywhere in the Community except, as I have said, on the Franco-Italian, German-Danish and Irish frontiers. Once the relative effectiveness of these committees has been determined, solutions to the shortcomings can be proposed.

The Commission, Mr President, is very well aware that neither the Fund nor the Regional Policy Committee will of itself solve the very important problems of frontier regions, but what we have done is to urge on the Regional Policy Committee the task of persuading Member States to share with each other the experience they have so far gained on a bilateral or trilateral basis. This will give us the opportunity in the future to make relevant proposals. I can certainly assure the House that the Commission has asked the Regional Policy Committee to continue its work in this field.

I conclude, Mr President, a little sadly. I think this is the last time that Mr Gerlach and I will discuss this matter across the floor of the House. Mr Gerlach has been a valuable companion on the long road we have travelled over the last 4 years, both in regional-policy questions in general and on the more particular question of frontier regions, and I wish to thank him and his colleagues in the Regional Policy Committee for the support and encouragement that I personally have received from them. I want to tell him that while the Commission is bound to preserve its right of initiative in this matter and to point out the formidable legal and other political difficulties that I have sought to analyse this morning. I believe the new Commission next year will undoubtedly want to make use of Mr Gerlach's report and the views of the Parliament in the forthcoming review of regional policy. I myself regard progress in reducing the barriers at the internal frontiers of the Community as in many ways the real barometer by which you can measure progress in making a real Community, a real European Community, in the human sense. Equally I am bound to face the logic, as I am sure Members of this House face the logic, of the situation that when we shall have achieved a real human Community at our internal frontiers, it will itself have to be a reflection of a real European Community with the necessary degree of Community-wide economic, monetary and political integration.

(Applause)

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

Mr Waltmans. — *(NL)* Mr President, it is my pleasure, on behalf of the Socialist Group, to deal with a number of points.

Firstly, Mr Gerlach's report on the Community's regional policy as regards the regions at the Commu-

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nity's internal frontiers. This report makes an outstanding contribution to a better understanding of these problems and is a very welcome addition to the many excellent reports which the European Community has already devoted to this subject.

The Community's regional policy is intended to create an equal distribution of power, employment, incomes, knowledge and prosperity between the various regions of Europe by means of measures in the socio-economic and institutional fields. The achievement of this aim, however, is not even remotely possible in the European Community, because the Regional Fund is completely inadequate for the purpose and the national governments do not have the will to make a serious attempt at solving the problems of the regions. As for the frontier regions, the lack of integrated development is clearly the result of national policies which regard frontiers as outer limits and dividing lines. Since the rise of the nation state the frontier has too often been among the poorly or unevenly developed regions. I thoroughly approve of the opportunities for cooperation mentioned in the report, as we can see daily how efforts to integrate the infrastructure in areas which are artificially divided by national frontiers are undermined by divergent and even contradictory measures.

The principal reason for this is that governments in national capitals pursue centralized policies without taking account of the peripheral areas. Compartmentalization, as I like to call it, is the main reason. Just like in an old-fashioned train — each compartment on its own, with the partitions between them and the windows and doors shut tight. Just look at the region where I was born — Maastricht, Aachen, Liège, Hasselt. Do you know what kind of integrated development we have there? Each area has its own university. Each area has its own economic objectives: to attract as much industry as possible to one's own area and to attract as many sorts of industry as possible — each area has its own chemical, automobile and new, advanced-technology industries. And each area has its own airport, and also its own oil refinery — including the dangerous plan for a Walloon oil refinery at Lanaye. Let me remind you once again of the study of the problems in this frontier region which was undertaken in 1969 with support from the European Community, but which came to nothing. It was not even possible to publish the study because the centralistic attitudes in Liège were completely different from the attitudes in the other areas. That, in fact, is the position we are faced with in the field of development in frontier regions.

As a financial instrument, the Regional Fund is, in my view, too small and lacks sufficient backing to bring about any great improvement in the situation, so that in the frontier areas but also elsewhere — i.e. Southern Italy, Western France, Western Ireland, Scotland, Wales and Cornwall, to name but a few —

regions are created which are underdeveloped, deprived and often exploited by the centralist state and capitalist interests. The Commission and the Council would probably do better to turn their attention to the idea of a separate development fund for frontier areas.

I shall return presently to what I regard as a disappointing reaction from Mr Thomson. But first I wanted to say a few words about the European Joint Authorities as an organizational instrument, which is the hub of the matter. The current legal situation makes transfrontier cooperation between municipalities and regions particularly difficult. The public utilities that have been mentioned, the social and medical services, disaster control — which also comes under the Community plan for disaster control — and economic development are important fields. I should like to add the coordination of town and country planning. I think the proposed regulation, which would provide a basis for cooperation under Community public law between local and regional authorities in areas on the Community's internal frontiers, is of exceptional importance. I hope the Commission can persuade the Council to approve this quickly, for the principle applied here is precisely that of horizontal federalism.

With regard to the proposed organizational structure, I should like to ask the rapporteur a question. Mr Gerlach, the committee is to consist of specialist officials. The council is to consist of delegates from public bodies and representatives of supervisory authorities and, if necessary, of the European Commission. Why not give this council more weight by electing its members insofar as this is necessary and possible? I see what I shall call the Gerlach plan as a step towards the regionalization of the European Community. It is in fact a step on the way to a Europe of the regions, since the very existence of the European Community has, after all, put the position and function of the region in a new light. And that is the crux of the political problem. We expect the developments associated with European integration to result in a reappraisal of the role of the regions. After all, new axes of economic, industrial and cultural development are being created. New affinities and loyalties are growing up which transcend the present frontiers. There is a growing desire to renew the present structures so that a more satisfactory way can be found of meeting the fundamental needs of the people of Europe for democracy and participation above the municipal level. There is the need for a counterweight to centralization at European level. There is the need for a counter-weight to the claims of the present nation states, which is also necessary to ensure the harmonious development of the various regions themselves. This leads to the conclusion that in the long run political and administrative structures must be developed for large viable regions in a European context.

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To return to the specific proposal before us, I see no difficulty in accepting a reduction in the powers of the national governments of the Member States in this field. For too long they have demonstrated — and continue to demonstrate — their inability to solve these problems. This is also why I strongly support the view expressed by the Legal Affairs Committee that a somewhat non-committal Directive is a less suitable legal instrument for this purpose than the Community Regulation, since the Regulation is directly applicable and offers a better guarantee that it will be applied in the best and most satisfactory way in all Member States.

Finally, Mr President, I should like to address a few remarks to Mr Thomson.

Why should Article 235 of the EEC Treaty be an insufficient legal basis for this measure? While it is true that the Treaty of Rome nowhere specifically refers to the frontier regions, Article 235 states 'If action by the Community should prove necessary to attain, in the course of the operation of the Common Market, one of the objectives of the Community and this Treaty has not provided the necessary powers, the Council shall, acting unanimously on a proposal from the Commission and after consulting the Assembly, take the appropriate measures.' Now we are dealing with one of the basic objectives of the Community, i.e. the balanced socio-economic development of the regions of Europe. If a tentative start is now made on developing the frontier areas, this does not detract from the overall objective. And why should Article 235 not be invoked for this operation, if for regional policy proper we invoke a whole series of articles: 2, 39, 42, 49, 80, 92, 226! Mr Thomson will no doubt be able to list many more. The text of the Treaty, Mr Thomson, is not a lifeless piece of paper but the basis for a dynamic policy, and where there is the political will a legal means can be found. But I fear that this Commission lacks the necessary political will.

(Applause)

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

Mr Brugger. — (D) Mr President, ladies and gentlemen, in thanking Mr Gerlach, the rapporteur and initiator of this motion for a resolution, on behalf of the Christian-Democratic Group for his comprehensive, knowledgeable and thorough report, I mean this to be more than the usual courtesy. I have all the more cause, on the other hand, to regret the remarks the Commissioner made on this report. Let me go on from where the previous speaker left off: where there is a will, there is a way. The Treaty provides a large number of opportunities for using Article 235 to get this measure accepted.

Mr Thomson, do not accept the bad advice of your bureaucrats. Be decisive and cut the Gordian knot of

those supposed legal obstacles. We do not want the bureaucracy of the European institutions to become the saboteur of Europe. For this motion for a resolution is concerned with questions which are quite clearly connected with the further development of the Community into the federal Europe we are all striving to achieve. Perhaps the European bureaucrats do not share this view, but believe in a Europe which will be able to interpose itself as an equivalent force between the Soviet Union and the United States.

I do not want to go further into the economic, social and cultural need for the creation of trans-frontier regional institutions at the internal frontiers of the Community. The rapporteur painted a convincing picture of this need. I merely wish to deplore once again the fact that the Commission and the Council — the major policy-forming organs of the Community — are so unwilling to exploit the opportunities offered in the Treaties and move towards European integration precisely in the frontier regions by supporting the creations of trans-frontier public-law institutions, while the Council of Europe, on the other hand, has already ventured a long way down the much more difficult path of recommendations for cooperative initiatives.

In this context, I should like to ask the Commission what the situation is with regard to cooperation with the Council of Europe for the creation of both financial and legal conditions for furthering at least *direct* cooperation between communities in frontier areas, thus avoiding the ponderous procedures of the centralized bureaucracies in the states concerned. Now that the commitment of the Council of Europe, and in particular of its Consultative Assembly, has been established, it really should now be up to the European Community to introduce trans-frontier regional cooperation, at least at its internal frontiers, by making suitable instruments available.

I should like to bring out in particular the rapporteur's observation that the provision of financial resources via the Regional Fund is not on its own sufficient to compensate for the economic, social and cultural disadvantages facing people living in the frontier regions. In order to use the resources efficiently for the necessary structural and development measures of general interest in these areas divided by national frontiers, where there are broadly similar requirements on both sides of the frontier, a joint authority is needed, at least for installations serving a large area, as the rapporteur explained. Our internal frontiers are not infrequently points of contact between economically strong and economically weak Member States. The more blatantly the economic and social differences in the frontier areas make themselves felt, the more likely it is that there will be areas of tension — including political tension. Our aim, however, is precisely to reduce the disparities between people on opposite sides of the frontiers, as part of our endea-

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our to build not walls but bridges between the states of Europe. Trans-frontier regional institutions with specific public-law powers and tasks can make a substantial contribution to the reduction of political, social and economic differences. This motion for a resolution has one peculiarity which deserves to be pointed out. It represents an attempt to raise the status of the European Parliament, in that the resolution presents the Commission and the Council with a concrete proposal for a regulation on the creation of trans-frontier regional authorities. This gives the Commission and the Council a chance of demonstrating their willingness to take Parliament's initiatives seriously in the field of European legislation as well.

The rapporteur has added to his comprehensive report an annex containing descriptions of the regions on each side of the Community's internal frontiers. While the Christian-Democratic Group fully supports the motion for a resolution and the draft regulation, we regard the boundaries and the number of regions in the annex as an indication of tentative rather than binding proposals. Regional policy in the frontier regions should not, however, be restricted to implementing the present resolution. Conditions in the regions on the Community's external frontiers are considerably more difficult. In a further phase we must take specific steps to apply regional policy in these areas to, in order to compensate for their much greater disadvantages. This would greatly increase the importance of cooperation with the institutions and committees of the Council of Europe.

Finally, I should like to put forward an idea which may encourage all the organs of the Community to implement this resolution. Most of the frontiers between the states of Europe are the result of violent confrontations between the peoples of Europe, or more generally between Europeans. To a certain extent, these frontiers can still today be compared with open wounds in the body of Europe. All of us, but in particular the Commission, must contribute to healing these wounds, and even eradicating the scars, in order to create the conditions for a genuine rapprochement between the peoples of Europe in the spirit of peace and democratic freedom of which we speak so much.

This resolution is a step in this direction. I therefore hope that, if possible, all the groups will give it their unanimous support.

(Applause)

IN THE CHAIR : MR SPÉNALE

President

President. — I call Mr De Clercq to speak on behalf of the Liberal and Allies Group.

Mr De Clercq. — *(NL)* Mr President, the Liberal and Allies Group congratulates Mr Gerlach on his excel-

lent report, which must certainly be counted among the most important produced by the European Parliament. Our Group was among the first to give attention to the problems of regional policy in frontier regions, and at the seminar we held from 3 to 5 May this year in Lochem Mr Gerlach's report was discussed and met with general approval. Our analysis, assessment and objectives proved to be completely in accordance with those of Mr Gerlach. The fact is that the inhabitants of frontier areas experience the varying fortunes of their country more acutely than the inhabitants of other areas. For them the national frontier is not only a political and economic phenomenon, for them the frontier is only too frequently a personal irritation and an obstacle to normal contacts.

It is thus obvious that in the course of European integration the frontier regions constantly call for our particular attention. At the same time, however, we must not lose sight of the fact that the wording of the European Treaties was intentionally very broad; they envisage the elimination of the frontier effect for all areas within the Community. The objective is to have the national economies merge into one Common Market. Nonetheless the problems on either side of frontiers are particularly pressing. Distortions in competition between individual Member States have their effect everywhere in the Common Market. In the frontier areas these effects are particularly noticeable and can come to be of vital importance. Frontier regions are nerve centres. For geographical, economic and other reasons the need for new forms of cooperation is becoming more and more urgent here. On the other hand, the frontier regions also have the chance in the developing Community, because of their very diverse contacts, of achieving the importance that they necessarily lack as fringe areas in the national context. They will be able to serve as links not only geographically, but also economically and politically, which gives them a particular significance in the context of European integration. They can be examples and indeed models of successful integration.

In order to bring this about, however, a number of conditions have to be fulfilled at Community and national level, and corresponding specific measures have to be taken, but above all there is a need for direct, practical cooperation across frontiers. The planned economic development of the Community must be directed at the decades to come. If the EEC is to make sense, productivity there must be considerably increased and these areas must be given the chance of making a greater contribution to the national product. The Community needs an integrated concept for regional policy. The regional structural and development policy has a very important part to play here, amidst a host of pressing economic problems. Within the Community's regional policy there are naturally certain priorities, which include above all the frontier areas of the Community's internal frontiers.

De Clerq

The Liberal and Allies Group is delighted that the problems of the regions on the Community's internal frontiers are receiving more attention in the context of European integration and therefore gives its whole-hearted support to the motion for a resolution tabled by Mr Gerlach.

(Applause)

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

Mr Herbert. — Mr President, I also wish on my own behalf and on behalf of my group to congratulate Mr Gerlach on his excellent report. I realize that a lot of hard work has gone into this report, and indeed its adoption here today by this House would be a very fitting tribute to Mr Gerlach. I am sorry that he is leaving the Parliament; he has paid a major contribution to the cause of trans-border cooperation in Europe. His report is the result of intensive research, debate and on-the-spot investigation by the European Parliament's Committee on Regional Policy. It is highly informed and contains a wealth of information. On the basis of this information the report puts forward initiatives to improve the Community's involvement in cross-border cooperation.

The kernel of this report is the creation of the European Joint Authority, which we regard as a step towards more intensive cooperation along the internal borders of the Community. Our group welcomes this initiative and considers it as a major step in the right direction. We are hopeful that it will provide a means by which some of the remaining barriers between our peoples can be removed and we can thus progress towards greater intergration. To achieve this integration within the Community we must endeavour to break down the very real barriers that affect the day-to-day lives of our people. These are basically economic barriers which split the border regions. It is true to say that in many cases national boundaries are but scars of history, reeking of expediency and lacking permanency. We have, for example, seen European boundaries change four times in sixty years. They were mainly drawn for reasons of sheer political expediency and their architects had little or no regard to the social and economic implications. Consequently, naturally homogenous regions were sundered, with our peoples being forced to draw progressively apart. Thus for such regions we must have a proposal which will meet their needs and the Gerlach report supplies us with a formula in my opinion it is a major breakthrough.

Despite the disappointing reaction of Commissioner Thomson to this report, this Parliament must keep on pressing the institutions of this Community for continued and real support for the initiatives that Mr Gerlach put forward. A certain amount of progress has already been achieved in this area of cross-border

cooperation. This is largely due to the initiatives taken by the local communities in the cross-border areas. Unfortunately, little can be attributed to the national governments. In fact, it can be generally stated that national governments do not encourage any real form of cross-border cooperation. The same can be said for the Commission — and I repeat again Commissioner Thomson's guarantee when he spoke on this subject in October 1974:

These are issues where the Commission, as one of the guardians of the new Europe, has a moral duty to bring people together even though its legal obligations and rights are limited.

In the early days of our discussion, Commissioner Thomson promised that he would undertake a major study of cross-border regions. He promised that this study would appear and be circulated early this year. I would like to ask the Commissioner what has happened to this study and when it will be presented to Parliament.

I referred earlier to the initiatives taken at local level in the field of trans-border cooperation, and the most striking example of this is in Euregio, where it is highly organized and at a very, very advanced level. This, Mr President, contrasts greatly with the situation in my country, the situation in the Irish trans-border regions. This, as the House knows, is the most troubled and turbulent region in the entire Community, from both the political and socio-economic standpoints. But despite the political problems that exist in this area, the people of the transborder regions are crying out for official encouragement from the national authorities concerned and also crying out to the Commission to undertake projects of a cross-border nature. Yet all we have to date is a joint study of communications between Derry and Donegal. While this is a start and is being partly financed out of the Regional Fund, it is not sufficient and in no way reflects the state of requirements of the people in this troubled region.

Clearly it reflects the lack of encouragement by the states concerned to achieve cooperation in this region. It was only after repeated calls and deliberations over 2 or 3 years by the government concerned that this project was embarked on. There is a growing demand for further studies in this trans-border area, as the Commissioner and the House will recall, but recently the Fermanagh District Council adopted a resolution which was endorsed by the local authorities on the 26 counties' side of the border, Leitrim, Donegal, Cavan and Monaghan, calling on the Irish and UK governments to approach the Commission with a view to conducting a joint study in their border area, to explore the possibility of the full exploitation of the region's agricultural and tourist potential.

There is, as you see, a growing demand and desire amongst 800 000 people in this trans-border region to solve and eradicate their great social and economic

Herbert

problems. But there is also a growing impatience at the absence of a real political will in the approach of the both Member States involved. There is a sense of disillusionment with the Commission. And now those unfortunate people are turning here to Parliament. At the last part-session I was privileged to act as their spokesman. This, Mr President, is not very satisfactory. Although I am conversant with the many problems, nevertheless, I live almost 300 miles from the troubled area. It is tragic that the north of Ireland — this very important part of Europe — has been disfranchised since the last Westminster election, and has no voice now in Europe. May I appeal to the UK Parliament and to its political parties to restore immediately this basic right to 1½ million people in the north of Ireland? In my opinion this would be a major contribution to the restoration of normality in this turbulent part of my country, and would be proof positive of the UK's bona fides in this regard. Mr President, in conclusion, may I again thank Mr Gerlach for his excellent report, which I am positive the House will adopt.

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

Mrs Kellett-Bowman. — Mr President, I would like to congratulate Mr Gerlach on many years of patient work in this particular regard and on the very excellent introduction that he gave this morning. He will not be surprised to know that we particularly in our group appreciate his very pragmatic approach to the problems which he was seeking to solve. And I can assure him of my group's full support.

Listening to Commissioner Thomson I had the strong feeling that he was a reluctant opposer. Indeed he was almost, it seemed to me, wistful in his opposition, and I agree with Mr Brugger that he appeared, for once, most unusually for him, to be speaking rather from a departmental brief than from his own enthusiasm and his own vigorous mind.

I should like to draw this House's attention to what we feel to be the most important parts of this report.

In general, we believe that Mr Gerlach's emphases on the problems of the Community's internal frontier regions are fully justified. There is no doubt that even in today's Community the idea of national frontiers still retains a great deal of symbolic and actual force. If we are to succeed in removing those barriers which impede the free movement of persons and of goods we must pay particular attention to these difficult frontier areas. In theory, it is true that it is these areas which should have profited most from the progressive removal of national barriers. In practice, I am afraid, frontier areas have profited very little from such progress as has so far been made towards integration. Indeed, as Mr Gerlach said yet again in his introductory remarks, almost the reverse has been the case.

The regional imbalances in frontier regions have been exacerbated by the movement within the European Community. The more vigorous have moved across

frontiers into a more prosperous area, leaving behind the old and those who cannot move.

But of course, despite local cooperation, there remain enormous difficulties, arising from the legal, economic and administrative peculiarities of such areas. I have had the pleasure of seeing some of these regions at first hand, and I have heard it said of often that the existing law does not permit them the full extent of cooperation they would like. I agree with Mr Herbert that the people in the trans-frontier regions are crying out for encouragement which only we can give. It is the principal merit of Mr Gerlach's report that he recognizes these problems and seeks to take account of them. I particularly like, if I may say so, his emphasis that cooperation must on no account be forced on the local authorities. It is they alone who must decide to what extent cooperation will be achieved. I would have thought that that in itself would have removed Mr Thomson's objection that trans-frontier authorities were politically impossible in some areas. Surely, Mr President, in those areas they would not be put forward. But that fact should not debar them in other areas where they are a practical possibility, even in today's context.

Mr Gerlach has put forward a suggestion for the establishment of European Joint Authorities which offer, in his belief, and I quote 'The best framework under Community law for voluntary bilateral or trilateral cooperation between the Member States without any appreciable loss of sovereignty by the latter.' Now we agree that such a loss of sovereignty would be minimal and far outweighed by the benefits to the citizens of those areas. We believe too that it would be a very illiberal government indeed which gave more priority to such small loss of sovereignty than to the well being of so many of its citizens.

We believe also that the sort of cooperation which Mr Gerlach's proposal provides for at the level of local government would be a most valuable complement to such cooperation as exists at national level and would have, moreover, the great advantage of being both more tangible and also more readily intelligible to the ordinary citizen and make the Community ideal a living reality for them. Similarly we endorse most of what Mr Gerlach says about the extent to which trans-frontier cooperation makes sense in other policy sectors, especially those of regional policy, environmental policy, transport and the social services. We should bear in mind that at present there can be no sector of the Community's population to whom the idea of Community integration is less meaningful than those who live in the frontier areas. It is those people who in their daily lives are constantly confronted with the continuance of national differences and everything else that frontiers symbolize. In short, Mr President, we support Mr Gerlach's report and we wish him well in the long fight which lies ahead, but in which we regret he will no longer be leading the troops.

(Applause)

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

Mr Mascagni. — (1) Mr President, ladies and gentlemen, the motion for a resolution and Mr Gerlach's report have the merit of touching upon a question of undoubted importance — that of the institutional and organizational links to be established between regions at the internal frontiers of the Community, and of the structural, social and cultural problems involved.

The achievement — and function — of the proposal is to measure the maturity of the Community — i.e. the degree of determination of the various political groups making up the Community to really get down to a genuine process of integration going beyond the good intentions which are so often paraded.

Of course, in stressing this fundamental aspect of the problem, I am referring not so much to the preparation of the project or today's debate, as to the much more difficult operational phase which will start once the project is approved and can therefore be put into effect.

Mr Thomson's inflexible objections are the foretaste of a confrontation which could well become heated. The size and careful presentation of the excellent and valuable document submitted to us are evidence of the effort made to study in detail and to make more easily understandable a highly complex problem. The economic, social and — in a more general sense — the structural aspects are indeed complex. Nor are the legal implications simple. The short-term prospects are bleak and beset with difficulties, but the medium-term prospects are perhaps better, as the general political conditions in the Community as a whole become more progressive, and more satisfactory.

To stay in the realm of general considerations for a moment, I should like to point out that the creation of the European Joint Authorities offers us a real chance to achieve trans-national cooperation of a precise and clearly-defined nature. Leaving aside for the moment more specific considerations, I feel we must stress the extreme importance of the scope of this opportunity for cooperation — and hence the practical and tangible value of the project in political terms. This experiment is of undoubted interest, precisely because it puts to the test the Community and its political resolve — as well as the resolve of the individual national governments — with regard to an objective which is in fact attainable because it is clearly defined and can be monitored. It puts to the test the Community's capacity and spirit of initiative, which it must be capable of showing in preparing, encouraging and achieving consultation and agreement at institutional level between adjacent regions separated by national frontiers — and we all know

what national frontiers have meant, and still mean, in the history of our continent, particularly certain frontiers. It puts to the test the individual countries, the individual governments, particularly as regards the adaptation of national legislation to meet the desired objectives and the exercise of the role explicitly placed upon them of taking democratic and constructive steps within their own countries to create the conditions of structural equilibrium capable of raising the social and economic level of the regions involved. Only if this is done will the consultation and cooperation produce effective results.

Turning briefly to the merits of the project, its justification and its aims, I feel some remarks and some criticism — of the method at least — are called for.

Firstly, in the motion for a resolution, as well as in the explanatory statement, great play is made of 'regretting' that the internal border regions have been unable to fulfil their bridging function or to dispel social, cultural and emotional conflicts.

That is what the text says — 'emotional conflicts' — and I think this deliberately vague expression is an allusion to that unnatural and pitiless phenomenon with its irrational consequences — nationalism. However, nationalism — like any kind of conflict between different peoples — is not something sent from heaven, it is not a divine curse, it is not a product of fate — and let me say that there is no place for euphemisms when speaking about historical, political and cultural problems of such import. Politics — and our Community politics in particular — is a question of clarity, of unambiguous denunciation, of facing up to reality and of learning the lesson of history. Europe — a democratic Europe based on a social freedom and justice more advanced than that of today — will be built only if, among other things, the democratic forces succeed in identifying the causes of nationalism, which is the product of a society based on selfishness, on the perpetual right of the mighty and on the worship of money.

Secondly, a recurrent theme in the document is the less favourable economic development of the peripheral border regions compared with the central areas of the various Member States — hence the particular need to tackle the problems of these regions with a policy providing for cooperation and the reestablishment of economic equilibrium. In the case of my own country, this statement does not apply, and I think the same could — and should — be said of other countries. This criticism, which was raised by the Social Affairs Committee, is, however, not great enough to invalidate the concept presented here, which retains its own specific features and its own constructive function within the process of tangible and realistic integration.

Mascagni

Thirdly, there is some concern not so much about the specific aims, but about the objective conditions which may obtain while this regional policy project is being implemented. I refer to the inequality which may arise in the use of the European Regional Development Fund, Article 1 of whose Regulation states that it is intended to correct the principal regional imbalances within the Community resulting in particular from agricultural, industrial change and structural underemployment. However, it must also be pointed out and emphasized that the arguments contained in the project under discussion are to some extent duplicated by Article 5 of this same Regulation for the European Regional Development Fund, which states that

the Commission shall examine in particular the consistency of the investment within the range of activities undertaken by the relevant Member State . . . taking special account of . . . whether the investment falls within a frontier area, that is to say, within adjacent regions of separate Member States.

Fourthly, a different danger may be discerned one relating to that inadequate political maturity, to that as yet uncertain degree of constructive resolve to which I referred before. It is the danger that, once the initial political difficulties — conflicting interests, organizational and promotional problems — involved in setting up European Joint Authorities have been overcome, their activity may be held up because of more fundamental and more foreseeable difficulties and may be only marginal or on a small scale, leaving the traditionally accepted — or endured — State to face the underlying problems of the economic structure, employment, infrastructures, environment, public services, supplies, health, transport, culture etc.

Fifthly, this danger can be overcome only if all those involved — the Community, governments, regional administrations — are determined to mobilize public opinion. If this important experiment is to be successful, there must be direct and indirect participation of the peoples concerned — they must be involved in the various processes of geographical cooperation by mobilizing all the representative organizations and institutions at the political, trade union, economic and cultural levels.

Only if this is done is there a hope that this so meticulously prepared plan will produce tangible results such as may eventually be decisive for the overall objective of European integration. For these basic reasons, it is essential for the European Parliament, if — hopefully — it moves on to a practical phase, to do everything it can to find suitable ways of establishing wider and more varied contacts with the regions and communities involved. It should also arrange for political and organizational meetings at its headquarters with qualified representatives of the areas towards which this project is directed.

To finish, the Communist and Allies Group generally welcomes the motion for a resolution and the draft regulation on European Joint Authorities, and our attitude should be interpreted as support for the proposals, which we consider to be of extreme interest. Our support is not so much for the actual text as such which, although undoubtedly very weighty and valuable, we nevertheless feel could usefully be amended, modified and altered in the light of checks which can naturally only be made on the bases of practical experience.

President. — I call Mr Jahn to present the opinion of the Political Affairs Committee.

Mr Jahn, draftsman of the opinion. — (D) Mr President, ladies and gentlemen I should first of all like to congratulate Mr Gerlach on his trail-blazing report, which could break completely new ground if the ideas and practical proposals contained in it are turned into directives and proposals for regulations by the Commission and Council. Where better to begin, now and in the future, the political harmonization process aimed ultimately at political union than at the frontiers where people of different nations, different languages and language groups have to live together with their social, economic and cultural problems?

The Political Affairs Committee recognizes the need for Community action at the European Community's internal frontiers and welcomes this proposal to set up a European Joint Authority, which we hope will be adopted unanimously, as a practical proposal as to how we should proceed in the future.

As the citizens of Western Europe are well aware, development of Member States' border regions has often been much less favourable than that of the central regions. Anyone who lives in one of these border regions — as I do, directly across from the GDR — or who has lived in the Schleswig-Holstein/Denmark border region, as I also had to do for a number of years, is familiar with these problems and knows how much time and effort has to be put into understanding and cooperation. One of the reasons why these border areas have been so unfavourably treated is that from the point of view of the economic and administrative systems of the Member States they have always been regarded as peripheral areas and — I believe, looking around Europe, that this is true — consequently neglected.

Looked at from the European viewpoint, however, these intra-Community border regions are in the majority of cases quite central and would therefore in our view offer the most favourable conditions for a more harmonious and balanced development, if only the inhibiting, indeed even to some extent disruptive, effects of the borders in question could be done away with.

Jahn

There is a variety of symptoms to indicate when intra-Community border regions are placed at a disadvantage or developed at a slower rate than more central regions. I shall just mention a few. Insufficient opportunities to earn a decent livelihood and an often lopsided industrial structure in the border regions lead younger workers in particular to leave for the larger centres of population in the central regions. This flight from the border areas only serves to accentuate the regional imbalance on both sides of the frontier.

At times of economic recession, such as we are experiencing at present, unemployment is always higher in the Community's border regions than in the economically developed central regions.

Infrastructures are generally underdeveloped in the border regions by comparison with the central regions. This is true of cultural infrastructure (lack of schools, institutes of higher education, theatres etc), social infrastructure (inadequate medical services and sporting and leisure facilities) and also water and drainage systems.

The transport infrastructure is also generally inadequate. Transport links with the central regions of the same country and with the border regions of neighbouring states generally leave much to be desired.

Mr Gerlach has examined all these problems over a number of years and summarized them very concisely in this report and his motion for a resolution.

The disadvantages of a border, ladies and gentlemen, become particularly evident for those citizens who work on the other side of a border from the place where they reside, the frontier commuters. This is true of their social position, their old-age pension, and indeed everything that is taken for granted for anyone working in a more central area. The income of people on either side of the border who have to work as frontier commuters rises or falls with every fluctuation in exchange rates. In addition, there is different social welfare legislation on either of the border, and different fiscal systems mean that their incomes are treated differently for tax purposes. All this has already been pointed out.

Forms of transfrontier cooperation hitherto practised range from a total absence of any contacts at municipal and regional level to regular and close cooperation within a loose organizational framework. An example of the latter is the *Euregio* in the German-Dutch border area, which anyone who knows it must regard as a forerunner of the type of development which we are aiming for today in our motion for a resolution. I would also mention in this connection the area where the frontiers of France, Germany and Switzerland meet. The Political Affairs Committee welcomes these forms of trans-frontier cooperation, which Mr Gerlach has highlighted as the basis for the proposal before.

We believe that these loose, non-binding forms of trans-frontier cooperation must be developed and turned into established rules not only by means of inter-state, national or international regulations but now also by means of a system such as is proposed here for the first time.

We in the Political Affairs Committee agree with the rapporteur that we must try to develop structures of an institutional type which will be binding on both sides. We believe that a form of cooperation under European law must be found, because we all wish to see this law become binding law for the Community.

The draft report of the Committee on Regional Policy, Regional Planning and Transport proposes that a new European legal instrument along the lines of the European Cooperation Grouping be set up, to be called the European Joint Authority. This Authority is intended to make it possible for interested municipalities and regional authorities to carry out their own trans-frontier cooperation in a legally binding form and more effectively than before.

I cannot see what could possibly stand in the way of this endeavour on the part of Municipal and inter-state bodies and organizations, and on this point I am not as reticent on behalf of the Political Affairs Committee as Mr Thomson was on behalf of the Commission.

It should be stressed that municipalities and regional institutions are completely free to choose whether or not they wish to avail themselves of the new legal instrument provided by the European Joint Authority if they wish to cooperate with municipalities and bodies on the other side of the border. As has always been the case hitherto, it is, and will have to be, up to the municipalities and bodies concerned, and them alone, to decide for themselves whether they wish to have any trans-frontier cooperation at all and, if so, in what sector and under what form they wish to cooperate.

In the European Joint Authority, therefore, we have a new additional instrument of cooperation, which can help those border regions which so desire to achieve cooperation of a higher quality than before. Membership of the proposed European Joint Authorities is restricted to public territorial authorities with an elected decision-making board, primarily therefore to municipalities and regional institution. This also provides the democratic and parliamentary basis which an Authority of this type must have.

The Political Affairs Committee takes the view that we may assume that this proposal will be welcomed by those who live in the border regions. The arguments and suggestions contained in the draft report of the Committee on Regional Policy, Regional Planning and Transport should therefore also be supported by all of us in the same way as they are supported by the Political Affairs Committee.

Jahn

The legal implications of the proposed European Joint Authority still need to be studied, Mr President, especially with regard to the sovereignty of the Member States involved — Mr Thomson mentioned this, but Mr Gerlach gave a detailed account of this aspect as well — legal compatibility with existing national legislation and incorporation into existing Community legislation.

In conclusion I should just like to add that the motion for a resolution obviously has a number of consequences for national sovereignty, but in my view, since we are constantly raising in this House the question of greater powers for Parliament after direct elections, we must make a start somewhere on reducing sovereign rights, and the best place to start is undoubtedly with the border areas whose inhabitants have to cooperate with one another day in day out. We cannot agree on this point with the cautious views and concern of the Commission and, I am sure, of the Council as well: their arguments are not convincing. The extension of the contractual powers of local authorities resulting from the European Joint Authority will involve only a small loss of sovereignty on the part of the central national authority. However, this loss of power on the part of the central authority will be offset by the fact that some of its members will participate in the work of the European Joint Authority. The Political Affairs Committee welcomes therefore the fact that this proposal has been framed by Mr Gerlach in the form of a motion for a resolution and proposal for a regulation. It is precisely because local authorities in border regions will be able to enter into relationships governed by public law with local authorities in neighbouring countries in order to tackle problems of common interest that all of us in this Parliament should support the rapporteur's motion. Informal contacts and legal relationships in the area of private law with municipalities in neighbouring countries which are, as a rule, legally permissible, are inadequate today to solve the problems affecting the welfare of citizens living in frontier areas. Whether they intend to or not, Mr Thomson — even though you yourself spoke, I would say, somewhat defensively — the Commission's legal opinions support the objectives of the draft report by Mr Gerlach and the Committee on Regional Policy, Regional Planning and Transport.

You mentioned, and I should like to close on this point, a very important area which compels us to work towards this form of cooperation, since every day we come up against problems of trans-frontier competences; I refer, of course, to environmental protection. You know as well as I do that in the field of environmental protection the problems of water supply, prevention of groundwater pollution, everything that is carried by rivers into the various regions across frontiers, clean air, pollution of the air by industrial plants

etc, and protection of the countryside and wildlife can only be properly solved by trans-frontier organizations of this type, otherwise these border regions will suffer further disadvantages.

I think we are in agreement with the general public if I say — and this is the view of the Political Affairs Committee — that the motion for a resolution should be adopted by this House and that we should then, as Mr Thomson said, even if there are considerable misgivings — I do mean considerable rather than serious, for they cannot be serious if our aim is to achieve progress in Europe — create a form of cooperation based on the frontiers, leading to closer harmony between people and nations, to which there should not be any opposition. We should propose to the joint committee, or you should propose to your successors that they hold a meeting as early as January 1977 to draw up a directive or regulation to be implemented as soon as possible next year.

Since Mr Gerlach — the originator and driving force of this whole endeavour to unite the border regions — is unfortunately leaving this Parliament, I would ask you to urge your successors, when the joint committee is being set up — and we, of course, request that this be done in conjunction with Parliament — to include Mr Gerlach and give him executive responsibilities in this committee as well.

That is all I have to say. On behalf of the Political Affairs Committee I ask you to approve this motion for a resolution and proposal for a regulation. Once again my sincere thanks for this very difficult but also very successful and lucid work which is reflected in an excellent motion for a resolution.

(Applause)

President. — I call Mr Ellis.

Mr Ellis. — Mr President, I was going to get up really to do only one thing and that was to applaud, to extol one particular virtue of Mr Gerlach's report and that virtue, as I saw it, was its eminent practicability. Therefore, you can understand, I am sure, why I felt thunderstruck when I heard Mr Thomson view it from the diametrically opposite point of view. And we have to ask ourselves why there is this difference between us, because we are both, I trust, reasonably intelligent men and we are aware of political realities and so on. I think that the difference is this, and I put it to Mr Thomson, whom I am proud and privileged and happy to be allowed to claim as a very good friend. I put to him that his voice came across to me this morning as the authentic voice of the classic 19th-century European nation-state, whereas my views, it seems to me, are views appertaining to the 21st-century Europe that we are trying to build, that history is giving us a second chance to build; and if we do not seize this second chance we are certainly not going to get a third.

Ellis

Now I know that there are all kinds of constraints on the Commission, and I know there are national politicians in London, Rome, Paris and Bonn and so forth who are hidebound in their prejudices, but the fact of the matter is that we have to face up to these national politicians. It is no good Mr Thomson saying that when you follow through a sensible idea on a frontier you bring about a chain reaction, ending up at the national government level with all kinds of difficulties. It is no good saying that. It is no good talking about the legal position under Article 235. It was only two part-sessions ago that I made a speech here in which I gave specific examples of one Community Institution, the hub of our legal system, the Court itself, which had taken unto itself powers beyond the powers given it in the Rome Treaty. I gave specific examples. And if one Community Institution can do it, then other Community Institutions can at least face up to the issues.

The matter cannot be left to be dealt with when we get Economic and Monetary Union. As Mr Jahn said, where better to start than on the frontiers? It is not a chicken and an egg situation. Economic and Monetary Union is the end-product. Regionalism is the initial stage. And I think it is very important that we understand that regionalism is increasing, not just in the Community, but right across Europe. Our central governments have got to take notice — and they will be stupid if they do not take notice — because there are all kinds of influences beginning to play. There are economic reasons, ethnic reasons, cultural reasons, sociological reasons, linguistic reasons, and the happy concurrence of all these kinds of reasons is going to bring about a change that is going to be more fundamental than cosmetic; and if the 19th-century nation-state does not realize it, then it really will be absolutely and utterly stupid. And it is a few people like us who have to put this message across.

I can give as an example the economic situation. This is perhaps the most tangible example, the most clearly seen: it is not necessarily the most real, but it certainly is tangible. The fact is that we have had 50 years of failure to get economic parity, and people in the regions now are looking with scorn on the classical self-balancing theories and are beginning to pay attention to the theories of Myrdal and Perroux and Hirschman and Stuart Holland and so forth; they are seriously beginning to justify their disillusion with the centralist 19th-century nation-state on the basis of these theories. It is no good any national government saying: we want growth from the regions, but you will only get growth from the regions if you get national growth, and you will only get national growth if the rich regions grow. Therefore, we can't slow down growth in the rich regions. It is arguments like this that are making people in the regions realize that — as one or two Members have pointed out — there simply isn't the political will in the nation-state governments. That is absolutely right; as Mr Thomson said, the issues are enormous — profoundly important political issues.

It is in the light of this background that I feel justified in saying that Mr Gerlach's report is eminently a practical first step forward on this long road; and however long the journey is you must begin with a first step. He has spelt out practical proposals for regional administration of a particular kind, that are in fact being undertaken informally; he simply wanted to formalize them. He spelt it all out, he has got the blueprint there for us. It may well be that perhaps the blueprint could be modified. But it is not to be rejected because a few lawyers have said that Article 235 doesn't lead us by the hand into nirvana or Tir na n-Óg or Eldorado. The issues are real, practical political issues. The only part of Mr Thomson's speech — and I know he will know that I am speaking very sincerely and in a very friendly way — the only part of his speech that really cheered me was the little bit at the end when he said that it may be that the new Commission might take up a few parts of Mr Gerlach's report and develop it. And I make this point finally: that if the new Commission doesn't do it, then this Parliament, when it becomes directly elected, must get the powers of initiative; because it seems to be increasingly that this is the only place that is really speaking out for the peoples of Europe, and that the national governments are so hidebound in their straight-jackets and their prejudicial 19th century outlook, that if we can't do it, then nobody at all is going to do it.

(Applause)

President. — I call Mr Nyborg.

Mr Nyborg. — *(DK)* Mr President, I shall try to be brief, since I realize that time for the debate is limited.

The main problems referred to in the report we have before us today are those relating to economic and social differences between central and peripheral regions. These differences can be attributed to an inadequate infrastructure, which is an obstacle to industrial development; shortcomings in the goods transport system, which result in delays and increased costs; a lower standard of public health and education and a shortage of cultural facilities which lead to the depopulation of these areas.

Mr Gerlach, in his persistent efforts to improve conditions in border areas, has been seeking the solution to these key problems. The preparation of the report before us has required a tremendous amount of work, including visits by delegations to the areas concerned. These visits have been extremely useful, since conversations and exchanges of views with the local authorities and other bodies in the border areas provided a first-hand insight into the difficulties facing them. Nor should we overlook the psychological importance of such contact to the people in those areas, since it provided a reassurance that they were not forgotten.

Nyborg

Border areas are looked on as peripheral from the standpoint of the individual state, but from a Community point of view they are usually very centrally situated. Therefore, because of national considerations, there is little or no incentive for national governments to take any action in such areas. As a result, trans-border activity is limited, to the detriment of the population in the border area. Such areas also seldom get the benefit of Regional Fund support, since it is centrally administered and distributed by national authorities.

As we have seen on the Dutch-German border, where Euregio is a model of trans-frontier cooperation, there are a number of problems which are open to a regional solution. The European Joint Authorities referred to in Mr Gerlach's report must be considered a suitable instrument for the organization of trans-frontier cooperation. Such joint authorities must be empowered to take decisions and implement measures intended to change the peripheral nature of border areas by removing historical and unnatural differences between areas which share common cultural, social and economic patterns. Such authorities should also be empowered to apply for, receive and administer financial aid.

The Commission's plans — long-delayed and produced only last month — for a survey along the same lines as that of the European Parliament, seem to be a waste of time. However, if such a survey is to be conducted, then it must of course be based on the report which Mr Gerlach has presented. Enough paper is already produced in the Community, and Mr Gerlach's report is a good basis for further work in this field, since it represents a very advanced approach to a solution of the problems of border areas. In any case, we should not wait for the results of the Commission's survey before taking action in this field.

To judge by the applause which Mr Gerlach received today, it might have been thought that it was his birthday; I would like to associate myself with that applause and to compliment him on his report. It was a great pleasure for me to be able to watch the progress of the work from close quarters — I know how much effort went into it and I can only say that I think the result is most impressive. It is a remarkable achievement, and on my own behalf and on behalf of my Group I call on the House to support the motion for a resolution.

Finally, I should like to take the opportunity to wish Mr Gerlach every success in his forthcoming 'retirement' project which I understand is also connected with border problems.

(Applause)

President. — I call Mr Albers.

Mr Albers. — *(NL)* Mr President, ladies and gentlemen, after Mr Waltmans' erudite speech on

behalf of the Socialist Group, I must still make a brief contribution to this debate since, like Mr Nyborg, I too have been able to observe Mr Gerlach's work at close range over the last few years. He has done some exceptionally important work as rapporteur and, furthermore, out of complete conviction, since he has personally seen the disadvantages of the frontiers in his own constituency. All of us here know from our own experience that the frontier regions are in many ways less fortunate than the central areas of a country. Roads, housing, public services such as transport, and agriculture for a long time bore the characteristic marks of regions outside the main stream of development. In many cases these areas were referred to as 'fringe areas'. It is true that matters improved somewhat after the Second World War. Greater mobility resulting from the development of private motor transport released these areas from their previous isolation. Trans-frontier traffic developed considerably. Contacts increased in number and significance, but the areas nevertheless continued to lag behind. While prosperity was continually increasing in the conurbations during the years of unbridled economic growth, the frontier regions lagged behind because of their situation on the periphery of the countries — this can be clearly seen from the fact that it is along the frontiers that we find the most beautiful natural scenery, as yet unspoiled by industrialization. In paragraph 20 of the motion for a resolution the rapporteur rightly drew attention to the positive aspects of the attractive scenery in the frontier areas and urged for development of trans-frontier tourism and excursions which would help economic progress in these regions. This may indeed be useful, but is not enough in itself. The unemployment figures show clearly that frontier regions have the greatest unemployment problems. The great vulnerability of the frontier regions has again been highlighted by the economic difficulties of the last few years, but these regions are also lagging behind in social and cultural terms, since the inhabitants have for many years lived with their backs to the border. The wars produced a great gulf between the different peoples. It is not sufficient for a European Community to establish a customs union to make it easier for goods and persons to cross the border more easily than in the past at points specially designed for this purpose. It will be necessary to eliminate the borders dividing areas which form a natural unit as regards their economic development, their infrastructure and their landscape. We must give the rapporteur credit for the fact that he not only tried to indicate how this might be done in theory, but has also done some field work — at a time when the wounds of war were still unhealed, he tried to bring people together again, to establish some cooperation which would inevitably bear fruit in time, even though in the initial stages he was faced with a wall of incomprehension and opposition. In effect, the report we are discussing today is the result of decades of hard work, and even now we have not completely overcome the mistrust and suspicion.

Albers

One political group has suggested that this is only a ploy to enable one country to gain power surreptitiously over another. All I can say in reply to this is that the interests of the people on both sides of the borders are the same and that nothing would be achieved by a solution based on national policy, which would only increase the disparities. It will therefore be necessary to stimulate the inhabitants of the frontier regions themselves to action — for example, by making direct elections possible, so that the councils and committees to be set up will not consist of members of governing bodies but of representatives elected by the people. I know that this sounds like a criticism of paragraph 31 of the motion for resolution. I do, nevertheless realize that the method described in this paragraph is a convenient one which might ultimately lead to a situation where the population itself could be more directly involved. As I have already said on several occasions in this House, a developing European Community which wishes to free itself from rigidity and stagnation needs results which mean something to the man in the street. This is not true of much of what we have achieved up to now within the Institutions. A European Community which grasps an opportunity to indicate ways of making the internal frontiers less obtrusive, so as to open up new channels for development in areas which have hitherto lagged behind — a Community of this kind means something to ordinary people who have had personal experience of the disadvantages of frontiers for several generations.

The time is ripe for action. An important preliminary study has been carried out and interesting experiments are currently under way.

Time is short too, since environmental problems in particular are threatening to divide the various countries still further. The building of nuclear power stations in frontier regions and the processing and storage of nuclear waste near frontiers are matters which arouse extremely strong popular feeling. It will only be possible to solve these problems if the people affected, those who feel themselves threatened, join together across the border to avert the danger, to take joint decisions and to make joint checks to ensure that these decisions are observed. In his report Mr Gerlach described how this could be done. Mr President, I did not quite understand from what Mr Thomson said whether he is against these proposals or not, but he certainly made several reservations — some of a legal nature and some of a practical nature — which are rooted in the continuing centralism of the Member States.

I cannot entirely go along with the opinion of the Committee on Social Affairs, Employment and Education — in which I unfortunately had no hand — that we should carry out more research and studies. I think this would indeed amount to fobbing off the people involved with a fine gesture. There has already been a

great deal of study. I think it would be particularly useful — and we would probably get some remarkable comments and results — if we were to conduct an opinion poll in the frontier regions. If we asked the people outright what they thought about these matters and what possible solutions they saw, I think this would be more effective than protracted research and study projects.

A few weeks ago Mr Gerlach received a royal award from the Dutch Government for his practical work over the years. This is also a recognition of the fact that his work is felt to be extremely important. Let us, as Members of the European Parliament, not be satisfied with merely adopting Mr Gerlach's report and motion for resolution, let us go further and actually work towards making cooperation across the frontiers — which is an important element in the construction of the European Community — a reality.

President. — I call Mr Thomson.

Mr Thomson, Member of the Commission. — Mr President, perhaps you will allow me the right of reply on behalf of the Commission for a very few minutes indeed. I think for the first time in my life I don't seem to have a friend in this House. When even my old and good friend, Mr Tom Ellis, accuses me of being the authentic voice of 19th century nationalism, (*Laughter*) I think I must get up and say that I am in danger of having created — I'm sure it's my own fault — a massive misunderstanding.

I was therefore glad of the modified words Mr Albers has just used, in saying that he did not have the impression that I was wholly against what was being proposed, but had, on behalf of the Commission, certain reservations. So perhaps I can attempt to clarify the position. Mrs Kellett-Bowman, with her unfailing feminine insight, was of course absolutely right: I am a very reluctant opponent of Mr Gerlach's report. How could I be otherwise, when he and I have been involved in the development of that report over a very long time, and that report has so many things in it — imaginative things, such as European schools across the frontier regions — which lie as deep in my heart as they do in his?

But I do want to say to the House that, although I am a reluctant opponent, I am nonetheless convinced about the reservations that I have put before the House. Indeed I think it is the duty of the Commissioner to give the House the facts about these propositions as the Commission sees them. If I may say so, it would have been rather easy for me, two months from the end of the present Commission, to have confined myself to the nice things I said about Mr Gerlach's report and to have fudged the issue and said: 'Well, since the Commission has to put forward its own proposals, the next Commission will study Mr Gerlach's report deeply.'

Thomson

I thought it was franker to state the reservations and, if I may say so — to Mr Brugger I think — the problem here is not one of European bureaucrats sabotaging the future of Europe. The problem doesn't lie around me. It lies, if anywhere, in the national capitals, I think I can say I agree with Tom Ellis that national governments and national parliaments are among the most conservative forces in our Community today. That is equally true whatever the ideological balance in any of these national parliaments or national administrations. But the fact is that the best legal judgment that we can make is that Mr Gerlach's proposals cannot invoke Article 235, which is the normal way to justify innovatory proposals.

Mr Ellis drew attention to the Court of Justice. Of course he is right that the Treaty of Rome is not written on tablets of stone. I would say the Court has done its best to utilize the possibilities of the Treaty to their limits. I think I can say that the Commission, over the last 4 years, on many, many occasions has used all its ingenuity to push the possibilities of the Treaty to their limits, but the fact is — and I think it is a fact — that we cannot, within the Treaty — and we live in a Community under the rule of law — even by unanimous vote in the Council of Ministers, change the internal constitution of the Member States of the Community. That can only be done by the national parliaments on the recommendation of national governments, and the question that I think is finally before us all and which lies behind the advice I was giving the House is: if you've got to do this through national governments and national parliaments, what is the best way to persuade these national governments and national parliaments to move as fast as possible on the road that Mr Gerlach has charted?

My judgment is that the best way to do that is through the new Regional Policy Committee, which brings together the highest officials in this field of the national administrations. It is a slow road and a less dramatic road than the shortcut that is tantalizingly and temptingly dangled before your eyes by the Gerlach Report, but that doesn't mean to say, I think, Mr President, that the advice I give is exclusive of the view you are taking in supporting Mr Gerlach in his report. There is an old English quotation, which I cannot put rightly, but which is roughly to the effect that unless your eye is prepared to go further than your arm's reach, what's a Heaven for?

I think, unless your vision of advance is to go further, sometimes, than the politically possible, then what's a Parliament for? So I for my part, while sticking absolutely firmly to the advice I've sought to give about the realities of the matter, am only too happy, speaking personally, that Mr Gerlach should have as his birthday present today the unanimous vote of this Parliament, even though it is contrary to the rather unhappy advice that I have reluctantly felt obliged to give.

(Laughter and applause)

President. — I call Mr Gerlach.

Mr Gerlach, rapporteur. — *(D)* Mr President, I must express my thanks for the many words of praise and acknowledgement I have received. It has been rightly said that it has taken ten years for this report to reach its present form. However, I must in turn thank my colleagues in the Committee on Regional Policy for helping me in drawing up the report, as well as all those of the Committee's staff and in the Directorate-General for Science and Documentation who were also involved in this work.

A few further remarks regarding my report. I should like to ask you, Mr Thomson, to bear the following in mind in connection with Article 235. As I see it, the innovation of Article 235 as a legal basis for a proposed legal instrument presupposes three things. Firstly, the need to attain one of the objectives of the Community; secondly, the need for the Community to take action; and thirdly, the fact that the Treaty does not provide the necessary powers.

All these conditions are fulfilled in the case of this report, and I would be extremely grateful if the Commission would give this aspect careful consideration.

Mr Waltmans asked why the Regional Council is not to be elected directly. I chose this convenient method whereby the Regional Council would consist of elected representatives of the local or regional authorities on either side of one of the Community's internal frontiers. This does not, of course, exclude the possibility that these regional authorities may become more democratic. Thus my proposal also opens up an opportunity for pragmatic development. I am grateful to everyone who described the specific features of various problem areas — particularly Mr Herbert, who spoke on the Ireland-Northern Ireland problem — but I will not repeat everything that has been said.

Mr Mascagni made a number of points which we should certainly note and consider. The implementation of this proposal will undoubtedly take considerable time, but it has been said by various people here today that this is only an initial step, and one we must take. Mr Mascagni also said that the Community was being put to the test here. The Commission and the Council should bear in mind that this is a test we must pass if we are to make progress towards the united Europe I have described.

Having thanked you, I have nothing further to add but to urge you to adopt this report.

(Applause)

President. — I call Mr Herbert.

Mr Herbert. — I refer to page 46 of the English text, paragraph 8 on cooperation. This needs correction. It is stated in that paragraph that a financial grant by the Commission for a joint study of the problems of this

Herbert

border — the Irish border — was not used by the governments. In actual fact it is being used, and I would like to bring this to the notice of the House.

President. — I call Mr Thomson.

Mr Thomson, member of the Commission. — Mr President, I am grateful to Mr Herbert. He is right and I think it would be right that that should be corrected.

President. — I call Mr Gerlach.

Mr Gerlach, rapporteur. — (D) It will be corrected.

President. — Since no one else wishes to speak, I put the motion for a resolution to the vote.

The resolution is unanimously adopted.¹

(Applause)

3. Resignation of a Member of Parliament

President. — Mr Michael Stewart has just sent me a letter announcing his resignation from the European Parliament following his appointment as chairman of an important House of Commons Committee.

Throughout his 18 months as a Member of this Parliament, Mr Michael Stewart, a former Foreign Secretary of his country, has made a remarkable contribution to Europe, thanks to his dedication, his personal involvement and above all the wisdom and moderation of his words, which were always extremely lucid.

On behalf of Parliament, I should like to wish him much success in his new task, confident that in him Europe will always have a convinced and loyal friend.

(Applause)

4. Budgetary procedure

President. — In accordance with the provisions of the budgetary procedure, the pre-report time-limit for tabling amendments to the Council's modifications, proposals for outright rejection and for forwarding opinions to the committee responsible is set at 12 noon on 30 November 1976. This will enable the Committee on Budgets to examine them during its meeting on 1 and 2 December 1976.

The post-report time-limit is set at 6.00 p.m. on 10 December 1976, subject to the report of the Committee responsible being submitted on 4 December 1976.

The budget debate will therefore be held during the sitting on Tuesday, 14, December, and the vote on Thursday, 16 December 1976.

I call Mr Dalyell.

Mr Dalyell. — As a member of the Committee on Budgets could I possibly register a view as a relative newcomer to the Parliament, and register it at this moment. I hope it is not an inappropriate time. When amendments are tabled, there should be some explanation which will help the members of the Committee on Budgets understand the purpose behind the amendments. To have amendments arrive out of the blue is often not very helpful in making a rational decision. There ought really to be an explanation of amendments at this stage.

President. — Mr Dalyell, your remark is justified. If you wish, we shall remind the authors of amendments that they must explain them and indicate the reasons for them.

I would add that, if the general debate due to be held in December can be shorter, since we will be dealing only with the modifications put forward during proceedings, we shall probably make up for it — most likely on Tuesday, since the vote must be held on Thursday for reasons involving both the quorum and the limitations imposed by the German Parliamentary time-table — by having the amendments moved and debated during a plenary sitting, which was not the case last time.

I hope that this procedure will be more satisfactory, and I stress once again the need to explain the reasons for amendments.

5. First European social budget (revised)

President. — The next item is the report (Doc. 397/76) drawn up by Mr Albertsen, on behalf of the Committee on Social Affairs, Employment and Education, on the first European social budget (revised) 1970-1975.

I call Mr Albertsen.

Mr Albertsen, rapporteur. — (DK) Mr President, colleagues, ladies and gentlemen, I have pleasure in presenting, with some comments, the report which the Committee on Social Affairs, Employment and Education adopted unanimously.

The matter on which we have to give an opinion is the first European social budget, which has been prepared by the Commission and on which the Committee on Social Affairs, Employment and Education has written a report which is the result of a very long and very complicated process.

Although the Council instructed the Commission to prepare a social budget for the period 1970-1975, Parliament had to wait until 1976 before it could finally consider the first European social budget. I think I should emphasize that it would be unfair to blame the Commission for this delay since, in fact, it complied

¹ OJ C 293 of 13. 12. 1976.

Albertsen

some years ago with the deadlines set for presentation of the first draft of a European social budget. However, as a result of political complications, and not least because of the economic crisis which burst on us with swingeing increases in energy prices, it was decided that the figures should be re-examined. That is why the word 'revised' is included in the title of the Commission document.

For the benefit of those who are not very familiar with the European social budget, it should also be explained that, although the term 'budget' is always used, what we really have here is a general survey of past trends in social expenditure in the various Member States and an attempt — but only an attempt — to provide an indication of future developments on the evidence of past trends.

Since the first revised social budget refers to 1970-1975 and the text was only published for the first time in 1976, there can clearly be no question of making forecasts; all the figures relate to the past and can at best be used as a basis for indicating various trends. Despite this shortcoming and despite the many differences in interpretation which have affected the compilation of the various tables, it is the view of your rapporteur — unanimously supported by the committee — that the Commission has taken a commendable first step in the task of mapping the extent of social expenditure in individual Member States.

While saying that, I should immediately stress that the Committee on Social Affairs, Employment and Education has high hopes that the various defects will be corrected in the next social budget. There is a need not only to improve the supply of comparable data on the probable future situation in order to allow priorities to be decided in the field of social security, but also to extend the social budget's scope. The Commission has, for example, concerned itself solely with current expenditure, and ignored capital expenditure, which inevitably gives a false picture in countries where hospitals are public institutions. Furthermore, the details of current expenditure are not complete, since, for example, they include no figures for adult vocational education or subsidized housing. The Committee strongly recommends the Commission to include such expenditure in future social budgets.

There remains expenditure connected with sickness, old age, invalidity, unemployment and family obligations. These are the subject of a statistical survey comprising more than 30 different tables which undoubtedly provide some interesting facts — or trends, as the Commission prefers to call them, since the figures are subject to certain reservations. This is largely due to the fact that not all Member States used the same legislative and economic bases in compiling the figures. It should perhaps be unnecessary to say that the committee is also asking the Commission to ensure that, in future, such surveys will be based on uniform criteria.

I will not bore the House by going through the tables one by one, but will merely draw attention to some interesting results and trends which can be deduced from them. With regard to expenditure, old age benefits take first place in all Member States, ranging from 40 % to approximately 55 % of all social expenditure. There are also marked differences in the sources of income. Whereas, in Denmark, the state accounts for no less than 84 % and employers' contributions amount to very little, the situation is reversed in France and Italy, where employers' contributions are in the region of 60-65 % of total receipts.

There are very interesting figures on the proportion of national income devoted to social expenditure. Here the Member States can be divided into three groups. The first includes Denmark, West Germany, Luxembourg and the Netherlands, which devote more than 33 % of national income to social purposes. Group 2 comprises Belgium, France and Italy, which set aside about 28 % for social expenditure whereas the remaining group 3, Ireland and the United Kingdom, allocate only 23 % of national income for these purposes.

A sensitive point is the amount of expenditure devoted to administering the social system. There are considerable variations between different Member States. Whereas Denmark devotes only 0.6 % to expenditure on administration, the figure in Italy, at 2.8 % is almost five times as much and the amount in the other countries is between 1 and 2 %.

In view of the principles contained in the Treaty of Rome, which speaks of the harmonization of living standards and the desire to maintain their improvement, it is interesting to note the wide differences which actually exist between the social benefits paid to different citizens in the Community. If these benefits are calculated in units of account, the Irish citizen can be shown to receive only a quarter, and a citizen of the United Kingdom or an Italian less than half the amount which is paid to a Danish citizen. The Dane in fact receives 1362 u.a., the West German is hard on his heels with 1360 u.a., and the Dutchman follows closely behind with 1236 u.a.; there is then a slight gap before we come to the Belgian and the Luxemburger, who receive 1050 u.a., and the Frenchman who gets about 934 u.a. There is then, as I have said, a considerable drop to the United Kingdom and Italy with 558 and 503 u.a. respectively, while the Irish have to be content with 330 u.a.

It is also undeniable that this social budget has revealed exceptionally interesting features of the social policies being pursued in individual Member States and this in itself justifies the compilation of these statistics. While it is true that the figures must be treated with some caution, this should not be a reason for disregarding the clear trends which I have referred to.

This remark also applies to the figures for the Community as a whole. It is, for example, heartening to find that social expenditure throughout the period 1970-1975 increased more rapidly than national income in percentage terms. Old age pensions in particular also continued to rise in the period in question, with Denmark and especially Luxembourg leading the field. This increase is doubtless linked with the population trend, which in 1970-1975 showed a very marked increase in the number of people over 65 in all Member States. On the other hand, the expansion of the working population in the Community has been small, and in West Germany, Italy and the Netherlands this group has even shown a slight decline in numbers.

In the opinion of the committee, the range of information in the European social budget has already paved the way for the harmonization of certain aspects, so that the citizens of all the Member States may one day enjoy the same conditions in the field of social security. However, since it appears unrealistic to believe that this will happen within the foreseeable future, the committee prefers to be realistic and to urge the Commission meanwhile to improve the quality of its social budgets. The least that can be asked of the Commission, with regard to the form which such budgets take, is that it should adhere strictly to its own objectives and guidelines, i.e. that the area covered by the social budgets should be extended, the comparability of national forecasts improved and the European social budget drawn up every two years.

Last but not least, it should not be forgotten that social budgets presented in statistical form are not in themselves of great interest, unless the publication of the extensive data they contain is an incentive to the Commission to take specific action to fulfil the aims clearly expressed in the Treaty of Rome, i.e. to achieve improved working conditions and an improved standard of living and to maintain this improvement. With that recommendation to the Commission I should like to call on the House to approve the report of the Committee on Social Affairs, Employment and Education.

I would like to add that an amendment was put down by three Conservative Members after completion of the committee's work. However much I wanted to be obliging, cooperative and sympathetic, and although there was no formal defect in the amendment — that is not in dispute — I regret that we did not have time to consider it in committee. If we had, we could have discussed the amendment in more detail than time now permits. I will take a kindly view of the amendment and say that it is unnecessary. If I wished to be more critical, I would say that it would not be reasonable to accept the amendment and I would ask the House to reject it. I find its wording unrealistic. If it were passed, it would have consequences which I cannot believe its authors intended. When it speaks,

for example, of the elimination of waste, that is a noble aspiration, but you might as well express the hope that the weather next week will be fine. Obviously no one wants waste; that is a truism I find quite necessary to base an amendment on it. Therefore, I call on the House — and I hope that a majority of Members will agree with me — to reject the conservative amendment and to support the motion for a resolution which I have tabled on behalf of the Committee.

(Applause)

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

Mr van der Gun. — *(NL)* Mr President, I should like to make a few remarks regarding the report we are considering today. This report covers the period 1970-1975 and we are discussing it in November 1976. This is not intended as a criticism of the Commission. On the contrary, the Commission has, in my view, done what it had to do. However, in drawing up the report we ourselves had to contend with a number of statistical problems, differences of interpretation and, last but not least, the enlargement of the Community from six to nine Member States. All this naturally delayed matters, even though as such we of course welcome these additions to the EEC.

The revised version of the first European social budget is, in our view, an important document in that it gives us an — albeit incomplete — picture of the social policy and its development in the Member States at a given moment in time. I say incomplete because this study does not deal with all aspects of social policy. This does not, however, mean that we are not presented with a clear picture of the considerable differences between one part of the Community and another as regards social development. Our esteemed rapporteur devoted considerable attention to this matter in his report and explanatory note.

The fact that there are still considerable differences within the Community becomes obvious when we note that the proportion of the national income devoted to social expenditure varies from 23 % to 33 %. If we then consider that the cost of administration ranges from 0.6 % to 2.8 % — I will not name the countries involved — it becomes quite clear that we are indeed faced with fairly substantial differences.

A third difference is the way in which the contributions spread over the government, employers and employees. The rapporteur was quite right in saying that we must take account of the uncertainty attaching to some figures and the incompleteness of the data due to the fact that only expenditure has been included. Nevertheless, we are grateful for the document in its present form as it clearly indicates the directions our work must take in the future. It would, naturally, have been much more interesting for us all, including the

Van der Gun

Committee on Social Affairs, Employment and Education if we had been able to discuss in this committee the forecasts for the period 1976-1980, rather than the period 1970-1975. However, the differences in the period which has just finished enable us to look into the future, which we can only do in the light of past developments. This brings me to the point which Mr Albertsen noted with satisfaction, i.e. the fact that the proportion of the national income devoted to social expenditure has increased over the period 1970-1975 in all the Member States. We devoted considerable attention to this in the committee and I will not go into it further now.

Much more important is the fact that, generally speaking, economic growth, and consequently the hitherto rapid growth in national income is levelling off. This means in practice that more must be done than has been done in the past, since if we merely look at this social budget as reflecting the actual and future developments we fear, Mr President, that there is reason to assume that the differences in economic potential of the various Member States will only increase. How we must go about the coordination and harmonization which Mr Albertsen rightly mentions is not fully clear as yet. I should therefore like to make an urgent appeal to the Commission not merely to record what is happening but also to influence developments at a given moment in the Member States since, if we wait much longer, it will just become more difficult to achieve any coordination. If we can establish on the basis of the existing differences the developments in the various Member States which must be encouraged if we are in fact to achieve a greater degree of coordination and harmonization, we will already have taken a step forward. We therefore feel, Mr President, that recording developments alone is not enough. This must serve as the basis for more far-reaching coordination and harmonization with a view to ultimately creating a real Community programme for social policy in general.

Mr President, having said this I should like to give the rapporteur my particular thanks on behalf of the Christian-Democratic Group for the great deal of work he has done under difficult conditions. We greatly regret that this is his last appearance in his current capacity. His departure will be a loss to the work of the Committee on Social Affairs, but we must respect Mr Albertsen's decision. We thank him for all he has done for us, including the report he has submitted to Parliament.

Finally, regarding the amendment tabled by the Conservative Group, we can easily go along with the observation made by the rapporteur. If this amendment had read 'In view of the fact that economic growth will diminish in the future, the administration of social expenditure must be made as efficient as possible', Parliament would have unanimously adopted it — I am sure of it. As it stands, however, the text is so worded as to imply that money is

currently being wasted, I do not deny that this might indeed be happening here and there in a particular Member State but, in our view, this is a matter for the Member State in question and not for Europe. The fact that the Conservative Group's amendment does not simply call for more efficiency but suggests all sorts of things by the way it has been put is for us reason enough not to support it.

(Applause)

President. — The proceedings will now be suspended until 3.00 p.m. The House will rise.

(The sitting was suspended at 1.00 p.m. and resumed at 3.05 p.m.)

President. — The sitting is resumed.

I call Sir Peter Kirk on a point of order.

Sir Peter Kirk. — Mr President, in the course of the debate this morning Mr Herbert, representative of the Group of European Progressive Democrats, ended his speech with the following remarks :

It is tragic that Northern Ireland... has been disfranchised since the last Westminster election, and has no voice now in Europe. May I appeal to the United Kingdom Parliament and to its political parties to restore immediately this basic right to the 1½ million people of Northern Ireland? in my opinion this would be a major contribution to the restoration of normality in this turbulent part of my country and would be proof positive of the United Kingdom's bona fides in this regard.

I was not present when Mr Herbert made his statement, but it was brought to my attention and I think, therefore, for the purposes of the record I ought to make plain what, in fact, has happened over the representation of Ulster in this Parliament.

After the election of February 1974 my colleague, Mr Rafton Pounder was defeated for election to the Westminster Parliament. He had represented Ulster here, I think effectively, as most honourable Members will agree, and we were all only too happy to see a continuation of Ulster representation here. Accordingly, at that time I approached the leaders of the Ulster Unionist Coalition and invited them to nominate someone whom I would prepared to accept on my quota of members of the United Kingdom delegation as a Member of this House. The Ulster Unionist Coalition felt that they were not able at that time to nominate a Member. Accordingly, after that I approached an individual member of the Ulster Unionist Coalition who I knew was interested in European affairs and he applied to the coalition and they told him that he could not come. Subsequently, I approached a member of the opposition in Northern Ireland and suggested to him that he might be prepared to nominate a Member, though I was not prepared at that time, for obvious reasons, to guarantee that he could be taken on the quota given to the British Conservative Party. He felt that he was not in a position to

Kirk

accept the offer. As a result, it is perfectly true, as Mr Herbert says, that Ulster has not been represented in this House since June 1974. The reason why I wish to make this statement is that these facts have been well-known to parties in the Republic of Ireland since the election of February 1974 and that the word 'disfranchise' in Mr Herbert's statement this morning implies that the British Parliament has in some way conspired to prevent Ulster representation in this House. I can only say — and I say with considerable force because I regret the situation very much — that every effort was made by my group to ensure continuing Ulster representation in this House and I regret very much that the Ulster members themselves felt it impossible to come here.

(Applause)

President. — Sir Peter Kirk, that is no longer a point of order in the strict sense. Nevertheless I did not want to interrupt you, since the speech by Mr Herbert this morning on regional policy in border areas went somewhat beyond the scope of the subject. It is for the same reason that I now call Mr Lenihan.

Mr Lenihan. — I propose to be very brief. As the leader of the Irish members of the Group of European Progressive Democrats and Vice-President of that group, I wish to emphasize that my colleague, Michael Herbert, in his very reasonable and reasoned speech concerned with trans-border cooperation and regional matters, did make a statement of fact. Now I appreciate Sir Peter Kirk's bona fides in this matter, but Mr Herbert did make the statement of fact that since June of 1974 there has not been any Northern Ireland representative in this Parliament. That is a fact. And I do not propose to make any apologies for a statement of fact. What I might just say, in conclusion and being very brief, is that as far as the representatives of the Republic of Ireland are concerned who sit in this Parliament, we feel that we have a very deep commitment and concerned interest to represent the views of our fellow countrymen in Northern Ireland here in this Parliament in the absence of Northern Ireland representation. And that commitment will be a continuing commitment for the future, I can assure the President and the House. I will leave it at that and say no more.

(Applause from certain quarters)

President. — I call Mr Dalyell.

Mr Dalyell. — I would like to say in one sentence that just as it is true that Sir Peter Kirk made an effort to get representation from his side, so I know that the chairman of the Parliamentary Labour Party, Mr Cledwyn Hughes, and Mr Robert Mellish and others who had to do with the selection at that time of the British Labour delegation were conscious of this problem, made a certain effort and were not able to help, so I think it ought to be said that our senior colleagues also made an effort in this report.

President. — This debate is closed.

The next item is the debate on the report drawn up by Mr Albertsen, on behalf of the Committee on Social Affairs, Employment and Education, on the first European Social Budget (revised) (Doc. 397/76).

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

Mrs Kellett-Bowman. — Mr President, first may I just say how very sorry we all are that Mr Albertsen will shortly, be leaving us. He has, if I may say so, been a very pleasant colleague with whom to work and we shall miss him greatly.

I would like to congratulate the Commission on what I can only describe as a creditable first attempt. Though there are many flaws in the budget, at least they have got it off the ground and established the beginnings of a system for obtaining information, which really is essential if we are ever to achieve a Community system of social security as we all desire. Since inflation rates differ so greatly in the Community, the Commission has made an effort to get the figures in constant prices, but even this, in my submission, does not accurately reflect the cost incurred or benefits bestowed. To give a more realistic picture of the actual standard of living and benefits in Member States, it is essential to relate income and benefits to what these will actually buy. In other words, to calculate for each Member State how long it will take to earn a simple basket of essentials, or, in terms of pensions, what percentage of the pension would be required to do so. Now, I am very well aware of the different eating habits in the various Member States; who in this Parliament would not be? But allowance could be made for this in the list drawn up. This would then give at least in indication of the buying power of benefits in the different Member States. And I hope that some attempt will be made to do this on the next occasion.

Now to come to the tables themselves. It would appear that the United Kingdom is spending per head on welfare little more than a third as much as Germany or Denmark. And, whilst it is true that the very much greater prosperity enjoyed by the Federal Republic does, indeed, enable her to look after her citizens very much better than some other Member States are able to do, the fact nevertheless remains that the exclusion of social housing, which confers a very substantial benefit on those enjoying it, distorts the picture quite substantially in the United Kingdom.

To call this document a budget is, frankly, a misnomer. It is not a budget in the normally accepted sense of the word. It is an information document, an attempt to show how much money Member States were spending in their budgets on certain aspects of social policy in a certain given time. Certainly by the time it reaches the European Parliament — a point made so powerfully by Mr van der Gun — it is wholly

Kellett-Bowman

retrospective and, even as a retrospective document, it is incomplete since, unlike what is also known in France as the National Social Budget, it does not include housing subsidies or tax allowances.

Now I entirely agree therefore with the conclusions arrived at by Mr Albertsen in those points of the motion for a resolution where he criticizes this document. I regard the omission of tax allowances as particularly important, since they play a very important part in determining the eventual spending power of families, which is what really counts in the end. Gross income is almost irrelevant to one's standard of living; it is net income that counts.

The Social Budget does reveal interesting differences between Member States, it is true; for example, the proportion of their individual gross national product that they devote to categories of benefits. Overall, however, it perhaps tells us little more than we knew already. The richer countries of the Community are in a better position to increase social spending than the poorer ones. And, in terms of benefits paid, the gaps between the rich and the poorer states are probably widening, not narrowing.

On the motion for a resolution itself, I think it is vital to distinguish between different types of social expenditure. For example, in paragraph 5 I get no satisfaction at all from the fact that unemployment in the United Kingdom is so appalling that we are having to spend hundreds of millions of pounds on unemployment benefit which, were our economy in a healthier state, could be better spent on other things. Indeed, in the United Kingdom the disincentive effect of recent rises in unemployment benefits, which are not subject to tax, compared with the incomes policy limit on wage increases of £4, which is subject to tax for those at work, is very considerable.

It is for this reason that we in the Conservative Group will be voting against paragraph 5, because we believe that it is both misleading and completely indiscriminating. Of course we want to improve the conditions of living for the elderly and the handicapped, but surely nobody can rejoice that unemployment is so bad that expenditure on it is at an all-time high. We believe that the disadvantaged can be helped adequately only when we have restored national prosperity, as we fully intend to do. Meanwhile, we also believe that, when prosperity is at a low ebb, it is more than ever vital to make every penny count by concentrating it on the areas of greatest hardship. It is for this reason that we have tabled an amendment, seeking to add a new paragraph 6a stressing the need for much more effective use of the money available to relieve the greatest hardship. My colleague, Sir Brandon Rhys Williams will be introducing this in due course, but I would just like to say in response to Mr van der Gun that I think he may well be right, and that we should have expressed our amendment in the context of a severely strained national economy. I

should like to say one more thing in this regard. I, myself, am a fully qualified social worker with a life-long interest in welfare matters. Not just I, but all of us, Mr President, on the Conservative side, care just as passionately as any others about the problems of the sick, the elderly and the handicapped. But we know, too, that they will not and cannot be adequately provided for until our economy is once more healthy and expanding and we are no longer living on borrowed money.

I agree wholeheartedly with paragraphs 4 and 8, which call for the extension of the area covered by the Social Budget to include, in particular, housing and tax allowances' and I hope that, with the experience gained from this first attempt, the Commission will be able at their next attempt to produce a very useful tool for social progress.

(Applause)

IN THE CHAIR : MR SCOTT-HOPKINS

Vice-President.

President. — I call Sir Brandon Rhys Williams.

Sir Brandon Rhys Williams. — Mr President, I want to speak only briefly at this point to welcome Mr Albertsen's report and to join those who have said how sad we shall be to see him leave our committee and the Parliament. The points that I want to make particularly in connection with the report I think should be reserved until I deal with the amendment. But I would like somewhat to qualify the praise we have heard for the Commission in the work they have done in production this report by some suggestions and criticisms.

I have the feeling that they were overawed by the magnitude of the task and that they were perhaps prepared to put forward a tentative and rather embarrassed budget instead of insisting on solving the basic problems of the job that they had undertaken. As one reads the text, one finds again and again their apologies and explanations for the fact the figures are not strictly comparable. That is obviously all too true. For instance, it really makes no sense to publish figures based on units of account when everybody knows how widely the real values of the European currencies have departed from the artificial unit of account formula between 1970 and 1975. I personally rather doubt the value of figures based on percentages of gross national product or national income too, because the standard of living varies so much in different countries, and yet that particular type of formula does not bring that point out at all. I would personally like to see all the tables in this document produced by the Commission translated into terms of purchasing-power parities — then we would really see some starting comparisons between rich and poor in our Community.

Rhys Williams

I do not feel that the Commission in producing this document are torch-bearers. I do not feel that they are seized by a sense of mission to end the disparities and to wipe out the pockets of misery and poverty which undoubtedly remain in our wealthy society. They have produced a document which is tentative statistically and difficult to interpret in so far as future policy is concerned. It gives little in the way of guidelines. It does little to indicate where the great problems of the Community lie in future years. I trust therefore that in preparing their next edition, the Commission will strive to penetrate much more deeply into the nature of our social problems and to come forward with recommendations based on a factual analysis which is not only statistically justifiable, in that they will have used constant criteria in each of the different countries, but which is actually meaningful for the average reader and is a guide to Parliament on future social policy.

President. — I call Mrs Kruchow to speak on behalf of the Liberal and Allies Group.

Mrs Kruchow. — (DK) Mr President, on behalf of the Liberal and Allies Group I would like to thank Mr Albertsen for the work which went into the report which we have before us. At the same time I wish to take the opportunity to thank Mr Albertsen on behalf of our Group for the work which he has done on European social matters over the years in this Parliament. We know that Mr Albertsen will soon be leaving us and the Liberal and Allies Group would like therefore to express its appreciation today.

With reference to the report itself, we can give broad support to its contents and to the motion for a resolution which has been tabled. However, I should like to make a few comments on points 5 and 6.

Point 5 states that we note with satisfaction that in all Member States' social expenditure increased as a percentage of national income in the period 1970-1975; we do not wish to be misunderstood, but we must reserve our position if that attitude is to be adopted in the future as well. There are in fact a number of countries which make generous provision for social benefits, so we cannot agree that there should be automatic and unlimited increases in the percentage of national product devoted to such benefits in the future.

With reference to point 6, which refers to harmonization of the social systems, we must recognize that the economic structure in the Member States is far from uniform and there will therefore be difficulties enough without trying to achieve harmonization in the social sphere. There should however be no doubt about the Liberal and Allies Group's attitude to social conditions and social aid. Briefly, we are ready to support the principle of what we call 'help for self-help', applied in such a way that no citizen of the

Community suffers real hardship. That is our attitude, but we consider that harmonization in the short term is not feasible.

President. — I call Mr Hamilton.

Mr Hamilton. — I think the report can be given a fairly qualified welcome in that it starts out on an extremely hazardous and difficult path. I think we are all agreed that we want to find some way of getting meaningful comparisons of what the Member States are doing in the social services field, and I don't think anybody can have any complaint about that. But I wonder whether it is desirable to produce a document like this which, on the admission of its authors, the Commission, is extremely inadequate and possibly even misleading. I doubt, if a cost-benefit analysis were to be done on this document, whether the number of man-hours and the amount of labour involved in producing it would be found to be worthwhile at all. Our United Kingdom government has already expressed its reservations about the way in which the material is used and presented. I needn't dwell too long on that except to say that it confirms what the Commission itself has said in its concluding remarks on page 51. It says in paragraph 67 that 'it only covers, in fact, the following sectors: social security, aid to victims of political events or natural events or natural catastrophes, and other social action.' It goes on: 'A more widely-based policy of social protection would cover, for example, subsidized housing, vocational training, and even, in certain countries, the whole of education.'

Well, it is a well-known fact in the United Kingdom that we spend very substantial sums on housing subsidies. It is quite true that the Conservative party are committed to getting rid of those subsidies — (*Applause*) — and it would create a bloody revolution in the United Kingdom if they even dared to speed up the reduction of those subsidies, because they form an extremely vital part of the standard of living of tens of millions of working people in Britain. There are also considerable mortgage concessions given to owner-occupiers, which are an element of tax concession to another and, generally speaking, wealthier section of the British community.

Both of these have got to be taken into account, it seems to me, when you are trying to ascertain the value of social provision in our country or, indeed, in any other. I think it has already been said that the document takes no account — and the Commission has admitted it too — of the social implications of quite substantial tax allowances and tax concessions for children and other dependents, nor does it take account of the fact that in countries like the United Kingdom we have enormous capital expenditure on our national health service in the form of capital provision for our state hospitals.

Hamilton

Now, I think the complaint is genuine in that most of the tables in the report show the UK in a poor light precisely because substantial sums of public money spent in the UK on social provision are not included. Here, however, I must depart a little from what my own government has said in this matter: I think it is true, and I express a personal view, that, if one looks at the provision of social services in the round, the provision in the United Kingdom over the last several years has tended to lag behind that in other countries and I think we from Britain would do well to admit that and concede it. Indeed, when we had the referendum campaign in Britain, I was one of those who argued forcefully for entry to the Common Market on the grounds that we were going to harmonize upwards and that Britain was bound to benefit if we looked to that as a target in the social services field. There can be no doubt that there is inadequate provision in a whole number of fields in Britain as compared with the rest of the Community, and, indeed, the gap is, if anything, widening. But, as I say, if we want to make useful progress in this direction, then we must get comparable figures and this is the main complaint that will be echoed, I think, by other speakers: we have, no figures here which enable us to make a fair comparison.

In conclusion, I want to make one comment, and that is on paragraph 5 of the motion, referred to by the previous speaker, where it is noted 'with satisfaction that all Member States' social expenditure increased as a percentage of national income in the period 1970-75.'

I think that is an admission of the fact that all Member States regard social provision as one of the hallmarks of civilized society today, and yet only last week a certain very eminent public figure in the United Kingdom was saying that the Welfare State somehow crippled individual initiative and stifled individual independence. He was the last person that ought to have engaged in that kind of remark. But I leave it at that.

There is no doubt that one of the reasons why the United Kingdom has been left behind is that we have fallen behind in the growth of gross national product, not over the last 2 years, but over the last 30 years. This is part of the answer to our problem and we can only solve that problem by our own efforts within the United Kingdom. If we come out unfavourably on this report, however unfairly it might have been produced, however unobjectively it might have been produced, the fault lies at our own doorstep and not at the doorstep of the people who have produced the report. But with this faltering first step having been taken, I hope the Commission will not be deterred from continuing, despite the criticisms that are being made. We are very anxious in the Labour Party that we should get objective criteria on which we can pin our government down and say: 'Look, you are not doing enough, you must do a lot better than you have

been doing in the past.' If we can get that kind of objective criteria, then we, for our part, will say: 'Well done for a first try!'

President. — I call Mr Howell.

Mr Howell. — Mr President, I would like to congratulate Mr Albertsen on his report and express my regret that he is to be leaving us shortly. I believe that the Commission has done a great service in attempting to make a comparison in social expenditure and in producing this document. Although it has many shortcomings it is a start, and I hope that progress will be made and built on this beginning.

But I do want to point out how very difficult it is to form any real comparison at the present time. As the last speaker said, these figures do not include the housing subsidies that we have in Britain and therefore the percentage comparisons are quite unrealistic. I trust that we will make rapid progress from now on and really try to advance as we should, so that we can see in which country the better system lies and so that other members can benefit from the experience that has been gained elsewhere.

I have been trying for some time to delve into the intricacies of the poverty trap which we have in Britain and which is a very serious matter. I have only recently received a letter from the Commission saying that they have no figures which shed any light on whether this problem is experienced elsewhere or can give me any assistance in comparing what goes on in the other Community countries with what happens in Britain. Now this is a failing which should be put right very quickly and I hope that the Commissioner will take note of my criticism.

I am glad that my party has put forward this amendment for a new paragraph 6a which is going to call for better use of the money and for less administrators, compared with field workers. Because this is what is wrong with the expenditure. So much is going into administration and so little is actually getting through to the people who really need it. I have had social workers complain to me in Britain saying that they were spending all their time in committee meetings, and so on, and not nearly enough time visiting people who were in real need. I think that this is an area which we really must look at, not only in social services but in education and in all other fields. We seem to be happy to provide amount of money but no to find out how well it is being used; the growth of civil servants and local government personnel is frightening, certainly in Britain and I believe elsewhere.

But my main criticism of this report concerns paragraph 5. I think it makes nonsense to note with satisfaction that in all Member States social expenditure has increased as a percentage of national income. We really have got to get this matter in balance, because if we spend more than we can afford, then we will be doing a disservice to the whole Community. I think

Howell

we have reached the point where we are not paying enough attention to the wealth creators and therefore we are finding that the do-gooders, the people who are too keen on social welfare, are actually creating poverty. There is more poverty now in Britain than there was 20 or so years ago, as a result of our trying to do more than we are able to sustain with our wealth creation. Unless we get the balance right we will actually harm the people that we are trying to benefit. I think this paragraph is nonsensical and I believe that this would be a much better report if it were removed altogether. I do ask Mr Albertsen to give consideration to this matter and enable us to support his report, which we think in other respects is excellent. I ask him to give careful consideration to withdrawing paragraph 5.

(Applause)

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

Mr Adams. — *(D)* Mr President, ladies and gentlemen, like the previous speaker, I too should like to thank the rapporteur most warmly on behalf of the Socialist Group and state, as others have done, that we shall deeply regret his leaving us. But this departure from this Parliament is made easier by the fact that Mr Albertsen still enjoys the complete confidence of the voters in Denmark. The decision to leave this Parliament is his own. In any case, we of the Socialist Group wish him all the best in his future political career.

Ladies and gentlemen, Mr President, the report submitted by Mr Albertsen is certainly not — as Mr Thomson said this morning about the Gerlach report — a monument. But it is without doubt a first step towards breaking new ground, and it was very difficult because the very word 'budget' was interpreted differently in the individual countries and in the committee, and here or there it has been misconstrued, and probably in many cases even misunderstood. It would perhaps have been better if we had decided to treat everything contained in this report as a survey. I am of the opinion, Mr President, ladies and gentlemen, that it is particularly the first step towards a social union for which a survey of social policy in the individual countries is urgently required.

I fail to see why our English friends are so anxious to justify their social policy and the things which have not been done here and there in the individual countries. The reason why social policy in Europe has followed different courses in all six countries after the European Community was set up, and now also in the Nine, is simply that there were hardly any provisions at all on social policy in the Treaties. For this reason, then, it was perfectly understandable that the individual countries each had a different view of social policy. That applies just as much to France as to the

Federal Republic. If you take a look at social policy there, you are sure to find a number of ways leading in completely different directions.

But in such a case the main thing is simply to make a start somewhere, i.e. to make a survey of priorities for a common social policy, so as to be able to harmonize social policy and obtain a better overall view, and to pave a new way towards social union.

That, ladies and gentlemen, is why I consider it absolutely necessary for us to do so. We are rightly proud of the fact that, in this Community, we have created the freedom to choose one's place of work, i.e. that in these nine countries workers can basically go wherever they want, wherever it suits them, and take up employment there. But anyone intending to do this — depending especially on the country from which he comes — will naturally also take a good look at the social policy, the social services and the social security of the country to which he is going. But that is where things start to get difficult, and it is therefore essential for us to have this survey and thus take the first step towards making it possible, with regard to the freedom to choose one's place of work, to improve this system with a social policy brought into line with this situation.

With this in mind, ladies and gentlemen, I should like to say on behalf of the Socialist Group that we approve this report.

President. — I call Mr Thomson.

Mr Thomson, Member of the Commission. — Mr President, I would like to join with everybody who has spoken in paying tribute to Mr Albertsen for this excellent report, all the more so since it is sadly the last occasion on which he will address this House. On behalf of the Commission, I would like to join in wishing him well in the political work that he has chosen to go back to in — as they say in the Commission — the country he knows best. But he has chosen as his last contribution to the work of this Parliament a very important subject — the revised first European Social Budget.

This was, of course, presented to the Council in December 1974, and contained projections for 1975. It was at that time, as has been emphasized, simply a first shot at the task of assessing the financial implications of the total social effort in the Member States. The Council of Ministers requested an updating of the projections in view of the rapid and unforeseen increase in inflation which affected the 1975 figures, and this updating is now reflected in the report.

The revised budget, therefore, which is presented to Parliament differs from the first version of 1974 on this one essential point. The figures for 1975 are updated to take account of the changes, both of an economic character and, in some cases, of a legislative character, which have occurred since 1974.

Thomson

Mr President, I am deputizing at short notice and temporarily for Dr Hillery, in view of his elevation to be President-Elect of the Irish Republic, and I know that Members who have taken part in this debate would want to join in wishing Dr Hillery well in the office he is undertaking. This does mean that I am not equipped to answer in detail some of the particular points have been mentioned today, but I think my reply on behalf of the Commission is all the easier because, in general, the Commission can accept the resolution that Mr Albertsen has presented to the House. The Commission has taken note of the views of Parliament as they have been expressed today. It has of course been taking careful note in the dialogue with the Committee on Social Affairs and we will take many of the suggestions that have been made today — although, I think, all of them — into account in the preparatory work for the second European Social Budget for the 1976-1980 period which has just started.

So, on behalf of the Commission, I thank Parliament for its continuing interest in and support for this European Social Budget procedure. May I again emphasize the importance for the Community of ensuring that all advances in social policy are based on a sound understanding of the social mechanisms in the Member States. The various Members who have pointed out the inadequacies of the statistical data provided in this first attempt at a social budget are of course absolutely right. One of the great problems in this field, as I know very well from my own direct responsibilities in regional policy, is the difficulty of getting genuinely comparable social statistics between one country and another. I would say to Mr Hamilton, who underlined this, that I can only draw his attention to paragraph 67 of the report which admits frankly on behalf of the Commission that this report gives only a partial view of these policies. The first social budget cannot claim to be more than a step towards the realization of the above objective.

Mr Hamilton was very fair about this and he was absolutely right in going on to stress the importance of making this second step much wider and more valid and of getting more exact and more comprehensive comparisons. This is essential to enable decisions in the field of social policy, both at the national level and at the Community level, to be taken with very much more objectivity, and above all to ensure that at national level one does have the objective criteria to try to bring about upward harmonization, as he put it, of social policies throughout the Community. It is perfectly true that such an analysis is often extremely difficult, but is the prerequisite of progress and its impact cannot, I think, be underestimated. Clearly the first European social budget has already served the very useful purpose placing in the hands of Parliament a picture of social trends that would not have been available in any other way. The Commission therefore hopes that the Parliament will feel disposed

to accept the report by Mr Albertsen and to pass the resolution that he has proposed.

I do not wish to take up the time of Parliament any longer. It is hardly for the Commission to express a considered view on the amendment that is about to be moved by Sir Brandon Rhys Williams. I think he raised issues which are essentially parliamentary issues rather than issues connected with the Commission's duty in preparing a social budget. But perhaps Parliament will allow me to say that on the merits of the amendment, I myself would be strongly inclined to advise my colleagues in the Commission to follow the advice of Mr Albertsen.

President. — I call Mr Albertsen.

Mr Albertsen, rapporteur. — (DK) Mr President, I would like first of all to express my sincere and heartfelt thanks to all those who have referred in such kind terms to my retirement from Parliament and to return the compliment by saying that, thanks both to the Members of this House and to officials of whatever grade, the years during which I have had the privilege and pleasure to work with them have been for me personally a precious and invaluable experience; will always look back on this period with great pleasure and I hope that future developments will fulfil the aspirations which my own country, too, had when it joined the Communities. I thank you therefore with all my heart and I wish you every success in your efforts to live up to those ideals.

I would like to say a few words on the specific subject on which our opinion, is asked, and I hope that my colleagues representing the United Kingdom will appreciate the sincerity of what I wish to say to them. I really do consider them as my friends, irrespective of our different political views and I value highly the contribution which they make to debates, but it appears to me that in this debate they are missing the point when both Mr Hamilton and the speakers from the European Conservative Group place such emphasis in their speeches on the United Kingdom's special subsidized housing policy. I should like to make it quite clear that the forms and material used in the report, and the principles underlying it, were the same in all the countries surveyed. I had talks with representatives from all the Member States in an attempt to obtain information on the trend of expenditure and concessions for subsidized housing and each of them said that it was one of the largest items of expenditure in his country — this is the case in the United Kingdom also.

It cannot therefore be argued that the problem facing the United Kingdom is exceptional. It is a problem with which all the member countries have to cope and, with reference to my own poor little country, I can say that this item of expenditure is one of very considerable importance. But that is not the problem on which we are asked for our opinion.

Albertsen

The information which we received was obtained from a Commission enquiry and the forms used were of course the same in all the member countries. I made no reference to any anti-United Kingdom approach, nor was there any suggestion of this in the discussions in committee. We wanted to evaluate the material the Commission had provided. We commented on it and, in the report, we gave an objective and pragmatic assessment of the points at issue. In doing so, we referred to certain shortcomings and we listed these in the report which is now before you. I think therefore it would be wrong to draw from that assessment the conclusion which the various British speakers have stated.

We recognize that the material is incomplete and so does the Commission. It is a first step, a first contribution in this field, and I would therefore say that, if the reason for the European Conservative Group's amendment is the incompleteness of the material, then the amendment should be withdrawn — and I cannot see Mr Hamilton lightly accepting it as a working or a policy document. In fact, what the Conservative amendment does is to adopt a very fundamental position on the question of administration and to advocate a totally different policy on the allocation of benefits. What did we mean when we said that we noted with satisfaction a trend towards increased social expenditure in individual Member States? We meant that we wanted to see greater security and prosperity. We want more security for the old, the disabled, for children and for all those who need Community aid. This has been achieved in some member countries against the background of an improved economy and a resulting improvement in the financial situation. Other countries have found it difficult to keep in step with this trend, which is regrettable, and the Community must therefore help to bring about a more uniform development in that field. No one hopes more sincerely for such an outcome than I do.

When Mr Howell states, in relation to the amendment, that paragraph 5 should be removed altogether, I am afraid that, however much I should like to please Mr Howell perhaps life brings him few other pleasures — I cannot comply with this request. In my view, paragraph 5 is inseparable from the other paragraphs in the motion and I understand from the other Members who have spoken on behalf of their respective groups that they all share the views which the Committee on Social Affairs has put forward here.

When it is emphasized — in this case by Mrs Kellett-Bowman on behalf of the Conservative Group — that there should be no doubt about their positive attitude towards the old and the disabled etc, then I must say that I cannot recall anyone having expressed such doubts. Such statements are all very well, but it is also true that in one's daily round, in the policies and opinions which one propounds each day, one's actions

must match one's words. One of the things which the report does — in rather mild terms in my view — is to express the hope that such a policy will be realized.

I would like to assure my Danish colleague, Mrs Kruchow, that it is not our wish that the greatest possible amount of money should be spent, but we do want enough money to be available to guarantee the security and prosperity which we aim to achieve. We want this attitude and this policy to be adopted by individual member countries as long as this area is a national responsibility. When it becomes more of a joint European responsibility, I believe, hope and expect that this policy will become a reality on the European level. We consider the modest comments we have made in this report to be the first evidence of the realization of the thinking on which our attitude is based.

I should finally like to express my thanks for the support given to the contents of the report and would once again call on Parliament to reject the Conservative amendment; I especially appreciate the elegant and diplomatic way in which the Commission representative, Mr Thomson, conveyed a similar opinion on this amendment. I emphasize that I am not withdrawing paragraph 5; I consider it an integral part of the report and expect Parliament to support my view since it is in keeping with the attitude of the Committee on Social Affairs.

(Applause)

President. — Mr Albertsen, I am sure the whole House would wish me to associate it with what has been said by Commissioner Thomson on your last appearance with a report in this House, and to thank you for the work you have done with us here and express regret at your leaving us. And, of course, I personally, who have been with you on various projects, am particularly sad to see you go. We are delighted with the work you have done here and would wish you good fortune in the future.

(Applause)

We shall now consider the motion for a resolution.

I call Mrs Kellett-Bowman on a point of order.

Mrs Kellett-Bowman. — May we have a separate vote on paragraph 5, please?

President. — That is agreed.

I put the preamble and paragraphs 1 to 4 to the vote.

The preamble and paragraphs 1 to 4 are adopted.

We shall now consider paragraph 5.

I call Sir Brandon Rhys Williams.

Sir Brandon Rhys Williams. — Mr President, I do wish to oppose this paragraph and at the same time to have the opportunity of speaking to the amendment

Rhys Williams

put down by myself and other friends on behalf of the Conservative Group. We thought that it would be...

President. — Sir Brandon, your amendment is to paragraph 6, not paragraph 5.

Sir Brandon Rhys Williams. — If I may be permitted to explain, we feel that the amendment which we wish to add reads better if it is placed under paragraph 6 as it stands in Mr Albertsen's motion. But the reason why we wish to insert this is because we feel that paragraph 5 should be deleted, and I would be glad to have the opportunity of explaining our reasons for that because a number of speakers in the general debate have assumed that they knew what our reasons were and in fact their comments, including that of the Commissioner, have been wide of the mark. I hope, therefore, that I may have an opportunity at this stage of explaining why we feel that this substitution should be made.

President. — Sir Brandon, I gather you are now asking the House for permission to speak again on paragraph 5 in order to explain your reasons why you wish to vote against it.

(Cries of 'Hear, hear!')

Sir Brandon Rhys Williams. — I wish to have the opportunity of moving the amendment and I feel this is the right place to do so, otherwise the House will be asked to vote...

President. — ... Sir Brandon, your amendment is down to paragraph 6, not to paragraph 5. If you wish to make an explanation of vote, you may do so before the vote on the motion as a whole.

I put paragraph 5 to the vote.

Paragraph 5 is adopted.

I put paragraph 6 to the vote.

Paragraph 6 is adopted.

After paragraph 6, I have Amendment No 1, tabled by Sir Brandon Rhys Williams, Mrs Kellett-Bowman and Mr Howell, on behalf of the European Conservative Group, adding the following new paragraph:

'6a. Draws attention to the need for much closer scrutiny of social expenditure throughout Member States in order that policies may be evolved which eliminate waste, reduce administrative costs and concentrate resources where the need is greatest';

Sir Brandon Rhys Williams. — Mr President, I declare myself baffled by procedure, because the House has been asked to vote on the amendment and it is only now, after the vote has been taken, that I am able to speak on the subject. I think that in the circumstances it would be futile for me to speak at length on the reasons why we would oppose paragraph 5 as it stands. But if I have the opportunity to explain my vote at the end, perhaps that might be the right opportunity.

Where paragraph 6 is concerned, we want to make an addition, and I hope that colleagues in all parts of the House will not misunderstand the reasons for this initiative. I am happy to associate myself wholeheartedly with the wording of Amendment No 1 and I think that I can say, in doing so, that I am quite unafraid that anyone will ever accuse me of trying to be miserly or cold-hearted where the social services are concerned. But I do think that where so much money is involved we need to be precise as to our thinking, otherwise money is inevitably going to be misdirected. And we certainly do not have enough to spare where the social services are concerned. We must be certain that the money we have goes to the places where the needs really arise — and are going to arise in the future.

There are several points that one could make. First of all we must note the effects of taxation on the whole poverty problem. This is an aspect which is virtually entirely omitted in the Commission's study, and a number of speakers have already drawn attention to that deficiency. Obviously one needs to look at the effect of tax allowances and concessions and the effect they have within Member States, and also the contrast between the policies of different Member States in this regard. I will merely mention the example of mortgage interest relief, which is a subject of some controversy just now in the United Kingdom. The mortgage interest relief is a tax concession which is undoubtedly a form of social benefit, and a very important one, for young married couples.

And then there is the question of the tax threshold. To what extent should we take the liability to pay income tax down below the national average wage? It seems anomalous that people should be obliged to pay tax on their income and at the same time claim benefit in order to keep the wolf from the door for their families, and yet this is the situation which certainly exists in one Member State. I personally feel that we want to get away from the whole 'two-nations' comparison between the taxed and the subsidized. And I think that everyone should be able to pay tax and everyone is entitled to subsidy, and this, of course, is the fundamental concept in the tax credit scheme. Until we have broken through to completely new concepts in the field of taxation, I am afraid that there are always going to be serious deficiencies and anomalies.

Before I leave the question of taxation and its effect on welfare, I must touch on tax as an element in the cost of living. In Britain we have a zero rate of VAT on food but other Member States do not, and this is a very important aspect of social policy too.

We have also to consider the effects of subsidies. Should we subsidize food or should we pay higher family allowances? And then in the field of housing, there is the old question — should one subsidize the family or the house? I believe that in the housing

Rhys Williams

subsidies much of the money is misdirected under the present systems, which are inherited from an earlier time. Then let us take a look at the administrative costs, which are brought out strikingly in Table 5 in the Commission's report. As a percentage of total expenditure, most revealing figures are shown in the comparison of 1970 and 1975. We see that France's administrative and other costs rose from 5.8 % to 6.2 %. In the UK they fell from 3.7 % to 3.5 %. Now here comes the contrast — these costs in Denmark fell from 2.4 % to 1.8 % whereas in Italy — poor Italy — they increased from 7.2 % to a staggering 9.8 %.

President. — Sir Brandon, you have only 5 minutes and I gather you have now moved your addendum to paragraph 6.

Sir Brandon Rhys Williams. — I made the point when I spoke in the earlier debate that I would reserve the bulk of my remarks for the amendment, and that is what I would have preferred to do. But, of course, if I am out of order in continuing, then these remarks of mine will have to wait for another time. But I have some things that I would like to draw to the attention of the House and unless I say them, the Conservative Group's reasons for moving this amendment will not be understood.

President. — The Rules of Procedure do say that the author of an amendment has 5 minutes to move his amendment. The amendment has now been moved.

I call Mr Albertsen.

Mr Albertsen, rapporteur. — (DK) Mr President, if there really is any doubt or uncertainty about the Conservative amendment, the Conservatives have only themselves to blame. If they had shown Parliament the consideration to which it is reasonably entitled, they would have made sure that the papers for the amendment were in our hands in time for us to consider it in committee or in any case at an earlier stage.

I am in no doubt as to the attitude of Parliament in this matter since even a cursory glance at the Conservative amendment will be enough to convince the great majority of Members that the ideas which the Conservatives express in it are unreasonable. Earlier I spoke on the amendment and said that the kindest thing one could say about it was that it was quite superfluous. If it should be passed, the natural conclusions would be that remarks were being addressed to individual national governments concerning the scale of priorities which they should apply to individual areas of expenditure. For example, the amendment states that administrative costs should be reduced. That is an amateurish comment. When we have succeeded in obtaining detailed information on the total expenditure in the different countries, are we to

declare dogmatically that they should all reduce spending in this field? Such a step would result in inferior service, inferior treatment, and deteriorating conditions for the people employed in the areas concerned. You cannot make a bold statement like that. There may be individual cases which are unsatisfactory but as a general statement it is unreasonable.

I am afraid I must say that I do not think this amendment is a serious contribution to the debate. It would have been worthwhile if we had been able to consider it in the course of the very long discussions which, as you know, we had in the Social Affairs Committee, but the Conservatives gave us no opportunity to do so since they have only just now divulged their views. I shall refrain from any further comment on the matter at this late stage and shall not deal with it in the way which might have been warranted by their own behaviour. I can only say in conclusion that this amendment should be rejected; it is unreasonable, amateurish and has no place in a serious debate of this kind.

President. — I put Amendment No 1 to the vote. The amendment is rejected.

I put to the vote paragraphs 7 to 9.

Paragraphs 7 to 9 are adopted.

I call Sir Brandon Rhys Williams for an explanation of vote.

Sir Brandon Rhys Williams. — I would like to accept Mr Albertsen's invitation to go into all these aspects much more deeply in committee. I have tried to do so, as he knows, on earlier occasions, but I do not want to awaken old controversies on this day. I certainly hope that we may have an opportunity of going into all these points in committee and that when we bring them to Parliament on a future date, our colleagues then will comprehend more fully what we are trying to achieve. I hope they will give us their support. But, for today, I think it is only fitting that I should close by once again conveying congratulations to Mr Albertsen and wishing him all success in the future.

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

The resolution is adopted.¹

6. Petitions

President. — Petition No. 6/76 by Mr J. Currie on better conditions for mentally-ill patients after discharge from hospital, which had been referred to the Committee on the Rules of Procedure and Petitions, has, at the request of that committee, been filed without further action, since it does not fall within the sphere of activities of the Communities.

¹ OJ No 000.

7. *Annual report on the economic situation in the Community*

President. — The next item is the report (Doc. 405/76) by Mr Artzinger, on behalf of the Committee on Economic and Monetary Affairs, on the

proposal from the Commission to the Council concerning a decision adopting the annual report on the economic situation in the Community and laying down the economic-policy guidelines for 1977.

I call Mr Notenboom, who is deputizing for Mr Artzinger.

Mr Notenboom, deputy rapporteur. — (NL) Mr President, ladies and gentlemen, Mr Artzinger, rapporteur on behalf of the Committee on Economic and Monetary Affairs, is unable to attend this sitting and he has asked me to introduce this motion for a resolution submitted by the Committee on Economic and Monetary Affairs for adoption by Parliament. It has no written explanatory statement because of the shortage of time; hence the need for this oral explanatory statement.

I do not think it is my job to repeat the contents of the annual report and I shall limit myself to an explanation of the motion for a resolution. The upturn in the economy which began in the second half of 1975 has continued during the first part of 1976. In recent months the situation has stabilized and it is not clear whether this marks a turning point in the trade cycle or whether we can expect a continuation of the positive development of the economy. Over the last few days unease and even pessimism concerning the future of the economy have increased following the leak of an internal study by the OECD on economic development, which is said to foresee a slackening of growth in 1977. The Commission has therefore rightly made a cautious and differentiated assessment of economic developments. In the present phase of uncertainty over the development of the economy a number of factors do however seem to point to a continued upturn. One of these is the increasing confidence of consumers, as reflected in the rise in private consumption — and this is one of the most important factors for an upturn of the economy — which has continued since the middle of last year. Another positive factor is the growing confidence among savers, since savings are the ultimate source of investment, which is so important and necessary for the economic upturn. Furthermore there has been a slowing down in the incomes race thanks to the efforts by governments and workers' and employers' organizations. The upward pressure of prices and costs is still there, but it has become weaker. The rise in productivity and profits has made investment more attractive in a number of countries and world trade continues to expand. These are the signs which, in the opinion of the Committee on Economic and Monetary Affairs, point to a continued economic upturn and which are listed in point 3 of our motion for a resolution.

Our present-day economy is marked by the interdependence of national economies both at Community and world level. We only have to think of the as yet unresolved problems of oil supplies and the price of oil and of the direct effect these have on our economies. Cooperation is therefore needed at all of these levels. A refusal to acknowledge this interdependence and efforts to solve these difficulties just at national level have the danger that the economic upturn may be brought to a halt. The further disparities between price and cost rises in the Member States may not only endanger the economic upturn but may even, Mr President, threaten the cohesion of the Community which is now already the case. Greater priority ought to be given to a return to price stability, and various Member States have set up stabilization programmes. Since durable growth is only possible within the framework of price stability and a reduction of balance of payments deficits, a general expansionist policy is fundamentally wrong, but the economic policy of the various Member States now confronted with differing economic situations ought to complement each other order to arrive at a convergence in the economic development of the Member States.

In this connexion our committee would like to express its agreement with the Commission that those Member States which have no balance of payments problems and at the same time have good opportunities for further slowing down the rate of price increases, should not restrain the increasing expansion in domestic demand. On the other hand, those Member States which have to deal with a balance of payments deficit and a high rate of inflation ought to conduct a restrictive policy with regard to consumption and ought to take full advantage of the expansion in foreign demand.

The investment climate is of very great importance both for the economic upswing and for the realization of medium-term targets. Until now the confidence of investors has still not been re-established to a sufficient degree. We have seen only hesitant growth in investment. The improvement of profits and sales of companies, together with prospects for the future, plays a decisive role here. The attitude of the social partners in the forthcoming negotiations also has a bearing on this. Point 7, ladies and gentlemen, stresses that the assumption of responsibility by the social partners, now extremely important, can only be expected when a reasonable arrangement is made on worker participation in company capital. Paragraph 8 points out that unemployment today is not only determined by the trade cycle but even more by structural causes and this unfortunately means that no substantial fall in unemployment can be expected in the short term. Nevertheless, some conclusions ought to be drawn from this. Structural employment must and can only be removed within the framework of a structural policy in the medium term. Paragraph 9 emphasizes

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the importance of monetary and credit policies as a means of fighting inflation. If one looks at the fall in the value of money in the Member States between 1970 and 1975, fluctuating between 9 % and 29 % per year, one should not be surprised that prices were liable to great inflation. A more restrictive monetary and credit policy is needed to return to a situation of price stability. In this connection we feel that the Commission has taken a very good initiative by first submitting proposals for restricting — in a limited sense — money supply in the various Member States, with a view to the target set for 1980, namely to reduce annual inflation to between 4 % and 5 %. This is a new point in the annual guidelines and one which we would like to welcome.

Paragraph 10 points out that despite the fact that the Council lays down guidelines every year in the form of a decision binding on the Member States, the Member States frequently do not take them seriously and do not observe them adequately. How do they think we can attain convergent economic development in our Community like this? Furthermore the Member States, when they depart from the guidelines, often do not respect the obligation laid down in the Council Decision of 18 February 1974 to consult in advance the Community institutions whenever a Member State is considering measures which may influence the convergence of the economic policy in the Community. The lack of the consultation with Community institutions during the recent change in exchange rates is a vivid example. While it is true that the snake countries did consult with each other, it was not done at a proper Community level. The Committee on Economic and Monetary Affairs emphasizes the need for this preliminary consultation in point 11, and in point 12 it points to the increased divergencies between regions. Besides the considerations of solidarity with one's fellow man, there are also economic arguments for abolishing these regional differences. If the ability of the weak regions to compete were brought up to the mark to make them competitive with other regions, the Community would be able to make full use of the factors of production available. There is therefore a need for a suitable regional and sectoral structural policy in the medium and long terms. The Commission has recently submitted a programme of economic policy in the medium term and I have already stressed the need for an appropriate structural policy. We cannot stare blankly at a certain economic upturn which can only temporarily conceal the fundamental structural questions which have yet to be solved. However, this resolution does not deal with this in any great detail since we are now discussing the medium-term programme in committee and Mr Schwörer will shortly be submitting a report on it. Point 14 draws attention to the Community's share of responsibility for the world economy and for its weaker members in particular. It urges that everything should be done to enable the Community to take up a common position at interna-

tional meetings. Finally, points 15 to 17 deal with the very limited opportunities which the European Parliament has to influence national decision-making on budgetary and economic policy of our Member States. At present, although Parliament is consulted on the annual report, there is not an adequate procedure for dealing with the economic situation of the Community and the guidelines for the following year's economic policy. The Council Decision of 18 February 1974 lays down that: 'As soon as this annual report has been adopted by the Council, Governments shall bring it to the attention of their national parliaments so that it can be taken into account during the debate on the budget'. However this is impossible in certain Member States in which the debate on the budget is already over before the annual report and the guidelines have been adopted by the Council and even before Parliament has given its opinion on them. This is the case in my country for example. However, national parliaments, when discussing their budget, ought to be aware of the European Parliament's view on what economic policy should be followed. The existing procedure ought therefore to be subjected to a critical examination in the near future. The European Parliament wishes to be more actively involved in Member States' policy-making on economic, financial and budgetary affairs. We also feel that the present procedure for laying down during the second quarter the quantitative guidelines for revenue and expenditure policies must be revised. At the moment Parliament is not consulted. These guidelines are laid down by the Council quite independently. This is referred to in point 16, paragraph 1. Furthermore, after the Member States have decided on their financial and budgetary policies we wish to assess to what extent these policies comply with the guidelines in order to draw the appropriate conclusions for the following year. Parliament ought to have more influence on the determining of the economic, financial and budgetary policies of the Member States. This is of decisive importance for whether the acutely needed convergence of the Member States' economies is achieved or not, or, in other words for further integration. Our budget, our European budget, can unfortunately not be used as an instrument of economic policy, partly because it is too restricted in size and partly because it is still required to balance. Mr President, I would finally remark that it is not usual for the Committee on Economic and Monetary Affairs to pronounce on the guidelines as applied to individual countries. This tradition prevents us from making any comment on this.

I hope, Mr President, that I have satisfactorily explained the motion for a resolution. You will not be surprised if I urge that this motion for a resolution be adopted. If you will allow me, I shall speak on the amendments when they come up for discussion.

(Applause)

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission. (D) Mr President, on behalf of the Commission I have asked to be allowed to make a few comments before the debate, firstly in order to underline or explain a number of points that came out of the discussions in preparation for this afternoon's debate and to deal with some questions in more detail, and secondly to bring you up to date with what has happened since the Commission completed its report.

The economic targets that we have set for growth, unemployment rates and inflation next year are very ambitious. I would like to emphasize that these targets can be reached only if those favourable trends in the economic situation to which the rapporteur has just referred are confirmed, and if all concerned are prepared to make the greatest effort.

In recent days and weeks fears have grown that the present upturn could prove weaker and briefer than was still being assumed this summer. We should however point out that, on the basis of the economic data available, no deliberately expansionist policy is necessary or justified. We know that the package of objectives we have proposed for next year is by no means cheerful. We state clearly that 4 — 5 % unemployment, or 4 — 5 million workless in the Community is unacceptable, in the long run, for our liberal democratic systems. On the other hand it is just as clear that there are no patent remedies and no way's of avoiding adjustments and inevitable sacrifices by superficial expedients and jugglery. I would also like to say that we simply do not know enough about the central problem that is causing us so much anxiety, namely the hard core of unemployment. We do know a few general trends. Unemployment among women, for instance, has increased more than that among men since the early 70s. We know that unemployment among the young has risen more steeply than general unemployment, also since the early 70s, but in most member countries, and in our case too, very little systematic information is available about the exact pattern and development of unemployment. We all know that without a reliable diagnosis there can be no proper remedy, and I would therefore be very grateful if this House would also make efforts to see that Member States improve their statistics on the manpower market and in particular carry out detailed investigations into the structure of unemployment, as is already being done in certain cases, though by no means throughout the whole of the Community.

For enough jobs to be created there has to be the corresponding investment. Government investment incentives may play an important part for a certain transitional period but in the long run firms have to have favourable sales and profit expectations for investment activity to be intensified to the necessary extent. This, as Mr Notenboom has already pointed out, means that the attitude of the social partners, in parti-

cular in the case of future standstill settlements, will be an important factor.

In the present situation, it is not in our view a matter of improving the bargaining position of one side or the other. Now, the dominant priorities are growth and more jobs. That does not mean a wage freeze policy — in any case this would be undesirable at the moment for short-term policy reasons — but the emphasis as regards the use of the national product must be shifted from consumption to production and for that reason, now is also the time for distribution of wealth policy. It is precisely at this moment that new initiatives and ideas in this field are needed from both governments and social partners.

I would also like to say that the problem of indexation systems needs to be further discussed. In some countries they have turned into powerful inflation accelerators in recent years. They cannot be eliminated immediately and completely — that we know — but the danger they represent for stability should be averted, as far as possible, by corrective action. In view of the uncertainties with regard to short-term economic development, close international agreement on economic policy has become even more urgent.

There is no alternative to the stabilization programmes introduced in individual Member States, although they may have a damping effect on demand and on the trade cycle. The efforts made in these Member States deserve recognition and support from the whole of the Community. For them it is not a question of 1 % more or less nominal growth next year; their objective in these stabilization measures is the urgent and pressing restoration of the national economy. The countries with surpluses in the Community should not restrict expansion in home demand, instead they should stretch out working off their budget deficits to some extent and, above all, prevent any drastic cutbacks in government investment. As the rapporteur also pointed out, the Commission is convinced that monetary and credit policy has a key role to play in the fight against inflation.

In the present situation of doubt about the economic future, risks and uncertainties must be removed, as far as possible, from international economic and monetary relations. A fresh increase in oil prices would further weaken or even destroy the still shaky confidence in the economic upturn. The Community would be particularly hard hit by an increase in oil prices because of its high degree of dependence as regards energy and its heavy involvement in world trade. The targets in the annual report on the economic situation that we are discussing today would not, with any certainty, be reached if oil prices did go up. Depending on the extent of the increases we would have to cope with a new bout of inflation. There would be further aggravation of the already precarious situation as regards the balance of

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payments in some Member States and, above all, there would be a considerable deterioration in the prospects for growth and therefore employment. I do not want to overdramatize the situation but I would like to point out that economic conditions are worse today than they were three years ago, in the autumn of 1973, prior to the first big increase in oil prices that took place at that time. The number of workless in the Community is nearly 5 million today compared with 2 million at the end of 1973. The deficit in the balance of payments is about \$7 000 million in 1976, whereas at the end of 1973 the Community's balance of payments showed a surplus of nearly \$2 000 million. Consumer prices were going up by about 8 % in 1973 compared with the previous year; the figure today is about 10 %. An increase in the price of OPEC oil would be disastrous for everyone at the present time. It would compromise and possibly, depending on its extent, put paid to the economic upturn in the industrialised countries. It could expose world trade to the dangers of new protectionist measures and could even pitch the developing countries with no raw material resources into even worse poverty.

Oil producer and consumer countries depend on one another and all of them would be hit by the collapse of the world economy. We are in an economic situation in which opportunities and dangers lie side by side. The problem for the Community is the same as that for the world economy. We must profit by the opportunities and avoid the dangers. This we shall succeed in doing if all those responsible — the political and social powers in our Member States and those having to take decisions affecting the world economy — co-operate to this end. The issue now is not just the economic situation in the next few weeks and months; it is economic, social and political stability for the coming years.

President. — I call Mr van der Hek to speak on behalf of the Socialist Group.

Mr van der Hek. — (NL) Mr President, I should like to begin by thanking Mr Notenboom for his lucid explanation of the motion for a resolution contained in Mr Artzinger's report. At the same time I would like to say something about the remarks which the competent Member of the Commission has made about this report. My group is in broad agreement with what Mr Haferkamp has said and with the report which the Commission has submitted to the Council and which we are now debating. The vast majority of my group also sympathizes with the motion for a resolution submitted by Mr Artzinger on behalf of the Committee on Economic and Monetary Affairs. As to the amendments from the various members of the European Conservative Group, which we shall be discussing presently. I can state here and now that my

group, with one exception, cannot support these. Now, however, something about the matter itself.

I think that in discussing the problem of employment and economic growth we should pay attention to a couple of aspects which have been rather neglected in the discussion so far. And, quite honestly, I think, without wishing to make a real complaint out of it, the Commission has been too ready to follow the fashionable trend one notices in discussion whenever it comes to finding an explanation for unemployment and inflation. People are too ready to point to the steep rise in production costs and particularly the steep rise in labour costs.

I feel that other factors are involved and these cannot be too strongly stressed, certainly, if one agrees that unemployment today both important economic causes and even more important structural causes. After all, what happened in the 1960's? It is safe to say that we then enjoyed an investment boom of great size which to some not inconsiderable extent is responsible for today's economic and structural difficulties. Investments were made on a grand scale and self-financing was considered to be the best source of finance which meant that large profits were necessary and this again caused price rises, since there were wage demands to be met at the same time. age-scale investment, considerable demands on the part of workers, but principally the heavy volume of investment in the 1960's through self-financing were the causes of considerable inflation. It was not solely the steep rise in wage costs, it was also the fast growth of investments which led to today's inflation and unemployment.

The reasons behind inflation are clear: one can only undertake self-financing if one can obtain really large prices from the market. This is the cause of inflation and also of unemployment. The market does not work perfectly in many sectors and market indicators do not in themselves bring about efficient production and optimum capacity. The investment boom in the 60's resulted in over-capacity, the effects of which are now felt in the form of capital write-offs and unemployment, and that is an important cause of present-day structural unemployment.

The obvious question now is what can be done about it. Cyclical unemployment can of course be combated with the classical instruments of monetary policy and budgetary policy. But how is structural unemployment to be cleared up? If Mr Haferkamp and this Assembly agree with me that not only the rise in labour costs but also the tremendous growth of investment have caused today's inflation and unemployment because over-capacity has been created, the question should then be asked: what can we do to counter this? One possible answer is a government investment policy and government influence on private investment in order to correct these evils. In short, we need a struc-

van der Hek

tural policy. And if this policy is to be put into effect with minimum cost and in the most efficient way in the countries of our Community, this means that not only will the European Community have to coordinate the structural policy conducted by the Member States, but that Community instruments must be created in order to stimulate such a structural policy with the resources of the Community. It is needed in the shipbuilding industry, the aircraft industry, the oil industry, the steel industry, the textile industry and many more. And this is just where our Community is likely to fall down. All the Member States are at present making considerable investment and calling on substantial budgetary funds. They are not sufficiently coordinated and the Community does not have the means to ensure their coordination. There is thus a danger that the Member States will try to score off each other with investment subsidies and fiscal facilities to industry which create a very difficult situation for these Member States, complicate the situation in the Community and later hinder the harmonization and coordination of policy. I should like to hear what Mr Haferkamp has to say on this.

There is also another point, namely the narrow question of how the problem of job opportunities is to be solved. There is a tendency to say that the public sector must make room for private companies. We are living in a economy which is striving towards balance. The right course is a fair compromise. Most of the solutions are 'not only but also' solutions, trying to make this fair compromise. The private sector should never be given extra encouragement at the cost of great sacrifices by the public sector. The reverse is also unacceptable. The public sector is of very great importance to jobs. A lot of job creation is taking place in the public sector, more than in many private companies which now perhaps have room for investment out of their own profits, but it is very doubtful whether this investment will in fact create new employment. We know that capital intensive investment on the basis of technological advances will lead to a situation in which profits and investments increase but the number of jobs does not. A vivid example of this is the electronics industry. Here every new investment means a reduction by half in the labour force. When large concerns such as Phillips and Siemens and so on undertake new investment, jobs are lost because sales are unable to increase to an extent which would allow an expansion of production to make up for the loss in jobs. This creates a very great problem and one must then ask — and I should like to hear what Mr Haferkamp has to say about this — whether the public sector and the civil service cannot make a considerable contribution to the creation of new jobs or the retention of existing ones. Is it probably not true that the relationship between the public sector and the private sector is so close that this distinction need not be made from the point of view of economic policy and that public investment

and private investment ought to be judged according to the same criteria and that any differentiation between private and public investment is probably artificial? We are talking about the total resources which the Community has at its command and how they should be used as effectively as possible both with regard to jobs and other objectives of our policy I need not go further into here.

I should like to make an observation about the distribution of incomes. There is a similar problem here. We are always hearing from certain quarters — and here I mean the Liberal and Conservative Groups — that reform of the distribution of incomes is desirable: to the advantage of profit income and to the disadvantage of wage income; in favour of private investment and to the detriment of public investment. I believe that such a policy contains great dangers. The public sector is to a great extent responsible for a fair distribution of incomes because the transfer of incomes from the active to the non-active part of the population is made by the government. If the government was not there to undertake such transfers of income, the outcome would be an unfair distribution of income, and the weakest in society would be those most affected. I have already said that public investment is of importance for jobs, but the public sector can also exercise considerable influence on investment in the private sector by pointing it in the right direction by means of a policy of tax relief and subsidies. Here I would like to ask the Commission to answer another question — whether in our present economic and structural difficulties the public sector should not ensure that national resources are directed in such a way that investment serves the greatest social use by means of a subsidy policy and tax relief, and whether it is no longer acceptable for profits to be allowed to grow without restriction, in the assumption that this would improve the job situation and would accelerate the attainment of other social objectives and at the same time slow down the rate of inflation. I do not believe this. Large industries have a tendency to use their profits for self-financing, for extra investment which encourages inflation because it is quite clear that workers are not prepared, quite justifiably, to be moderate when it appears that profits do not create jobs but merely an accumulation of capital.

Finally, I should like to make a remark about the policy of the Member States. I do not want to single out any particular country but I would like to make exception in two cases. The first is the Federal Republic of Germany. They have a low rate of inflation, the unemployment figure is unfavourable, but better than in many Member States, and the German Mark is overvalued and is causing difficulties for other Member States, e.g. the surplus on the balance of payments. Would it not be a good idea to encourage the Federal Republic to carry out an expansionistic policy in regard to its expenditure?

van der Hek

The United Kingdom is increasingly coming under the guardianship of the international community as organized in the International Monetary Fund and the European Communities. I wonder, and I should like to hear Mr Haferkamp's view on this, whether in cases such as the United Kingdom and Italy, which is another example, it is not desirable that we should not only stabilize the value of money but also that we in the Community should make use of the aid mechanisms which in principle we have at our disposal to put these countries in a position to overcome their present difficulties. They would then have to answer to the Community which must itself keep an eye on the situation, or in other words, the loan must be a conditional one.

Parliament should also be able to exercise some supervision over the use of Community funds. Is the Commission prepared to consult the European Parliament on this matter?

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

Mr Schwörer. — (D) Mr President, ladies and gentlemen, the Christian Democratic Group, on whose behalf I have the honour to speak, approves Mr Artzinger's report and the points made by Mr Notenboom. I would also like to say that we fully agree with what Mr Haferkamp said in his speech. It would be tempting to reply to Mr van der Hek, but I hope that Mr Haferkamp will do this in a similar way to what I would have liked to do.

Firstly we thank the Commission again for the work they have done in the past year. It was no easy task, we know. We know that the Commission has striven honourably to cope with the economic difficulties and to make sound proposals to the Member States for overcoming those difficulties.

We ask the Commission, and in particular Mr Haferkamp in person, to carry on, tirelessly, with this work.

We agree with the view that certain signs suggest that the European recession is on its way out. Firstly there is the return of consumer confidence, hopeful initiatives are being taken in as regards cooperation between the social partners and there is some slowing down in the rate of inflation, an improvement in productivity gains and expansion in world trade.

You called your targets ambitious, Mr Haferkamp, and they could be so termed. I hope you achieve them.

There is a danger that, in the developments ahead of us, things may not be as good as you have described them. I see risks in 6 areas: firstly in the cost of energy, secondly in the practical outcome of the concerted action of the social partners, thirdly in money supply policy, fourthly in budgetary policy,

fifthly in trade policy and sixthly in regional policy. The Artzinger report also referred to these areas.

As regard oil prices, Mr Haferkamp, what you said was right and I can save myself any further comment. We should make it clear to the oil countries that it is pointless to destroy the basis that is necessary for the whole of the world economy by making excessive new demands, that they should not take the highest inflation rate as their criterion and that they should have confidence that inflation rates will fall in the industrialized countries.

On the second point — concerted action — I would like to connect this with Mr van der Hek's somewhat reproachful comment that the Commission is always talking about the social partners and nothing else. Here I have a very good article by Mr Haferkamp from which I would like to quote a few lines, because he says precisely what needs to be said on this subject:

Cooperation between the social partners and the State is a decisive factor in the restoration of confidence in our economic future.

He goes on:

The condition for that, in its turn, is that the burden of difficulty is divided as equally and fairly as possible. Firms should be expected to improve their financial position by productivity gains and greater utilization of capacities and to exercise the greatest restraint in their price policy. Price monitoring and strict competition policy should be used to help limit the scope for passing on increases in costs. Improvement in the profit situation and in firms' tendency to invest implies that there has to be restraint in trade unions' future wage demands and, for a limited period, a readiness to do without the increases in real earnings obtained in recent years which went beyond increases in productivity and led to an appreciable increase in wage rates. But a wage policy of this kind is only conceivable if the workers play their part in shaping economic growth and are informed about important economic developments.

So much for the quotation. I can only endorse it — every word — for the ears of my political friends as well.

Now the third point — money supply policy. I too thank the Commission for venturing on this new road. I know that there is some opposition to this, but there is no escaping the fact that countries operating money supply policies already have the lowest rates of inflation — so the one must have something to do with the other.

As regards budgetary policy, the State should be the first to show restraint and set a good example as regards consumption, and here we need to achieve a common approach in the Member States.

Cooperation between the central banks is therefore not enough on its own, because they are not as inde-

Schwörer

pendent in all countries as they are, for example, in the Federal Republic of Germany. This makes it important for efforts to be intensified, at government level, to ensure that the rules of money supply policy are observed.

As regard trade policy the risks of isolationism and protectionism exist both inside and outside the Community and we are grateful to the Commission for succeeding, in their negotiations with Japan, for instance, in the last few days, in doing away with this one-way street allowing only Japanese exports into the Community, or at least preventing it from continuing so blatantly as in the recent past. We would, however, also add that the Commission needs to watch that imports from countries which do not have comparable basic costs do not continue to the full extent that many countries would like. You know what I have in mind, you know about the textile agreement that comes up for renewal during the period under review. We therefore ask that this agreement be extended, primarily on behalf of the textile industry in our Community.

Mr Vice-President, I have just one more question on these highly topical trade policy issues and it concerns breaches of the GATT rules with regard to export credits by countries outside the Community. We would be interested to know what the Community and the Commission are doing about them and, in general, what is happening in the field of export financing. It is my belief that, here, certain Community countries have something on their conscience.

With regard to regional policy, it would be carrying coals to Newcastle to dwell on this point, but it is mentioned in the report. We know that there is unused productivity potential here and that there are areas where a real contribution to Community growth could be achieved. I do not think that everything is right with regional policy as now followed. Just handing out money is not regional policy. It also means developing far-sighted plans and taking into account the other aspects involved such as short-term economic policy, manpower policy and even distribution of wealth policy in the weak areas. Only then will the results we all want in these areas materialize.

Now I come to investment, the point which Mr van der Hek has dealt with in detail. The report says point-blank, and we agree, that investment must increase. The saying goes that investment is the key to the economic situation, and with that I can only concur. We do not want investment purely for rationalization purposes, although Mr van der Hek's view that all rationalizing investment must lead to fewer jobs is not right. We also want expansion investment, and expansion investment depends on investor confidence, and I do not think that the arguments produced by Mr van der Hek for expanding the public sector and for

government instead of private investment are likely to boost investor confidence — on the contrary. Investor confidence depends on curbing cost increases on a lasting basis and thus improving firms' profits. I am not thinking of wages alone, the other components of costs are also involved, e.g. public costs like taxes and duties and also energy costs. All this comes under the heading of costs which must be brought under control again.

Secondly, it is important that the Member States should take measures to improve the capital situation of business firms, and particularly the small and medium-sized ones, where the main effect as regards long-term improvement in the rate of investment is to be achieved.

Thirdly, there is the question of sales opportunities for production through liberalized trade, stepped-up Community development aid, rational monetary policy and opportunities for all firms in the Community to compete on an equal footing.

Ladies and gentlemen, in my view it is important that there be cooperation between the Member States of the European Community, cooperation between this House and the Commission and the Council in these questions, and cooperation between the social categories, so that we can lift ourselves out of this depression and once again win our way through to new growth, full employment, stability and equilibrium in the balance of payments. Mr Haferkamp being there, I would like to close my remarks with the words he once used: we all have a duty to cooperate, particularly as regards the workless, towards young people trying to establish their careers, and especially towards those socially weak groups with no organized representation. This is also my opinion, and in that spirit we approve this report.

(Applause)

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

Mr Nyborg. — *(DK)* Mr President, the Group of European Progressive Democrats wholeheartedly agrees with the optimism expressed by Mr Haferkamp in his report of the economic situation and by Mr Artzinger, the rapporteur for the Committee on Economic and Monetary Affairs.

It cannot be denied that at one stage the economic upturn in 1976 was encouraging. Nevertheless, in a world of unstable economic structures and a chaotic monetary system, this temporary upturn also had its disadvantages. Just as the recession helped to keep price increases in check and to restore the balance of payments, in many countries the upturn led to an adverse balance of payments trend and renewed inflation to such an extent that the psychological reaction was not long in coming. There was strong pressure on

Nyborg

the exchange markets, and we know the unfortunate results. What were the reasons for this? Undoubtedly, floating exchange rates did not help. Today it can be proved that the difference between British and Italian inflation and French inflation was entirely due to the fact that exchange rates dropped more sharply in the United Kingdom and Italy. The danger that other countries in Europe might follow the example of the United Kingdom and Italy cannot be excluded. If they are to avoid this, they must pursue a credible policy to control internal inflation but above all they must also have an exchange policy, in other words, they must rigorously maintain a reasonable parity.

The system of floating exchange rates as it currently functions is absurd. Our countries are getting poorer from day to day. The aim is no longer economic and monetary union but rather the avoidance of total loss of control as in the case of compensatory amounts. Rather than allowing the market forces unlimited scope, exchange rates between floating currencies should be controlled to some extent. Floating currencies cannot rejoin the Snake because there are wide differences between Member States' economies. If however, parities are to be adjusted in a sound and non-speculative fashion, a margin of fluctuation will have to be defined by common accord in the light of the actual economic trend of each country. The difference between the inflation rates of two countries could be taken as the maximum exchange rate fluctuation between two currencies. This could perhaps be the beginning of a new European monetary policy since at the moment a limited club is responsible for managing the interests of the members of the Snake.

We obviously welcome the fact that for the first time the Commission is suggesting a maximum percentage increase in the money supply in each country, but this step is inadequate when we consider the increase in the international money supply which constantly encourages inflation.

Recently, dollar creation outside the Community has become faster. Whereas the sterling balances now under discussion represent barely 6 000 million millions dollars, the Euro-dollars thus created total 300 000 million dollars and are multiplying because of the international credit mechanism not controlled by liberal Europe. It should not be forgotten that European monetary mechanisms constantly come up against the appreciation of the main currency outside the Community, the dollar.

The countries of Europe must therefore not only introduce a more rigid common system, they must agree on a common dollar policy and define a Euro-dollar parity margin that can be considered as reasonable.

Having thus established a healthy monetary environment, Europa will then be able to tackle the difficult problem of reducing high unemployment in a climate of continuing inflation, with a greater chance of

success. In the circumstances, it is regrettable that the methods used by the Member States and recommended by the Commission are mainly aimed at remedying the effect of unemployment rather than tackling the real causes. Remedies should first of all be sought in the permanent restoration of sound economic equilibrium. In view of the budgetary deficits of practically all the countries of the Nine, there is only one conclusion: we should not use more than we produce. We must therefore gradually draw up a multiannual stabilization plan for the use not only of the Member States but of management and labour who have the power to effect a cure. In the climate of confidence thus restored, an attempt can be made to work towards a balance between the fundamental factors.

If the Community makes an effort to solve unemployment problems and at the same time combat inflation, it must encourage productive investments that create jobs. Emphasis must be put on consistent programmes to create jobs as part of an active policy. This productive investment policy also has the advantage of facilitating the necessary industrial restructuring by developing new sources of energy and generally increasing new production capacities.

Investment must however be encouraged. There is good reason to be sceptical about the very limited increase in capital formation in all countries, France, Italy and the United Kingdom as well as Germany, and it is not the estimated growth of 4 % a year that will help to bring unemployment down below 4 % of the active population.

In the process of restoring our economies, some States will have to assume special responsibilities. If some Member States begin to pursue policies that jeopardize the expansion of others, the growth objectives will be thwarted. Increased coordination is absolutely essential. It must be possible to place greater responsibility on countries with balance of payments surpluses so that they are forced into a more rapid and more substantial expansion than they would have experienced if they had merely taken national considerations into account.

Obviously, countries in difficulties would also have to show a firm resolve to combat inflation effectively. The need to combat inflation, which is not always felt by the population, should take the form of mobilizing national resources.

When faced with disasters, some countries will simply have to make sacrifices and, as Mr Schwörer rightly said, it is absolutely essential to control the trend of costs in order to remain competitive on the world market.

It is in these circumstances that European solidarity will really have to stand the test if the whole European construction is not to collapse. There must there-

Nyborg

fore be an increased possibility of short-term credit and medium-term support mechanisms will have to be granted less technocratically and with fuller consideration of economic factors.

(Applause)

President. — I call Mr Normanton, to speak on behalf of the European Conservative Group.

Mr Normanton. — Mr President, on behalf of the European Conservative Group, I should like to offer the congratulations of the group to Mr Artzinger on this report, commenting of course that it is not really a report in the normally accepted sense of that word but more a summing-up of the concentration of thought which has been dominating the minds of members of the Committee on Economic and Monetary Affairs for some considerable time. We regret very much that Mr Artzinger was not present and able to introduce the report personally, but we certainly congratulate Mr Notenboom on having introduced it so effectively for him.

Before I proceed further, though, I would like to add my own reactions to the views which were expressed by Vice-President Haferkamp. I thought he conveyed very forcefully the seriousness of the situation when he struck a sombre and realistic note in referring to the economic situation today and the prospects for the future. I want to make five quick points.

Firstly, I should like to commend to the House for very careful, intensive study the report by the Economic and Social Committee, whose rapporteur in this case was Mr David Basnett, a leading member of the Trade Union Movement. It is document well worth studying and I certainly think there are many points in it which will find a common note of approval and recognition here in Mr Artzinger's report.

Secondly, as far as paragraph 3 of the notion for a resolution is concerned, there has been undoubtedly some critical comment made, and I would certainly join with those who criticized the rather over-optimistic assessment of the present and future prospects for the economic position in Europe in particular and the world in general. It is absolutely true to say that world trade was recovering at the tail-end of 1975 and the earlier part of 1976, particularly in the United States of America, in Japan and in Germany. But today, Mr President, we are faced with the fact that the United States economy is, shall we say, suffering from an economic hiccup; it still has high unemployment, still has totally inadequate capital investment. I cannot speak for or about one of our Member States, Germany, but there can be no doubt in the minds of any of us here that the majority of European countries are still deep in economic and social distress. We have to accept that world trade is increasing, but it is increasing more in cash terms, because of the inflationary pressures throughout the world and because of

the rises in raw material prices, rather than in real terms, and it certainly is not increasing universally or uniformly. We know, and indeed Members of this House should not forget, that it was the oil crisis and consequent curtailment of supplies and the sudden phenomenal rise in price which triggered off and precipitated the economic depression in Europe and in the world as a whole. We should also not ignore the fact that a further proposal to raise oil prices is imminent and, in my opinion, would unquestionably further the likelihood of a possible major setback in prospects for a revival of world trade in general and European Economic Community recovery in particular.

My third point concerns paragraph 7, where Mr Artzinger refers to the need for the social partners to show a new sense of responsibility; he uses the term 'distribution of wealth'. This reminds me of a meeting which I was privileged to take part in many years ago with the Central Council of the German trade union movement in Dusseldorf. On this particular subject — and I quote — of 'redistribution' or, as the President of the *Gewerkschaften* at that time described it, 'the dividing of the cake', the then President of the German trade union movement made an observation which I believe should stand and rank among the greatest sayings of great men. And I quote his words: 'It strikes me as a painful truth that far too many people are clamouring for the distribution of wealth, whereas we should be concentrating our efforts on the creation of wealth'. It is no wonder, if we reflect on those words, that the German economy has prospered, with that kind of display of real statesmanship, of a real sense of responsibility, of real leadership in industry.

The fourth point I would make relates to paragraph 12. We should not, I believe, underestimate the growing threat to the very existence of the Community as the richer Member States grow richer and the poorer States grow poorer. That economic divergence will, with certainty, accentuate social divergence. In adopting regional and sectoral policies to deal with this, we should adopt, I strongly urge, two of a number of fundamentally important and proven guidelines, two age-old wise sayings: firstly, that you do not make the poor rich by making the rich poor and, secondly, that there is no help like self-help. In this sense and in that context may I join with Mr Schwörer in underlining the way in which he spelt out that message. That means in effect that regional and national aid policies must concentrate on infrastructure, with the objective of integrating the poorer regions into closer and more intimate contact with the richer regions, thereby making the Community as a whole into a genuine common market. We must not indulge — and I believe we would be utterly irresponsible to indulge — in subsidies and charitable handouts. That is not the answer when dealing with regional differences.

Normanton

My fifth and last point relates in effect to the amendment stading in my name, with which I am asking the House to agree to a new paragraph 16a being included in this report. The Community is unquestionably experiencing ever greater division into two camps in the economic sense. But the divergencies, Mr President, are not purely and solely economic; they are fundamentally political, and therein lies the danger. The institutions of the Community, whether it be the European Council, the Council of Ministers, the Commission or this Parliament, are so — and I can only use the German word to describe it — are so *zersplittert* — confused — that it should surprise no one, not a single member of this House, when I say that as a Community we are drifting. Until there is a strong, resolute hand on the political tiller, this good ship *europa* will, with absolute certainty, strike one of the many rocks which lie in our path in the near future. The institutions must, as a matter of great urgency, deal with this political Tower of Babel, and somehow be seen and heard by the people the length and breadth of Europe as talking politically and publicly with one single voice. On budgetary matters we have adopted a procedure, which we describe as conciliation, to achieve a greater measure of agreement. Budgetary matters, Mr President, relate to the spending of wealth. Isn't it obvious and isn't it highly logical that we should seek agreement on the economic policies to be pursued by the Community for the creation of wealth? I hope, when we come to voting on the Artzinger report, that the House will see the logic of my argument and support the inclusion of Amendment No 3 standing in my name. The European Conservative Group will certainly give this report its unreserved support but subject, may I suggest, to the four amendments which are before the House for consideration.

(Applause)

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

Mr Spinelli. — (I) Mr President, having occupied — up to a few months ago — one of the seats on the Commission, I can say that I understand and share the sad sense of frustration emanating from the pages of the Commission's report and the resignation of the officials who drafted it. This report contains none of the ideas that we heard the President of the Commission express hardly two years ago at the start of his second period in office. It contains none of the ideas that appeared in the Commission's report on political union; instead it has been drawn up by the Commission like a homily from a venerable uncle passing on his good advice to the younger generation. Overall its recommendations are wise and so are its strictures, because the reason for them is that the recommendations are not always followed. But the report goes no farther than this.

We also know very well that this document will be submitted to and perfunctorily debated by the Council and that it will have no influence whatsoever on Member States' policy next year. You only have to recall the fate met by similar recommendations passed in previous years.

This is the reason why everything in this document has to be said in approximate and vague terms, with no entering into detail or taking stands. However, there is one thing that is missing — and it is a radical omission — in this report. It says how the various Member States ought to behave but it forgets to say how the Community should behave, in other words the Community institutions themselves, with their resources and means of action. It omits to say what further instruments the Community should equip itself with if those it now has are inadequate and what additional financial resources would need to be provided if those it has at present are not enough.

But the Community justifies its existence only if it is an instrument capable of helping to bring about a greater degree of convergence in economic policies. Because, if the Community has to be reduced to the status of the OECD, the economic Council of Europe which advises member countries how to behave, I say that then it would really be a completely useless structure.

From an analysis of the data given in this report it can be seen that, in the past, faced with the serious problems of the crisis, individual States have behaved in different ways, in other words taken greatly varying measures. Today, each individual state is making its own efforts to extricate itself from a situation of crisis, inflation and depression but this, in itself, has serious latent dangers, because it is highly likely that all countries will take measures tending to reduce their degree of interdependence and resulting in divergent policies which, in the end, could nullify the efforts the various countries are making.

The Community is there to save us from falling into this situation, not just to comment that the Member States should give more proof of their goodwill. To have any influence it is necessary not merely to give advice but to back this advice up by some degree of real power of a financial or regulatory nature and so on.

This report ought to have said: what the Commission has done last year was not enough for the reasons given. Today, faced with these problems, in order to help individual governments in executing the tasks that are set out in the report, such and such action and such and such support is required from the Community. It needs to have access to the capital market and to have financial measures that it can use in order to lend credibility and support to the advice that is given. There needs to be a transfer of certain powers of decision to the Community.

Spinelli

The present political atmosphere is said to be against this. Well, we should reply that if these measures are taken we shall be able to beat the crisis with a strengthened, more united and more unanimous Community, whereas if we do not take them we shall be moving in exactly the opposite direction.

Of all this there is not one word in the document we are considering. Having observed that goodwill has achieved nothing in past years, we confine ourselves to saying serenely in this report that, for the future, we are again counting solely on the goodwill of governments and placing not the slightest reliance on the Community having any strong or real influence.

Faced with this situation, we will be greatly tempted, Mr President, to vote against Mr Artzinger's motion for a resolution because it fails to spotlight clearly and plainly this basic defect in the Commission's report and on the contrary ends with doubting whether reports of this kind have any utility at all. However, because Mr Artzinger's motion for a resolution and his explanatory statement refer to the need to curb inflation and consumption and to follow a policy of investment, instead of limiting ourselves to a purely and simply deflationary policy, and because we want to avoid a vote against the motion being interpreted as disagreement with these needs which, on the contrary, we uphold, we shall abstain. However, we want it to be clear that this abstention implies a criticism of the fact that the Commission has completely omitted any mention of the Community's future responsibility at the economic level and has thrown all responsibility onto the shoulders of the Member States, saying that they should extricate themselves from the present economic situation by introducing a package of wise measures.

(Applause)

IN THE CHAIR : MR YEATS

Vice-President

President. — I call Mr Burgbacher.

Mr Burgbacher. — *(D)* Mr President, ladies and gentlemen. I shall not yield to the temptation of pretending to deliver a lecture on the principles of economic policy in a matter of a few minutes. The subject rules this out. I must limit myself to a number of specific points or nothing at all.

We have read in the press, Mr van der Hek, that Poland has had to resolve its sugar and coal problems by rationing and allocation. Poland, the fourth largest coal exporter in the world, has not enough for its own population. That is my verse for Mr van der Hek's hymn of praise for centrally controlled investment. On this point I have no more to say.

(Applause)

Mr Spinelli, you pictured your former colleagues as though they were handing down something from grandfather to grandson. There was nothing new in it, you say. I listened carefully for something new in what you were saying, but I heard nothing except for the news that you have changed benches.

(Laughter)

Apart from that I discovered nothing new in what you said.

Now for three points: energy, incomes policy and general employment trends.

Firstly energy. Mr Haferkamp, I think that you will agree with me that, with energy policy as it now is in the Community and in the Community countries, the new crisis is in fact already programmed and scheduled for the 1980s. We all know that no notice need be taken of the plan to reduce dependence on oil imports to 44 % or 40 % or 42 % or 45 %. On the contrary, the present, welcome, upturn is having the inevitable consequence that demand for energy and oil is climbing madly again and we are faced with a new increase in oil prices, with the oil producer countries saying they do not want to increase prices but merely to make good the losses caused by 3 years of runaway inflation. What value of money indicator do the oil producer countries base themselves on × Germany's, Italy's, France's, Britain's or whose? On that basis I think that practically any increase could be justified, and we all know what it costs. Already the Community is having to pay to the oil producer countries \$ 20 000 to \$ 30 000 million more than in 1973 with the result that, with a few exceptions, the balance of payments in our countries is looking pretty sorry for itself and the exceptions, if they are honest, could count out the time left to them before their currency reserves, too, melt away.

And what will happen then? Where are the alternative sources of energy in the Community and national programmes? Where are they? On paper — nowhere are they a reality. Why do we not try to cooperate with the oil producer countries on the lines that they should give some of their billions for investment in alternative sources of energy, because they must keep their customers solvent? This is in their interest. They have no interest in supplying unlimited quantities of oil. They want to live off their oil — the gold of Allah — as long as they can, not as briefly, as we want. This means, unless we ourselves can produce the equivalent in solar power, that they will one day turn off the tap, because they do not want to be sold out in 10 or 12 years time. But this is what is facing us; and this is a more important question than all the talk about economic policy. I am still waiting to see a start made.

The second point is distribution of wealth policy. Some of you in this House know that I have been preaching participation in profits for about 15 years as

Burgbacher

a kind of hobby, my argument being that income level is not the only thing that decides gross national product or social standing. It also depends on the use of income ; in other words, leaving investment requirements to the private sector alone is not possible, because most of the population are employees and if they do not take or are not given a share in investment, the whole thing will not work. It will just remain a paper programme, or else countries will fall more deeply into debt than before.

Hence my appeal to both employers and workers, because enthusiasm for participation as a form of remuneration is lukewarm on both sides. To say why would take us too far in this context, but we could just say that the quality of the reasons is poor for employers and workers alike. The only difference between them is in the way they point.

My third point is the situation on the manpower market. Mr van der Hek was right when he said that rationalization investment generally means fewer jobs. From the general economic viewpoint this, of course, is not correct, for the capital goods concerned have a wage component. The production of capital goods includes, to some extent, the earnings that would otherwise only be realized in consumption, in the production of consumer goods. There is nothing new in this. The French economist Fourastier has already predicted it for us. He even said that by the year 2000 — I believe — only 10 % of workers would be in the production sector and the great majority in the service firms. Does social legislation, trade union policy and employers' policy take any account of this at all ?

Does not everyone see — in the trade unions too — that the higher they push up gross wages — which they have a perfect right to do — the faster rationalization investment becomes economic. It is only because of the cost of wages that it becomes economic and this is the only reason forcing firms to make such investment which, afterwards, is bemoaned by those who may perhaps lose their jobs because of it. Have they lost their jobs because of investment or because of wage policy ? I leave you all to answer in the way you prefer : presumably a bit of one and a bit of the other.

This brings my comments to a close. I hope that they have provided some food for thought — as the saying goes — and that, as regards energy policy, we shall start to do something about producing alternative sources because, with nuclear energy alone (in which, I would like to say very clearly, I have faith) we will not stay the course. That is now plain. Planning, building and commissioning nuclear reactors takes 10 years, if we are lucky, and that brings us to 1986. The new energy crisis is likely to break in the early 80s. Let us hope it does, because if it does not, the only reason will be that recovery has come to a standstill.

But if recovery continues, a new crisis is inevitable and we ought almost to be hoping for it, because without recovery there is just no way out. We are therefore in a vicious circle and we must make every effort and wholly discard demagogics, abuse and petty party strife in order to extricate ourselves from this dreadful situation.

(Applause)

President. — I call Lord Ardwick.

Lord Ardwick. — Mr President, originally, I think, it was intended to debate this report with Mr Schwörer's report on the Commission's fourth medium-term policy document. By the fortunate accident of a lost quorum we do not have the medium-term report before us today. Now I say fortunate, because this medium-term report merits a single first-class debate. Some of us would like to go beyond the economic policies this advances and discuss them against the background of the real concrete industrial and sectoral problems that will have to be solved if the Commission's economic objectives are to be attained. I am thinking of the approach of Dr Burgbacher this afternoon. Some of us are indeed hoping that the Committee on Economic and Monetary Affairs, on which most of the participants in this debate sit, will be more occupied with these concrete problems during the next 12 months and less with those of economic theory. We shall be making a start on Monday with Mr Prescott's report on shipbuilding. I nevertheless welcome Mr Artzinger's report because for me it has a welcome note of hope at a time when so many pessimists have revealed themselves in the House this afternoon. Mr Normanton, who has usually got a kind of robust northern optimism, seems to be suffering from a kind of qualified despair in which apparently the good ship *Europa* is in danger of being wrecked on the Tower of Babel, and, of course, we have had the disillusionment of a kind of veteran European, Mr Spinelli.

Now the rapporteur, I find to my pleasure in this age of pessimism, does single out the signs which seem to point to a continued economic upturn, but after all he is realistic ; he also calls attention to the risks, which we have to accept, of the upturn being halted by lack of Community and international solidarity. He mentions too the risk — and it is a very real one — of Member States increasing the disparities between their cost and price increases during 1977. In other words, highly differentiated inflation rates would be a most unwelcome and threatening divergence at a time when we have come to realize more and more vividly that the Community cannot make progress towards its goals without convergence on the main economic objectives — the steady, persistent reduction of unemployment and inflation and the steady achievement of growth. Without such convergence, it is very difficult

Lord Ardwick

indeed, as we have seen, for the Community to develop. Economic and political union becomes more of a distant dream than ever, and even stage one of the journey — the creation of a currency target zone — remains impossible.

I think that each one of us could draw up a list of pluses and minuses, of hopes and fears, for his own country, as Mr Artzinger has done for the Community; even in the current problem-country of Britain there are some quite important pluses — consumption is flat, as it should be in a country with the kind of deficit that Britain has; there are some signs of growth and the pound is down to a level which, although it is lower than it ought to be economically, should at least give some opportunities for increased British exports. We know of course from hard past experience that it takes quite a time for industry to adjust itself to new export opportunities. But there are quite a lot of well-informed people in Britain who are not too pessimistic about the future, who believe that by 1978, with a mixture of conventional exports, plus oil exports, plus the savings of oil imports, Britain should have a positive balance on external account. Of course one of the conditions for success in Britain is the continuance of this remarkable, indeed unique, social contract, by which the unions voluntarily agree to keep their wage increases within most modest percentages in the light of the government's social and economic and trade union policies.

I think that this social contract will endure if Britain and the world continue to recognize its importance. Of course it could be undermined if Britain was obliged by outside pressures to follow urgent and harsh deflationary policies; it could be undermined if the British Government, under pressure of domestic political developments, found itself unable to keep its side of the contract. But perhaps the greatest danger comes at the moment from increased consumer prices made inevitable by the increased cost of essential imports occasioned by the fall in the value of the pound.

Yet I am still not a catastrophist and I believe in my brighter moments that Britain is on the way to recovery. I also welcome what I, rightly or wrongly, and quite differently from Mr Spinelli, feel is the resurgence of a vigorous spirit in the Community and a new determination to tackle problems which have afflicted us now for some years. I should think that this action that is now being taken with Japan is a sign of this new vigour. A year ago, as a newcomer to this Parliament, I felt that the Community was not sufficiently engaged on this vital question of unemployment. Perhaps, as a newcomer, I was missing the obvious signs, but my impression now is that there has been a change and I welcome particularly that the Commission gives top priority to full employment and has set a target of halving unemployment not later than 1980, because it will not be easy to do that.

But before then we shall be holding direct elections, and no blandishments of the professional agencies, no eloquence on the hustings, no election literature could be as effective as hard evidence given to the electors that this Community is one in which nine member countries bound in an intimate relationship are helping one another practically to solve the problems of economic growth and unemployment. I may say in passing that we can have useful bilateral contacts too. I welcome, in particular, a decision arising out of Mr Callaghan's visit to the President of France the other day for a joint investigation of the structural problems of our major industries. This could be fruitful, for we have all come to realize when we talk about the structural problem today, that we shall not achieve full employment again without radical structural change. This Anglo-French effort should perhaps be a contribution to a wider Community effort of the same kind.

Sometimes the aid that a member country receives in this difficult period will be in the form of a Community loan. An idea has been floated — and I was a little distressed to hear my colleague, Mr van der Hek, echoing it a little today — that such loans should be paid up tranche by tranche and held back if the borrower nation deviated from the broad policies of the Community. This idea has been quickly sunk in the Council of Ministers, and rightly. I only mention it because I think this is the wrong kind of action, an action destructive of the Community spirit and, it could be, of the respect of citizens for the Community. This is not the way you make a loan to a brother who has fallen on hard times. It is the kind of thing you might do to a bankrupt and dissolute distant cousin. Nor can I image a Community country deviating from agreed policies except under ineluctable external pressure. Of course all loans have to be on terms, and I am not going to indulge in special pleading when I come to terms, because if and when Britain comes to the Community, it will already have gone through the problems with the IMF, and I cannot believe that the Community would wish to be more rigorous than the IMF usually is. No, what I am suggesting is that as a general principle, the Community should recognize that too quick a return to strict financial rectitude — too quick a return — could play havoc with the political stability of a borrowing country. In conclusion, the Community must encourage policies which are aimed at its central goal of economic convergence; an insistence on policies which inhibited growth and which increased unemployment would lead to greater divergence and would create disillusionment with the Community, and must be avoided at all costs.

(Applause)

President. — I call Mr Lenihan.

Mr Lenihan. — Mr President, while I am by nature an optimist and, to that extent I go along with Mr Haferkamp's report on the economic situation within the Community, one cannot escape the basic fact of the matter, particularly within the Community, that we do have inflation, ranging in some member countries up to 19% p.a., and we do have very serious unemployment which is causing social tensions that could give rise to very serious political situations, particularly as far as our young people are concerned.

Now what should be our priorities in this sort of situation? I would suggest that an essential pre-condition must be the establishment of monetary order within the Community and, indeed, of international monetary order through out the world. There must be, here within the Community, real efforts to establish a stable exchange-rate relationship between the currencies of the nine Member States. This involves the retention of the present exchange-rate agreement between five of the Member States and the extension of this policy to the remaining four, with a view to ensuring the gradual regrouping of all Community currencies within the Snake. In my view, that is an essential disciplinary pre-condition to any progress as far as ordering economic improvement and social improvement are concerned. Also, we must ensure that there is an improvement in the operation and the organization of the capital market so as to achieve effective liberalization of capital movements within the Community.

A European monetary policy may seem distant, but we must strive for it because this is the basic pre-condition, in my view, before any progress can be made. As a single entity we must develop the capacity, bearing in mind the growing interdependence of all our economies, to organize a fairer distribution of wealth. But, as our colleague, Tom Normanton, said, the creation of wealth must come as a pre-condition to the redistribution of wealth; we must make the cake bigger and then redistribute it equitably. In my view there is no answer to that in terms of common sense and in terms of '1 and 1 make 2'.

The absence of monetary discipline within the Community at the moment is threatening the fabric of the most solid achievement of this Community, the Common Agricultural Policy. We cannot afford — and I am going to say this in all friendship to my United Kingdom colleagues — we just cannot afford as a Community to subsidize British food at consumer level to the extent that we are doing as a Community at the moment. The facts are that £500 million a year is the round figure that the Community is being burdened with as a result of the disharmony between sterling and the Community currency situation as a whole, and vis-à-vis the operation of the Common Agricultural Policy itself. These are facts that cannot be gainsaid; this Community is paying the British

consumer as a whole £500 million a year in this area because of the total disorientation of the monetary compensation payments resulting from the currency disorientation I have just spoken about. Indeed, the British Government might think in terms of self-discipline at home not, as Lord Ardwick was saying, just talking on the basis of charity. Basically the remedies that need to be applied are not remedies at Community level but remedies at national government level.

The fundamental target must be — and this should appeal to every social-thinking person in this House from left to right — a policy of full employment. How do you go about that? I suggest you go about achieving full employment on certain principles; first of all, on a principle of sustained effort by both sides of industry to take into account the overall economic and social constraints that are involved in their attitude to incomes, in other words to ensure that there is discipline on both sides in this area, that, in itself, will ensure a climate for further investment.

The next point that I would like to make — and again it needs to be said that it applies from left to right — is that if we want to deal with the crippling unemployment that exists in our Community and the accompanying stagflation, then we must aim for growth, and we can only achieve growth by more investment, and we can only achieve investment by incentive, and the best incentive that is available is profit ...

(Applause)

... Every State from left to right throughout the world engages in some form of incentive to ensure that there is growth. There is a whole range of incentives existing in the USSR, throughout all the COMECON countries and in China: in every country at the present time and throughout history, some form of incentive has existed to help and encourage people to work and to invest. The most effective system of incentive — and I put it purely on the basis of incentive and nothing else — is profit. The most effective way known yet to mankind to encourage investment and lead to growth is profit, and we should get rid of the idea of profit as being some capitalistic notion that we whip around if we have got socialistic ideas and leanings. We must think of profit as a calculated form of incentive — and the most well-tried and effective incentive — and realize that we have at the moment to ensure that there is work and investment leading to growth. I want to emphasize that, because unless there is that type of incentive approach, then we are not going to get the investment needed for growth in the future.

Now we come to tax systems, and ideally a tax system should ensure that profit retention on the part of companies and on the part of industry is encouraged. If we have tax incentives within our Community geared to productivity at worker level, at investor level,

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at corporate level and at management level then we are talking sense in regard to getting the economies of our Member States moving. In fact we must devise methods to stimulate production, to build up economies and to ensure that the potential for adaptation and development can be maintained and expanded. This is what it is all about, namely ensuring that money is left with people who know what to do with it, to ensure that the necessary adaptation and development take place. Again I would say that many members of parties on the other side of the House would agree with me here.

I feel there should be a really forward-looking employment policy in order to achieve a better balance between labour supply and demand, and this involves radical change in the educational systems in our various Member States. Changes in the educational systems will ensure that education is geared to the potentialities of the Community and to the potential economic development of each Member State in the Community. I would be entirely left-wing or socialistic in regard to ensuring that the whole educational system of each member country should be geared towards the employment opportunities within that member country and within the Community as a whole. That is where the priority should be, rather than in activities that do not encourage investment, do not encourage growth and do not encourage channelling employment in the right direction.

I would also strongly urge that whatever growth is developed along the lines I have suggested must be balanced between the different regions of the Community. This again makes good sense both for the central areas of the Community and the peripheral areas of the Community, because it makes good sense to have balanced development throughout the Community and if, through the measures that I have mentioned, there are growth areas in the Community, then it makes good sense from their point of view, in building up their markets, to ensure that there is a transfer of resources to the less developed regions.

Indeed it makes good economic sense, quite apart from good social sense, to ensure that we redress the balance between the prosperous and poorer regions of the Community.

I would like to say again here that I totally disagree with the notion advanced here by Lord Ardwick that a Member State should be allowed in any way what you might call a soft option. In my considered view the proper approach is for member countries to observe a Community discipline in regard to their monetary management and in regard to their economic policy. Indeed this Parliament could take a stronger view in support of a strong Commission, and in support of a strong Council of Ministers, in ensuring that Member States observe the disciplines required to coordinate overall Community policy in this area towards legiti-

mate economic and social objectives, rather than towards merely a hand-out approach which does no good, no credit and offers no future for any person, firm or country involved in that type of operation.

Mr President, I would like to say in conclusion that in particular Member countries, as well as in the Community as a whole — and the Community and the Commission tend to be at times the whipping-boy in this respect — I believe the real answer lies in political will. We must show our willingness to come to grips with inflation and to bring home the message to the public in our member countries of the importance of doing it, rather than raising false expectations, rather than conning our electors at home. We must tell them that there is a serious challenge on hand and show some real democratic leadership in our Member States, because unless this is done we will not show that we are capable of having a free and developing society, and we will be challenged by the representatives of a Marxist society that does not have the freedoms that we possess. We would like to achieve a society in which we have the freedoms which we cherish and at the same time show our capacity for leadership and economic development.

(Applause)

President. — I call Sir Brandon Rhys Williams.

Sir Brandon Rhys Williams. — Mr President, I am sorry that Mr Artzinger is not with us this evening because I would have liked to have congratulated him on his report. But I wish to take him up on his very first sentence, where he says 'The European Parliament hopes that the economic upturn will continue'. 'Hopes'! What an extraordinarily feeble and nervous word we have to use 20 years after the Treaty of Rome. We are still not in command of our own economic destiny. We really have to ask ourselves in the light of events, particularly in the currency markets in the last few weeks, whether we are an economic Community at all or just a group of self-seeking democracies. Yes, we are an Economic Community. We have established virtually free trade and we have made a start with building up effective collective institutions. But we are also still — I am sorry to say — a group of democracies to enrich themselves at each other's expense. One could point to Britain staking out its claim to North Sea oil and gas when barely able to defend them; or to Germany — and I do not want my German friends to take amiss what I am about to say — Germany's policy in regard to the value of the mark, which is not a good neighbour policy. We see Germany's enormous favourable balance of trade continuing in its dealings with the remainder of the Community. We have to look back to the European Payments Union, which foundered in the end because Germany scooped the pool; and now we have to think of the future of the Economic

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Community itself, if we cannot right the balance of trade between Germany and the rest of the Member States. The Economic Community itself will be in danger if the mark is not revalued.

We have no need to slide into chaos; but we do need effective leadership as a Community. At the moment we are not getting it. We are drawing apart and distrusting each other and lecturing each other — but not working together. The European Community is a system in evolution. To make our present transitional economy work, we must strive for unity in diversity. We need a transitional monetary constitution.

Why do we want unity? Because without it we cannot have rational investment or make the optimum use of our human resources. At the moment we have no capital market for the Community and we have more than 5 million unemployed. Why do we need diversity? It is because we have to recognize the fact that we are still nine separate autonomous democracies. Our banker friends must learn that it is no good dictating to governments and instructing them that they have to take measures which their votes will not support. Governments which follow the dictates of bankers in those circumstances will simply, fall and the bankers will be left without the prize that they have aimed at. Governments cannot do the impossible. But that does not mean that our future as a Community is bleak. What we have to learn to do is to make a multi-currency system work. This is a perfectly possible target; but we must concentrate on solving the problems. At the moment we have the snake and we have the non-snake countries. This, to my view, is a disastrous and completely unnecessary split. In the heyday of Benelux the existence of the system did not divide the Community — it strengthened it. The Benelux countries did not insist that all the other Member States should join Benelux but they followed their own rules and they achieved harmony among themselves — and good luck to them. The same applies to the snake. The snake can strengthen the European Community, but it must not insist on all the other members joining before they are ready or able to do so.

We should be seeking to evolve a European monetary constitution which all Member States can accept. I am convinced that that is easily within our grasp. And moreover, I would like the European currency system to be one which the countries that constitute what one might call outer Western Europe can also join — Norway, Sweden, Switzerland, Austria and in due course Greece, Spain and Portugal as well. And I go beyond that. I would like the European monetary formula — the monetary pact, the good neighbours policy — to be one to which Eastern European countries in due course can belong as well.

If we agree that adjustments in currencies are inevitable then we have to find some other continuing

measure of value. Do we choose one of the Member States' currencies? It might be the German mark. I do not think that would be advisable. Or do we use a basket of Euro-currencies — such as the new unit of account? That has certain attractions, but I still have an innate mistrust of the paper currencies. Do we use the dollar? That currency is growing in strength again and certainly dominates world trade. Or do we use some world basket of currencies like the SDR? I would myself prefer that we should look beyond the paper currencies altogether to a permanent reference point, to a monetary north star for the whole convoy of European economies. In the 19th century we used gold. The disadvantages of that are well known. I have suggested that we might consider some sort of cost of living index, for that at any rate would bring us back again to the realities of the market place month by month. Or we might go a little further and take some index like the marginal cost of energy. If we are soon to have British Government stock issued on some sort of index, we may before long have British Energy 3 %s and the marginal cost of energy might be the index that is used. Or we could use some other generally acceptable measure of value. It is not impossible to devise a pact whereby our relationships can become harmonious and continuing. I know that these are technical questions and I do not want to go into them further now, but they are technical questions which have to be resolved — or 20 years hence we shall still be 'hoping' that the economic upturn will continue. We still will not be in charge of our economic destiny.

I have two conclusions for our future policy. First, the Commission must concentrate on producing some sort of *Europa*, an alternative currency beyond the pressures of political, social or technological change.

Not just a measure of value for Europe, but a store of value eventually for the world.

Secondly, we must continue with the evolution of responsible central institutions. The European Investment Bank has a big destiny and needs encouragement; and of course the European Monetary Fund has been established but still has not staff or reserves. We need to think in terms of the joint use of our reserves for the stability of the whole system. The European Community could become a haven of commonsense and order, strengthening the world economic system.

What are our conclusions for long-term policy? We see the OPEC countries meeting shortly — possibly going to make an increase of 10 % (perhaps more) in the price of oil. We see world population growth — not as frightening as was estimated just a few years ago but still ultra-rapid. We see the growing political awareness of the Fourth World. These are, all of them, bringing to us the same message: output, more output, and more specialized production of goods.

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From that we have to draw our conclusions not to cut back and restrict our economies for the sake of monetary stability but to go for more investment, wiser investment and full employment of our human resources. Where the tragic unemployment problem is concerned, we must not think only in terms of the will to work or the facilities for work; we have to think in terms of the skill of the European population as well. That means career-planning, retraining, mobility of labour, as national and Community policies. We are never going to get beyond this 'hope' that the economic upturn will continue until we take our destiny in our own hands.

We need confidence. We must establish continuity. We must build the unity of the Community. But these things will not grow of themselves. We shall only achieve these essential pre-conditions for economic strength through an act of will, our own European will. I am glad that Mr Haferkamp is listening to me now. I would like to say this particularly to him. The Commission has never had greater, more urgent, responsibility than now.

(Applause)

President. — I call Mr Prescott.

Mr Prescott. — Mr President, I think this debate has rather reflected a general criticism I would make of the debates on economic policy in this House over a number of years. In dealing with major economic strategy, we somehow delude ourselves into believing — even more so than the Commission — that by making recommendations here in a debate, or supporting the Commission in attempting to introduce into our economic order the sort of policy that is advocated by certain parties — for example, the idea that the only thing we need is some kind of discipline, some kind of leadership, and all matters of economic policy will be alright; or a return to the 18th and 19th century *laissez-faire* philosophy; or, indeed, the critique that has been made by Mr Spinelli, who unfortunately isn't here, but, who spent some time in attempting to develop those policies in the Commission but has really made a critique of the present situation without giving us any clear idea as to the sort of road we should follow.

I am bound to say that there is no blueprint that one can immediately bring to this debate and say that this is the policy that I think can positively be pursued in order to achieve those economic objectives which are laid down, both in the report, and in Mr Artzinger's report and Mr Haferkamp's introduction — namely that the purpose of our economic activity, as highlighted here in the reports and by some speakers in the debate, is to achieve full employment in the Community. If that is the purpose of our debate and policies, then I am bound to point out that it would seem from the report that if we are to achieve the

target of full employment by 1980, that means that we must produce one million extra jobs per year from now until 1980, while the report points out that the working population itself will continue to increase at a faster rate than we witnessed in the past. That means that the problem will compound itself and the objective will be extremely difficult to achieve.

But whatever success we do achieve in that field will clearly depend on the influence we are able to have on the economic correlation between employment, unemployment and the degree and quantity and quality of investment. The Commission made clear in their report — and Mr Artzinger confirms this approach — that one has somehow to influence the climate in our Community in order to achieve an increase in the rate of investment, which in itself will bring about increasing rates of growth, and with that more employment and the reduction of unemployment.

I am bound to say that when Mr Haferkamp introduced this report, I got the impression that he was becoming convinced that this whole delicate balance was faltering. Nor do we know what is going to happen in the next 12 or 18 months. The upsurge in things that we hoped would come about seems at this present stage to be faltering, and the one thing that could contribute a deadly blow to the faltering confidence of the moment is what may well happen to oil prices. It is true that if the oil prices go up by 1 %, or 10 %, or 15 %, that will have a considerable effect upon our economies. That in itself cannot be denied. But I think we would lose sight of the proper analysis of the problem if we believed that the thing to do was to put pressure on the Arabs about oil prices and not look at what has happened in our economies in the last two decades — in all our economies, both those that are considered to be successful by the yardstick being used at the moment, such as the German economy, and those that are considered to be in the doghouse and less successful, such as my own. But in those countries — and in the 22 countries, as I have said before, in a survey done by the OECD — what has been true of all of them, through all the levels of the cycle of economic development, is that the level of inflation continues to increase, the levels of unemployment are always higher at each stage in the development of the cycle, the level of investment is lower, growth is lower and the balance of payments deficits increase. Those are the facts that we are faced with: whatever the cause, these are the facts we have to deal with in every one of our countries. Added to that are the special problems of the currency fluctuations, the higher interest rates, and the particular problem of floating exchange rates and sterling and the sterling balances, which add a special dimension to the problem now, not only in the Community, but internationally.

Prescott

I might say that we are sick and fed up of being burdened with sterling balances — more than you might think in respect of the British economy. The sterling balances have forced us to cut our own throat every time we have advanced to do the things that you do, and we are sick and tired of having them round our necks. They are one of the things left over from Britain's colonial past. They might have been very welcome and rewarding to us in those contexts, but they give a penalty to Britain now, and I put it to you, a penalty to the Community also, because the consequences for Britain are also the consequences for the Community. That is an inevitable fact of life.

The point that we are trying to debate here — and it is the important point, I think, to bear in mind, is: how do we progress in reducing unemployment? If one is to act on the level of investment, how does one affect that climate? The report states that since 1973 prices have been rising by between 8 % and 10 %, as Mr Haferkamp also pointed out, that investment is now faltering yet again, that the Community is experiencing considerable deficits on its balance of payments. So it would appear that the miserable trend of the past two decades continues. The question is: how, in this kind of gloom and doom, can we find some policy to change that?

It seems to me that I cannot present a policy if you pursue this line. I can give you my views on what I think we should do. I am not sure that would solve anything. I could put them to the vote — and undoubtedly I would lose in this august Assembly. But it does not serve any purpose for me to advocate like the priest with the Bible, telling you that doom will come as inevitably as I believe it. What I think this Assembly can teach us to do more effectively is, instead of concerning ourselves with the great strategy of policy, to look much more fundamentally at different sorts of problems in more detail, rather than each year saying: well, this month it's the economic report, in two months' time it will be the competition report, in another two months' time it will be the budget report! If you read the debates of this Assembly, you will see almost the same prejudices and views of each and every one of us respected in every debate.

What I hope that we might consider is a new change in international order affecting the concepts of efficiency and private competition. These are no longer the predominating things in the conditions of trade between nations. I would like to finish on this point now, in view of the time, though I hope very soon, in a month or two, to come back here to expound in a much more specific sense the sort of policy I think we could pursue. For example, it is not lack of efficiency that denies us ship orders to Japan or ballbearings to Japan, or orders to some of the Third World — but the fact that we need a new and different international economic order.

And if we were to study in more detail one specific industry — and I have a report to give to my own committee on Monday which attempts to do this, which suggests we look at one industry and spend some time looking at it — we will learn more about investment problems, more about liquidity, more about the new international order, and perhaps we may understand some of the forces that explain why you are not able to implement the kind of economic and monetary order which is required by Mr Spinelli's proposals. That might at least give us a better understanding of the nature and the detail of the problems that national governments have to face when leadership is given by the Commission to the effect that you should all do A, B, C and D, and we all give reasons why not, as in the case of the tachograph, shipbuilding, and so on. I think it is about time that this House spent more time, through its committees and in these debates, looking at specific industrial problems and fitting them into the overall relationships of economic policy.

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission. — (D) Mr President, in view of the late hour I shall be very brief and limit myself, in the main, to the question that have been put to me, although it would be tempting to go further into a number of problems, but this will certainly not be the last opportunity for doing so.

The Chairman of the Committee on Economic and Monetary Affairs put a number of questions, certain of which were along the same lines as Mr Prescott's comments. The Chairman asked: would it not be useful when investigating or discussing structural unemployment to consider measures for the individual sectors as well, such as shipbuilding, air transport, the steel industry and so on? In my view it would be very important to do both — first to discuss general policy and what we are trying to do in the report on the economic situation, namely to reach a consensus on the main lines and to agree on certain decisive national economic instruments and give guidelines, and secondly to transpose all this to sectoral and regional structural policy.

The Commission will be glad to cooperate if this House goes ahead with this combination of general and specific policy. We shall naturally do everything we can to help, and responsibility for these questions lies with the same committee as general economic questions. I believe that we shall be having this discussion on a concrete, effective and rapid procedure for carrying out this task in the very near future.

The Chairman of the Committee on Economic and Monetary Affairs also asked about the instruments with which the Community would be able to help the

Haferkamp

Member States. I do not see the question in relation to the Social Fund or the Regional Fund or other special mechanisms of specific policies but more as the problem of financial or monetary aid through other instruments, for example short-term monetary support, medium-term monetary support and Community loans, and the question concerned Parliament's involvement in the use of these facilities. The first thing I would like to say here is that these instruments mainly operate in collaboration with the central banks and to that extent also come within the same field of operations as those in the Member States with regard to the policy of the central banks, so that the framework and possibilities of cooperation in these questions of the involvement of the committee responsible (for example) would mainly lie in the area of the terms and conditions of economic policy. That would be something that we could clarify in a discussion with the committee, in which procedural questions would certainly also play their part. You would certainly agree with me, here and in your national parliaments too, that it would be wrong to deal publicly with monetary and certain other questions. We must therefore define a suitable procedure and in this you may count on the full cooperation of the Commission.

Mr Schwörer asked what the situation was as regards export credits, export financing and export insurance. You know that the Commission already regrets that, in this field, the finance ministers in all countries are in fact competing with each other and outdoing each other in generosity. Work has been going on for a long time on a regulation covering terms of interest, loan periods and other questions concerning export credits that would include not only the Member States of the Community but also other countries — other industrial nations — with whom we are in competition in this respect. Certain agreements were reached which — the Commission has expressed its regret at this — have not been incorporated in the Community procedures to the necessary extent. The Commission is in the process of bringing these things into the Community framework. It has, in principle, decided — and will in fact do so — that if this is not achieved very shortly, it will make use of the treaty violation procedure under Article 169. I believe that there are still opportunities this year to introduce regulations that will take us a major step forward in bringing this reciprocal competition to an end.

There are just two more comments I would like to make. The first is to Mr Normanton who stressed, in connection with the formation of wealth, that it is particularly important to place the accent on wealth creation and not so much on its distribution. I attach particular importance to questions of wealth creation and the participation of workers in decisions affecting the economic process, particularly in a situation in which we expect workers and trade unions to display a sense of moderation.

Mr Schwörer has said that I have made clear elsewhere — at the Tripartite Conference in particular — that this process will only succeed if things are done fairly and if the burdens are fairly shared. So it is a question not only of creating wealth but also of how the wealth that is created is distributed in the future. I know that there are very many problems but we cannot afford to say now that we want moderation in consumption and more investment in the service of growth without bothering about who benefits from it and who comes into possession. This must be clearly understood — and I say this because I am convinced that Mr Normanton sees this in the same way as I do, only I would be grateful if he would confirm it.

We have to be agreed that this would be unfair and that precisely on this point we must make sure that justice is done otherwise the policy will fail.

I have picked this out purely as an illustration in order to show the basic need for us to start on a really balanced policy. This is the only way we can succeed, as Mr Prescott has said with great clarity.

In my view, this kind of consideration and also the discussion in this House shows that we can exercise some influence even though, unfortunately, we do not have the plenary powers that Mr Spinelli would like the Community to have. He also complained of the absence of proposals which, at bottom, raise fundamental questions regarding the constitution of this Community. Today, however, we are discussing a report on the economic situation and I am quite sure that this House will raise these problems, in other circumstances, in the same way that Mr Spinelli has. This has in fact already happened in the earlier debates on the Tindemans report. It will surely happen again and unfortunately, Mr Spinelli, the answers are not going to be found overnight. It is clear that Community policy is uphill work whatever bench in the House you are sitting on.

Regarding the fact that we give recommendations to Member States I would still add that we do not just leave it to them. We do leave it to you to some extent when we ask for certain data and unpopular policies and invite you, if you approve this policy and these guidelines in Parliament, as I hope you will, to make every effort in your national parliaments to see they are implemented. I know this is not the master solution we would all like but we can, each time, make a small contribution towards progress in Europe.

(Applause)

President. — I call Mr Notenboom.

Mr Notenboom, deputy rapporteur. — *(NL)* Mr President, I am sure that at this late hour you do not want a résumé of the whole debate and there are still amendments to be dealt with. I would like to thank Mr Haferkamp for his statement at the beginning of our debate and for the answers he has given us. May I

Notenboom

also thank all those who have taken part in the debate, both on behalf of their groups and on their own behalf.

Having heard Mr Haferkamp's statement, I am under the impression that the situation is even more alarming than we thought. For people who are striving to achieve European unification, this can only constitute an even greater incentive to increase our efforts, be more critical, more insistent in our demands on Member States to assume their responsibilities, particularly when it becomes apparent that national interests prevail repeatedly over Community interests and over the willingness to do what is proposed or demanded in this House. I wanted to say the same to Mr Spinelli. Our report makes it clear that although a number of directives are binding, they are rarely respected as they should be. The reason for this is probably the fact that a European decision-making centre with real powers still does not exist.

Mr Haferkamp asked whether the European Parliament would join him in demanding better statistics on the causes of unemployment. Surely, Mr Haferkamp, you would not have us change the resolution now. At this late hour and from a technical point of view it would be extremely difficult. But since your request concerns above all a structural matter, I am convinced that Mr Schwörer, who will be submitting to us his report in a few weeks' time, will take your remarks into account, thus enabling us to combine our efforts in this direction. We agree with you that this is a matter of the greatest importance.

Mr President, I shall resist the temptation to comment on the many other interesting remarks which have been made. I wish to thank everyone for their contribution to this debate and would ask you now to put the motion for a resolution, paragraph by paragraph, and the amendments to the vote.

President. — We shall now consider the motion for a resolution.

I put the preamble and paragraphs 1 to 6 to the vote.

The preamble and paragraphs 1 to 6 are adopted.

After paragraph 6, I have Amendment No 1, tabled by Mr Nyborg on behalf of the Group of European Progressive Democrats, proposing the insertion of a new paragraph 6a after paragraph 6:

'6a. In view of the competition from third-country industries on the world market, draws attention to the need to slow down the rise in costs;'

I call Mr Nyborg.

Mr Nyborg. — (DK) Mr President, Mr Artzinger's report deals only marginally with the problems of slowing down the rise in costs. We therefore feel it is essential to table an amendment since the slowing down of the rise in costs is of vital importance to the Community's ability to compete with third-country industries on the world market. When I brought the

problem up at the last meeting of the Committee on Economic and Monetary Affairs, my amendment was not supported, *inter alia*, because Mr Artzinger and Mr Lange felt it was not necessary to draw attention to this aspect of the Community's economic policy. This may however be a particularly German view since Germany, unlike most of the other Member States, is not so affected by this problem. Mr Schwörer's report on the medium-term economic policy, which presumably will be discussed at the next part-session, is somewhat more clear about slowing down the rise in costs but still does not relate to competition on the world market. I therefore propose on behalf of my Group that we add a paragraph 6a which I recommend that you adopt.

President. — What is Mr Notenboom's position?

Mr Notenboom, deputy rapporteur. — (NL) Mr President, it seems to me that what Mr Nyborg is proposing is already contained in the report. He is not introducing anything new which the committee has not already put forward; he wishes merely to emphasize and amplify a point which has already been made. I do not believe that Mr Artzinger would have any objections to this. The committee certainly does not object. If other Members feel that such an addition is necessary, they must vote in favour of it. And if they should vote against, it does not necessarily mean that they disagree with Mr Nyborg's intentions. My attitude towards the amendment is neutral. In principle I do not object to it, even though the report does already stress this particular point.

President. — I call Mr Prescott.

Mr Prescott. — Mr President, I want to make clear that of course what this amendment does is to make almost impossible the general economic level we understand, either in the report or in this Community. I refer Members to the amendment itself, which says: 'In view of the competition from third-country industries on the world market, draws attention to the need to slow down the rise in costs'.

As the rapporteur has said, this does make it clear that it is a matter of costs in regard to wage negotiations — something which I have particularly severe disagreements about. To accept this amendment would almost take logic to the extreme — so that in matters, for example, of shipbuilding and ball-bearings, which we have been debating this week, if we were attempting to compete with some of the Third World countries by somehow trying to get the labour costs enjoyed in their countries, the consequence would be that our rate of wage increases here would be held down to that sort of level.

I'm bound to say to the rapporteur, when he mentioned Germany as an example, that Germany is complaining at the moment of the Third World coun-

Prescott

tries' competition in shipbuilding, which is undermining their most efficient yards. Therefore I think The Socialist Group would vote against the amendment.

President. — I put Amendment No 1 to the vote. The amendment is rejected.

I put paragraphs 7 and 8 to the vote.

Paragraphs 7 and 8 are adopted.

On paragraph 9, I have Amendment No 2, tabled by Sir Brandon Rhys Williams, seeking to replace the word *restricting* by the word *controlling*.

I call Sir Brandon Rhys Williams.

Sir Brandon Rhys Williams. — Mr President, I am not seeking to embark on a debate on the whole issue of the importance of money supply, though I am glad to have the opportunity of saying that I, personally, am not one of the people that would wish to depend wholly on control of the money supply as a way of combating inflation.

The reason why I sought to make this amendment is because paragraph 9 as it stand is incompatible with the second half of paragraph 5 at the top of the same page. In paragraph 5 we are endorsing the Commission's proposal not to restrain the increasing expansion in domestic demand in certain member countries. In paragraph 9, at any rate as the words appear in the English text, we welcome the Commission's proposal for 'restricting' the money supply in 'each' Member State. Because it is such a glaringly obvious contrast, I think it must be that the word 'restricting' merely appears in the English text and that the word 'controlling' must be what the author means.

I would like therefore to move this amendment, and I hope my colleagues will see the intention behind my suggestion.

President. — What is Mr Notenboom's position?

Mr Notenboom, deputy rapporteur. — (NL) Mr President, both are correct. The report welcomes the fact that as from this year the Commission has started giving liquidity percentages. This is certainly something to be welcomed. But where these percentages are given, they have a restrictive character in view of the high risk of inflation. This is why the report welcomes the Commission's proposals for restricting the money supply in each Member State. This is a step further than merely welcoming the fact that the money supply can be more or less controlled if the percentages are respected. I would therefore urge that Mr Artzinger's text, which is in fact stronger, be retained, and request Parliament to reject this amendment.

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

I put paragraphs 10 to 16 to the vote.

Paragraphs 10 to 16 are adopted.

After paragraph 16, I have Amendment No 3, tabled by Mr Normanton, proposing the insertion of a new paragraph 16a :

'16a. Further calls upon the Community Institutions to extend the conciliation procedure to all European Parliament opinions on short- and medium-term economic policy where the Council intends to depart from the opinion adopted by the European Parliament;'

I call Mr Normanton.

Mr Normanton. — I can do no better than repeat one sentence from my previous contribution to this debate. On budgetary matters we have adopted a procedure which we call concertation, or conciliation, to achieve a higher degree of agreement. Budgetary matters relate to the spending of wealth. And to my mind, it is much more logical and much more reasonable that we should seek agreement on the basic concept of finding policies for the creation of wealth. This amendment in fact is in pursuance of that aim and I firmly think we are getting our priorities right if we include it in the Artzinger report.

President. — What is Mr Notenboom's position?

Mr Notenboom, deputy rapporteur. — (NL) Mr President, in principle I have no objections. Why should the conciliation procedure not be applied to these problems in the event of disagreement between the Council and Parliament? Incidentally, I wish to point out to those reading the German text that what is meant here is the *'Konzertierungsverfahren'*. The German text contains only the word *'Verfahren'*, and the word *'concertatie'* has not been translated. What is meant here is the official conciliation procedure instituted by us to be applied in the event of disagreement between the Council and Parliament, a procedure which is applied in particular during consideration of the budget. And now certain Members would like to see this official procedure applied also to these problems. I have already told Mr Normanton that in principle there are no objections to this. But the committee has in fact already discussed this matter and came to the conclusion that this proposal would devalue the conciliation procedure, which we are still in the process of experimenting. If we say yes now, there is nothing to stop another committee raising a different point of contention between Parliament and the Council next week and suggesting that the conciliation procedure be applied, and we would soon end up with a multitude of conciliation procedures. In view of the time pressure to which Parliament and the Council are always subject, I feel, and so do many of my colleagues on our committee, that this can only devalue a procedure which is still at the experimental stage. It is for these reasons and not for reasons of principle that the Committee on Economic and Monetary Affairs considers what Mr Normanton suggests inadvisable.

Notenboom

I would regret having to vote against Mr Normanton's proposal because I am in principle in favour of it. This is why I would ask him to withdraw his amendment and submit it again at a later stage when we will all be able to support it. Our views do not differ, and it would be a pity if a perfectly unnecessary difference of opinion were to arise in Parliament for practical reasons. I therefore appeal to Mr Normanton to set aside his amendment and reserve it for a later stage.

President. — I call Mr Normanton.

Mr Normanton. — Quite frankly I must say with some reluctance — because I know how Mr Notenboom and Mr Artzinger feel — I do not believe I ought to withdraw this amendment. It is to my mind logical that if we accept that the conciliation procedure on budgetary spending is right, then it is equally right to adopt a similar procedure for the establishment of economic policies.

President. — I put Amendment No 3 to the vote. Amendment No 3 is rejected.

I put paragraph 17 to the vote.

Paragraph 17 is adopted.

On paragraph 18, I have Amendment No 4, tabled by Sir Peter Kirk on behalf of the European Conservative Group, seeking to delete the words *and the text of the oral explanatory statement*.

I call Sir Brandon Rhys Williams.

Sir Brandon Rhys Williams. — This amendment concerns a purely procedural point. It is not tabled with a view to disagreeing with anything that Mr Artzinger included in his report or that Mr Notenboom told us this afternoon. But we feel that it would be undesirable if this practice of forwarding the text of oral statements were adopted and so grew into an established custom. We do not disagree with Mr Notenboom's introduction, as I am sure we have made sufficiently clear. But the Committee on Economic and Monetary Affairs has not, in fact, had the opportunity of studying what he said and Parliament this afternoon has obviously had little chance for reflection on it, not having had the written text, I feel, and I think that my group feels, that Parliament would cheapen itself if it were thought that it sought to place undue emphasis on reports which were not mature expressions of view. I hope that colleagues in all parts of the House will agree that it would be dangerous if we allowed this precedent to grow into an established custom.

President. — I call Mr Notenboom.

Mr Notenboom, deputy rapporteur. — (NL) Mr President, here again I have no objections in principle, and if I were inclined to be modest, which I would very much like to be, I would simply say: 'My words

need not be transmitted to all Member States.' However, the question is not what I should like to do, the question is one of procedure. I wish to point out that this is by no means an innovation. What is being proposed here has in fact been done on several occasions in the case of resolutions to which it was felt the Member States' attention should be drawn. The same thing occurred in the case of the report on the tripartite conference, paragraph 18 of the resolution of 17 June 1976; the annual report on the economic situation, paragraph 11 of the resolution of 13 November 1975, and paragraph 13 of the resolution of 13 March 1975 on the economic situation in the Community: three reports all dealing with the economic situation in 1976 and 1975. This enumeration is merely to remind you that nothing new is being proposed here. I won't dispute the matter either way, Mr President, but we are merely pursuing our tradition of delivering an oral explanatory statement where it was not possible to prepare a written one. You will have observed, Mr President, that I deliberately kept my oral explanatory statement very short and expressed virtually no personal views. I did this because I wished the paragraphs to speak clearly for themselves in the hope that they would as a result be adopted. I will, however, willingly defer to my colleagues as regards this amendment.

President. — Before I put this amendment to the vote, I think that I ought to make a point on this. I am worried about the position that arises under this paragraph. I appreciate that, as Mr Notenboom has said, this circulation of oral statements has been done in the past — not often, but it has been done. But I think I ought to make clear to Members my view that the circulation of a document which has not been approved either in plenary session or in committee is bad practice and in my personal view it ought not to be done.

I put Amendment No 4 to the vote.

Amendment No 4 is adopted.

I put paragraph 18, thus amended, to the vote.

Paragraph 18, thus amended, is adopted.

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

The resolution is adopted.

8. *Recommendation on unemployment among young people*

President. — The next item is a report (Doc. 398/76) by Mr Walkhoff on behalf of the Committee on Social Affairs, Employment and Education,

on the proposal from the Commission to the Member States on vocational preparation for young people who are unemployed or threatened by unemployment.

I call Mr Walkhoff.

Mr Walkhoff, rapporteur. — (D) Mr President, ladies and gentlemen, unemployment among the young, which the Commission's recommendations are aimed at reducing, is part and parcel of general unemployment. In the main it has the same causes as unemployment itself although I do not underestimate the specific reasons for unemployment among the young, for example the entry of generations from high birth-rate years into active life.

Unemployment, as we all know, is the consequence of our economic system and arises on a particularly vast scale in that phase of the crisis cycle when excessive rates of inflation are combatted by a reduction in public investment or by a policy of high interest rates. But neither can it be completely eradicated in the opposite phase when economic recession has to be dealt with by promoting and encouraging investment. In this context I cannot put forward proposed solutions for discussion aimed at removing the causes of unemployment. I have made this preliminary remark purely because, in my view, all specific and individual measures should always be framed in awareness of the overall problem and because I would warn against your setting too high the hopes that might be attached to the Commission's proposals. On the basis of the Commission's draft recommendation we can discuss only short-term measures whose object is some reduction in unemployment among the young and better integration of young people into the working process.

I agree with the Commission that we should primarily concentrate our attention on the hardest hit among the young, namely those with a poor education and no vocational training; in most cases these two disadvantages are found in combination. Perhaps it is difficult for us to put ourselves in the place of these young people for whom the prospect could be lifelong unemployment or casual work and who have no chance right from the start. Perhaps we fail to realize sufficiently the consequences and burdens this means for society as a whole.

The Commission has recognized this problem and made proposals — though they may be limited — for its solution and for this it should be thanked.

However, in the Commission's paper, I do not find an adequately differentiated definition of the vocational training measures paying due regard to the varying conditions and varying abilities of the young people concerned. We cannot just throw all those youngsters who have found no training opportunities or no job mainly because of the lack of a skill, into the same pot. Both in the diagnosis and in the therapy we have to have at least some course differentiation if the measures are not to be condemned as ineffective from the start.

The Committee on Social Affairs, Employment and Education therefore proposes that after introduction to the working environment and practical experience of

various fields of work, training of young people be provided, having regard to their capabilities, with at least the following three alternatives: (a) qualification as a skilled worker, (b) specialized training to a lower level and (c) assistance in protective workshops the object being that these young people will later be able to earn their own living. Item (c) appears to me to be particularly important because a society claiming to be humane will be judged not least on what it does for the very weakest of its members.

The Commission rightly points out that the young people concerned often lack certain abilities in the framework of general education which we would take for granted and which they ought really to have acquired at school. Your rapporteur, Mr President, ladies and gentlemen, has drawn his conclusions and proposed that young people, during the time of their vocational training, should be given an opportunity in certain cases, so far as it is necessary, to catch up on their ordinary education. The committee takes the view that vocational training would have to last 2 years if the stated objectives are to be achieved. The Commission suggested a shorter period based, however, on a less comprehensive and differentiated programme.

The Committee on Social Affairs, Employment and Education also goes farther than the Commission's recommendations in two other points. It takes the view that the Community countries should set up more training centres where business firms, for whatever reason, do not provide sufficient training places. Also, state undertakings should provide more training places and jobs. Doubt about the seriousness of the policy on reducing unemployment among the youth is bound to be created if state undertakings do not set a good example.

The Commission's proposal that young people threatened by unemployment should be given leave of absence from their work in order to take part in vocational preparation I regard as well-intentioned but unrealistic. This would certainly be possible for short courses as the Commission clearly envisages them. The kind of basic vocational preparation that we consider necessary takes time, and jobs cannot be kept free for long periods, whether in the craft trades or in industry, quite apart from the fact that most young people — precisely because of these measures — will be training for higher skills because they want to change from insecure employment — as unskilled workers for example — to a safer job in the future. In these circumstances the first requirement is not the reserving of the old job but guidance into jobs which have prospects and — if this can be said about anything in the future — are safe.

To close, I would like to raise the question of the prospects of the Commission's recommendation succeeding. It could well, I am afraid, remain so many empty words if the form of the recommendation is retained. We have had this experience often enough

Walkhoff

in the past. In the motion for a resolution, therefore, the Commission is asked to opt for the form of a binding programme of action. I admit that trying to achieve a consensus of opinion on this question in the Council could present serious difficulties but I am also of the opinion that a compromise resulting from tough discussion — a binding compromise — is worth more than a recommendation produced with less trouble but with no binding effect.

(Applause)

IN THE CHAIR : MR SCOTT-HOPKINS

Vice-President

9. *Change in the agenda*

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

Mr Broeksz. — *(NL)* Mr President, considering the progress we have made with the agenda so far, and even taking it for granted that items will have to be postponed, we have still so much to get through that I think we should give some thought to how long it is going to take us. I wonder if we are justified in keeping everyone here — and I mean not only Members, but the interpreters and other staff — until we get through the whole agenda. I now it will not help to postpone more items, because tomorrow's agenda is overburdened as it is and the agenda for the December part-session is already enormous. The only thing to do is to limit speaking-time. I propose that speaking-time be cut by half, so that each speaker would be allowed only five minutes instead of ten. I think that should be long enough for the items still before us. Perhaps you would put that proposal to the House, Mr President.

President. — That is certainly a proposal which I will put to the House but I would point out that even with speaking-time cut to half, Mr Broeksz, if honourable Members wish to speak to the full amount we are going to be going on to a very late hour quite regardless. You are quite right that tomorrow's agenda is overburdened as it is ; indeed, the more I hear about what is going to be included in the December part-session, the less hopeful I am that we can postpone anything to that part-session.

I call Mr Evans.

Mr Evans. — Mr President, I am not sure whether my colleague, Mr Broeksz, is suggesting that we defer until tomorrow one, two, three or four items, or whether we are deferring them to December. Have we got a specific proposal before the House ?

President. — The specific proposal before the House, as I understand it from Mr Broeksz, is not a postponement to either tomorrow or to December, but that speaking-time be cut by half, so that rappor-

teurs and group spokesmen have 7½ minutes and other speakers 5 minutes. Of course, one looks towards the Commission and hopes that the Commission will know what the House is doing and will tailor their speeches to conform with the way the House is behaving.

I put the proposal to the vote.

The proposal is adopted.

I call Mr Spicer on a point of order.

Mr Spicer. — It was my understanding that there might be some further discussion on the Seefeld report and that it might even be referred back to the committee for further discussion there. I wonder if you could just clarify these odd points because even though we are cutting back on time, it would be a very heavy agenda indeed ?

President. — Mr Spicer, I have no proposal in front of me to postpone or otherwise take steps with regard to Mr Seefeld's report, and until that is proposed to me, the Seefeld report stays on the agenda and is the next item of business after we have wrapped up Mr Walkhoff's.

I call Mr Evans.

Mr Evans. — Mr President could I move that items 289 and 290, the reports by Mr Seefeld and Mr Albertsen, be referred back to the December part-session ?

And could I just add one comment, with your permission, Mr President ? Could I say that I think the enlarged Bureau have got to look very carefully at the agenda that they draw up for the plenary sittings and I think that when they discuss limiting speaking time they should also consider limiting debates, because quite frankly it is something of a lottery. If your report is in the first three items of the agenda for any given day, you can guarantee you will get a very lengthy debate, but if unfortunately the items that you or other Members are interested in are in the latter half of the agenda, then you are always faced with this problem of items being put back to Friday or back to the next part-session, as well as restricted debates. So could I ask you, as acting President of this Parliament, to draw this to the attention of the enlarged Bureau and suggest that in future they consider limiting the time of debates placed on the order paper ?

President. — Mr Evans, it would be quite improper for me to comment on what you have just said other than to say that of course I will refer what you have said to the enlarged Bureau at their next meeting. You and I know from our experience in the House of Commons that sometimes late-night sittings are unavoidable ; but certainly I will see that the enlarged Bureau take cognizance of what you have said now.

President

The House must now consider another proposal, before we can continue with the Walkhoff debate and that is that items 289 and 290, the reports by Mr Seefeld and Mr Albers, should be withdrawn from today's agenda and placed on that for December.

I must tell the House, quite frankly, that the December agenda is getting very overloaded; nevertheless that is the proposal in front of the House.

I call Mr Brégégère.

Mr Brégégère. — (F) Mr President I shall be speaking for only a few moments in reply to Mr Evans' request. I have been asked to present Mr Lagorce's oral question, Mr Lagorce having been forced to return to his constituency. The subject of the question is Community water policy. It is an extremely important problem but since it is the last item on the agenda it would come up for discussion at a time when it could well be discussed in unsatisfactory conditions. For this reason I propose that it be postponed to the December part-session.

President. — If we go on this way, we shall have nothing left on the agenda at all.

I call Mr Mursch.

Mr Mursch. — (D) Mr President, in agreement with Mr Albers I would like to propose that the Albers report (Doc. 381/76) be postponed to the December part-session. The report on the institution of a closures fund has already been postponed to the same date. Firstly the two items have a common subject, because the market situation and that with regard to costs have to be taken into account in reference tariffs and the closures fund also concerns the market situation. Secondly, the Council of Ministers decided on the 4 November to extend the existing compulsory marginal tariff system up to the end of 1977. We are not therefore pressed for time. Neither will this question pose any time problems in December because we propose — both Mr Albers and I — that the two items be discussed together. This is the quickest way for us to deal with the matter.

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, *Vice-President of the Commission of the European Communities.* — (I) Mr President, I realize that the Assembly is anxious to complete its work in the best possible way but I must point out that the Commission does not think it would be advisable to postpone the Seefeld report, because between now and December no major changes can be made and, in any case, the Council of Ministers would be unable to take Parliament's opinion into account on the day it meets, which is 16 December.

However, Parliament is free to decide as it thinks fit but it was my duty to make this statement.

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

Mr Fellermaier. — (D) Unlike the Vice-President, I consider that there will be a number of opportunities to introduce further changes to this report which is fundamentally important for a number of Member States. For this reason, on behalf of my Group, I firmly support the proposal of the Chairman of the Committee on Transport that the Seefeld report be deleted from the agenda and raised again in December.

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

Mr Osborn. — The Conservative Group supports the motion that this be referred back to the committee for full discussion and be brought forward again in December.

President. — Mr Osborn, that is a separate proposal. What has been proposed by the chairman of the committee concerned, Mr Evans, is that these two reports be deferred until the December part-session. You are now putting a different proposal to the House, that they be referred to committee.

I put to the vote the proposal made by Mr Evans, on behalf of the Committee on Regional Policy, Regional Planning and Transport, that items 289 and 290 be deferred until the December part-session.

The motion is adopted. Mr Osborn's proposal therefore falls.

I have a further proposal, that from Mr Brégégère, that item 250 also be deferred until the December part-session.

I put the proposal to the vote.

The proposal is adopted.

I call Mrs Kellett-Bowman on a point of order.

Mrs Kellett-Bowman. — Since the whole of the basis of Mr Broeks's request concerning this very important debate on youth unemployment was the heaviness of the agenda and since that agenda has now been miraculously lightened, may we go back to the proper speaking time for this very important debate in which we are currently indulging?

President. — The proposal has been made, and the House has accepted it, that speaking-time should be halved: that is the decision of the House. I would remind Mrs Kellett-Bowman, if she would look at her order-paper, that we are by no means out of the wood yet. Not only do we have Mr Walkhoff's report but I have a fair number of speakers. We also have the joint debate on reports by Mr Giraud, Mr Mursch and Mr Mitterdorfer, and the interim report by Mr Nyborg. We shall be lucky if we get away from here before 10.30 p.m. So I suggest, without wasting any more time, that we proceed with the debate.

10. *Recommendation on unemployment among young people (Resumption)*

President. — We shall now resume the debate on the report by Mr Walkhoff (Doc. 398/76).

I call Mr Van der Gun to speak on behalf of the Christian-Democratic Group.

Mr Van der Gun — (NL) Mr President, I agree with Mrs Kellett Bowman as regards the curtailment of our speaking time, a great deal of which has in fact already been lost in an unnecessarily lengthy discussion on a point of order. I shall nevertheless try to confine myself to the seven and a half minutes available to me. I even hope to speak for no longer than five minutes, in answer to Mr Broeks's proposal.

May I first thank Mr Walkhoff on behalf of the Christian-Democratic Group for his well-balanced report. It is regrettable that we should have so little time to consider it. The young unemployed are certainly the most tragic victims of unemployment. There is unfortunately an obvious connection between current unemployment in general and unemployment among young people, and I agree with Mr Walkhoff that we should not be too hopeful or expect too much from the Commission's proposals.

I should like to comment on paragraph 2 of Mr Walkhoff's resolution. I would ask him, if at all possible, to delete the last two sentences of this paragraph. They have no bearing on the material content of the resolution and I fear that if they are maintained they will give rise to considerable controversy. The second of these sentences attributes unemployment in part to the economic systems operated by the countries of the Community, and the members of my Social Affairs Committee will remember that this point already gave rise to considerable discussion; I therefore appeal to the rapporteur to delete these two sentences.

Mr President, we agree with the Commission and the social partners in their choice of the most vulnerable among young unemployed; we are particularly struck by the fact that this view is shared by the social partners. And if this is the case, Mr President, I have a question to put to the Commission, since in my view there is a certain contradiction between page 7 of the proposal, which appeals to employers to take on young people for periods of practical experience without commitment, and page 12 of the recommendation, which refers to a maintenance allowance which should be at least equal to the level of unemployment benefit applicable to the young person in question. And since such allowances are obviously not going to be paid by the employers, I should like to know who in practice is going to finance them.

Finally, Mr President, we heartily agree that the Commission must concentrate on measures most likely to be effective. We share the view of the rappor-

teur and the Committee on Social Affairs, Employment and Education that something more binding than the recommendation proposed by the Commission, such as a directive or a binding action programme as advocated by the rapporteur, is required. If the problem could be tackled along these lines and the Commission can give a satisfactory explanation as regards the contradiction that I mentioned earlier, we shall be happy to leave things at that, and express once more our thanks to be rapporteur.

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

Mrs Kellett-Bowman. — Mr President, I must protest at the action of the Socialists in proposing that, on a matter of such considerable importance as youth unemployment, we have had our speaking time halved. This is a matter of extreme importance to the young people of the Community, and I very much regret this action.

But I would like, nevertheless, to welcome the spirit of the Commission's draft recommendation even if, like Mr Walkhoff, I cannot entirely welcome the form that it takes, nor all that it calls on Member States to do.

In the first place, I think that the Commission may be trying to reach too extensive a group of people. If the age limit for those affected by this recommendation is as high as 25, as is recommended in paragraph 2, we may in fact be dealing with people whose career of unemployment has already lasted for 9 years. Although youth must be served, I feel we could serve it better by putting a lower age-limit on the group that we wish to concentrate on. And the more limited the funds available, the more important it is to concentrate them to achieve the effect that we desire. Moreover, the Commission's actual recommendation seems to me to conflict with their target category as defined in paragraph 12 on page 4.

Secondly, as Mr Walkhoff points out in paragraph 4 of the motion for a resolution, a large proportion of the young people who find themselves unemployed are those who have received a poor education. If I may refer briefly to the situation in the United Kingdom, we have there an estimated 2 million adult illiterates. Worse still, the British Broadcasting Corporation, who are currently involved in organizing adult literacy television programmes, have estimated that as many as 30 000 school children are leaving school each year in the United Kingdom who cannot properly read and write. This all too often leads to frustration and then, regrettably, to delinquency. I imagine this is what Mr Walkhoff meant by the consequences for society. Anyone who has practised in the courts in member countries will know how often they have encountered defendants who simply could not sign a simple bill of

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lading, and so are quite unable to get a job, for example, as a lorry driver, however skilled they might be in the actual job of driving.

As the Commission document states in paragraph 19, they lack the basic skills. I cannot believe that this is a problem confined to the United Kingdom. Indeed, the Commission's draft recommendation makes it clear in paragraph 3 that there is a need for the enforcement and application of basic skills. I suppose in plain language this means that throughout the Community we still need to find some way of teaching those who have left school all the basic things that they should have learnt while they were still at school.

The role of the school in vocational preparation is, I submit, often more important than all the methods described in this document. We need to ask why it is, when educational budgets are rising in all member countries and our society is supposed to be better educated than 100 years ago, that children are still leaving school who cannot read and write. Surely it is a waste of resources to set up vocational preparation schemes for them after they have left school, if they could in fact and should have learned these particular skills in school itself.

We know that many of those who leave school as virtual illiterates have probably spent their last few years wasting their time and longing to get out. Do we not therefore need far more vocationally-based education at school so that the reluctant learners can see there is some purpose in their efforts?

Can the Commission comment on what work it is doing on school-based vocational preparation? Recently *The Times* ran a series of surveys on areas of high unemployment in my country. Time and again it was stated that, although jobs were available in a certain area, they were for skilled workers, whereas the bulk of the unemployed were unskilled and semi-skilled. We must bring home to those anxious to leave school and start earning money that, without acquiring a skill, they place themselves amongst the most vulnerable workers in the market.

This is why I feel sad to see, from paragraph 2 of the draft recommendation, that the Commission is here dealing only with the problem which already exists — i.e. of those who are unemployed or on the verge of becoming so. And I do not entirely agree with paragraph 4, since many Member States have a very severe problem of graduate unemployment, as we have ourselves.

I must confess that, at first sight, I was a bit sceptical of the draft recommendation where it refers to teaching young people the social skills needed at work. I presume that this simply means, when it refers to social skills, just the basic skills. I suppose it would be true to say that young people who have not managed to absorb much education, or who have left

school only to remain unemployed, may well not be at the top of the employers' list of desirable employees. And they have increasingly an important competitor: the increasing army of women workers, many of them working to help swell the family budget, many of them now returning to work after a few years off to have children. We must realize that the increasing employment of women was bound to cause a squeeze somewhere. Women workers, as my former colleague, Lady Elles, was never tired of saying, are among the most reliable and hard-working employees an employer could ask for. I suppose, therefore, that among the social skills the Commission is hoping to teach young people are the virtues of time-keeping, hard work and lack of absenteeism. I would be interested to hear the Commission's view about this.

On the actual management of vocational preparation, I would like to support Mr Walkhoff in paragraph 11 of the motion, where he questions the realism of asking that those about to become unemployed be given leave of absence to undertake vocational preparation. This is well meant, but anyone asking for leave of absence under the circumstances would probably find that it instantly became permanent dismissal.

I would like finally to ask whether the Commission feels that there may be a conflict between its policies and those being carried on in other Member States. In other words, is the Commission's preparedness to consider a wide age group likely to win acceptance or will this become a point which could hold up the whole venture?

Finally, Mr President, a point about sheltered workshops. Clearly this term is used in different ways in different member countries, and I would like a definition from the Commissioner on this matter. As far as we are concerned in the United Kingdom, it means workshops where those who will never be able to take their place in open employment can work happily in sheltered employment. And I gather that this is not the definition in other Member States. I would very much like information on this, because I attach very considerable importance to sheltered workshops as we know them in the United Kingdom.

(Applause)

President. — I call Mr Evans.

Mr Evans. — I was going to comment that it seemed to me that Mrs Kellett-Bowman protested just a little too much on the action, as she termed it, of the Socialist Group, because she finished well within her time, but in fact I would commend her on her brevity and, although she will be very surprised to hear me say so, I did agree with one or two of the points that she made in her speech. I would also like to point out, of course, that I did raise the issue of the order of the agenda itself, which seems to me the really important issue.

Evans

I rise in this debate, Mr President, as I did when we had a debate similar to this some twelve months ago, to make it clear that I regard unemployment, which is widespread throughout the Community and which we discussed in the Artzinger report only a short while ago, to be a major scandal, especially this aspect of unemployment — the unemployment of youngsters, particularly those just leaving school. Whilst it is true that many of them have little skills, on the other hand it is also true that many of them have good qualifications and I regard it as a symptom of a very sick society that youngsters who have worked hard at school, who have got qualifications, who expect to take their place in society as skilled workers and move on into the professions, suddenly find that society has no place for them, that they are left to be unemployed. They undoubtedly feel in those circumstances that it is a rather sick society which creates that state of affairs. It is not surprising that so many young people become very disillusioned and bewildered with a society which appears to care for them up to the age of about 15 or 16, when they give them skills at their schools, and then simply puts them on the scrap-heap, because in many cases that is what it amounts to once they leave school.

It is not surprising, Mr President, that many of the youngsters who are so condemned to unemployment in fact drift into crime. They can see their contemporaries, whom they went to school with and who are fortunate enough to get jobs, earning quite good money. Yet, through no fault of their own, they find themselves without any employment and are reduced to whatever it is that the governments of the Member States hand out to unemployed youngsters. It is not surprising that in many instances, particularly when we live in a consumer society and we have through the media and through the television networks the portrayal of the good life, so many youngsters feel that they are going to take what society is preventing them working for. They are going to take their share and this is something which I feel all of us, all politicians, should give a great deal of thought to. Similarly many of them, of course, vent their spleen on society through the medium of vandalism. Indeed it would be interesting to find out what is the ratio of vandalism in any particular region in relation to the amount of youth unemployment. Again, whilst vandalism is an extremely wasteful form of public expenditure, nevertheless I would submit to this House that the worst form of vandalism of all is unemployment, and particularly of young people.

I would disagree with Mr Van der Gun who objected to the last couple of lines in paragraph 2 of the motion for a resolution which say that 'unemployment is to a certain extent determined by the economic system operated by the countries of the Community'. I am bound to say to Mr Van der Gun that it is because of the economic situation which is operated that we get unemployment, particularly youth unemployment. I am not drawing any moral

conclusions from that, Mr President. I am merely pointing it out. One of the worst features of the unemployment of young people is that in difficult times, when employers are faced with difficult situations, the easiest method for them to cut back on their costs is simply to stop recruiting young people, to stop recruiting apprentices, and so it is hardly surprising that, as a result of this system we live under, when there is heavy unemployment among adults, there is even heavier unemployment among young people. So, Mr Van der Gun, I am bound to say that my colleague Mr Walkhoff simply draws attention to a fact.

Of course we also have to recognize that one of the worst features about unemployment among young people is that often these young people lose all opportunity for ever, in many instances, to learn a craft, to learn a skill or even in some cases to learn a profession. Because when they leave school at 16 and find that all the doors are closed to them, by the time they are 17 either they are too old to enter into the crafts available to them or, what is worse, the next set of school leavers has caught them up. And so they have another market to compete with. In this respect we are creating a dreadful situation and we have created a dreadful situation for so many of our young people throughout the Community.

The Commission's proposals are welcome, but quite frankly they are only palliatives. My own government, like every Member of this House and the previous Conservative government tried desperately to offer various measures to solve or alleviate the problem of unemployment among young people but they are only palliatives. I would submit that not only the Commission but also all the governments of the Member States must recognize that they have a responsibility in regard to the training of young people. If we are prepared to train young people to the age of 16, Mr President, I submit that, as a society which will depend upon our engineers, our boiler makers, our joiners and our craftsmen, it is essential that we extend that training period at least till the completion of their apprenticeship at the twentieth year. As an ex-craftsman myself, I can point out to this House that it is far better to be an unemployed craftsman than it is to be an unemployed, unskilled labourer, because if you have a craft then you can move to other parts of your own country or the Community to obtain a job in that craft. But if you are an unskilled labourer, then unfortunately no one wants you. That is something I think that all governments are going to have to seriously consider over the next year or two.

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission. — (D) Mr President, I shall first try to clear up a few things. Mr Van der Gun has pointed out a supposed contradiction on pages 7 and 12. In the German text, which I have before me, I do not see any contradic-

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tion. On page 7, paragraph 21 part 2, we refer to a practical introduction to the working environment and practical experience of work, in which employers should be granted an incentive to give young people an opportunity to get to know the working environment. This is not the same as the measure proposed on page 12. There the recommendation is that a subsistence allowance be given for formal vocational preparation measures. I cannot see any contradiction here. Perhaps clearer wording would help.

Regarding the question of financing, we have made the point on page 22 that public resources should be used. Obviously our intention, here too, is that the Social Fund should play an important role. As regards Mrs Kellett-Bowman's question about the age limit, the Commission has taken into account, among other things, the fact that the European trade unions, with whom we have discussed this question, want to keep to this age limit. Another point is that two of the basic conditions for vocational preparation measures, referred to on page 10, paragraph 2, where the age of 25 is mentioned, have to be taken together: either unemployed or threatened with unemployment *and* having no other opportunity for vocational training. The number, I think, grows smaller with increasing age.

As regards the protected workshops, this does not mean workshops for victims of accident or other injury, but workshops of a special kind, a point I shall come to in a moment. To remove all possible misunderstanding, therefore, these are not workshops for handicapped persons. I shall end my replies to individual questions there.

I would now like to offer a general word of thanks to the various speakers but particularly to the rapporteur who has given us a quite outstanding report on this difficult subject including analysis, proposals, support and criticism. We are grateful for everything that the rapporteur has said, orally and in writing.

Before I come to my general conclusions, I would like to say that he goes farther, and takes a more differentiated approach, than the Commission. To give just one illustration: he says that he would like to see some differentiation in the vocational preparation measures according to varying conditions and varying abilities, e.g. qualification as a skilled worker, the next lower level, and — below that — special workshops.

On other items he is more reserved and sceptical than we are. The example I would quote here is that he says he would consider it unrealistic to have young people threatened by unemployment given leave of absence. As to the former point, — differentiation — I agree. Regarding the latter, I would point out that we have a clause referring to retraining measures — not just for young people but in general — enabling us to undertake retraining measures for workers threatened with unemployment, in other words where a closure is

in prospect, before they actually lose their jobs so that they can be transferred if possible without a break to another position. We are thinking of something similar in this case.

Next I would like to deal with the question of whether it should be a recommendation, an action programme or some other stronger formula. I think that we should all consider it very important — this emerged from the discussion — to do something on which a start can be made as soon as possible. We are concerned that if we aim at perfection and if, in addition, we opt for the strict legal form of the Regulation, we would run the risk of a month's long discussion because of the differences between the Member States, whereas we feel that what is wanted at the moment is to start on something as a priority even if it is not completely perfect. We will then be glad to work things up from this beginning, make differentiations and develop perfect forms for them on the basis of what the Committee has outlined and what this House decides. Here the work done in committee is particularly important for us. But I would also like to assure you that we shall fit what you have proposed somewhere or other into a procedure and you will not have to wait for ever. In the wording of our recommendation and in the work now facing us with regard to the Council, we shall make it our business to include much of what the Committee has proposed to this House. What cannot in our opinion, be included in this first stage we shall take up again in later improvements. I feel that here — and this I consider very important — we should unite in the thought that we must begin as quickly as possible and then insist that things become better and more complete. I feel that this is what young people are expecting of us.

President. — I call Mr Walkhoff.

Mr Walkhoff, rapporteur. — (D) First of all I would like to thank Mr Haferkamp for his receptive attitude towards the Committee's proposals. I am particularly pleased that he agrees with the Committee's proposals in the important question of greater differentiation in vocational and further training measures. There is also no contradiction — if I understand correctly — between the Committee's view that jobs cannot be kept open for very long for those young people following training courses and the Commission's opinion that young workers should be trained for other jobs before they fall out of work whilst temporarily retaining their current job. Here there is no contradiction at all. Our intention in the motion for a resolution was merely that where long-term measures are provided it is clearly impossible, on economic grounds, to reserve these jobs for young people for the same length of time quite apart from the fact that once a skill has been acquired the worker will be off to another, better-paid job.

Walkhoff

As regards the form of the recommendation, I can only express the hope that what Mr Haferkamp has told us is not just optimism, but, on the basis of his earlier experience, really stands a chance. At all events our good wishes go with you.

Now a brief comment on what Mr Van der Gun said. He asked me to delete the last part of paragraph 2. This part reads, if I may remind you of the wording :

'and also considers that employment is to a certain extent determined by the economic system operated by the countries of the Community'

Mr Van der Gun, I do not take the view that we should delete this sentence for the reason that we must not raise any false hopes. The public and in particular those concerned must be made aware of the reasons for unemployment. We must not throw dust in their eyes, instead we must tell them honestly what unemployment is due to. We must put the public in a position to discuss objectively the pros and cons of our economic system. If this had already been done, public awareness of the constraints and limitations of economic policy instruments would be greater and many an economic policy achievement of many a government in the Community would be accorded greater recognition by the public. I cannot therefore understand why we should conceal the truth. Telling the truth commands respect from our citizens and it seems to me right and important to do so for the continuance and further development of our policy.

President. — I call Mr Van der Gun.

Mr Van der Gun. — (NL) Mr President, I very much regret that the rapporteur is not prepared to meet my request. He could do so very easily, seeing that he said recently that he wanted to point out in this way that the economic instruments we have at our disposal are inadequate at present. I agree with that, we have no problem there. But in the text as it now stands, there is the suggestion more or less that unemployment is partially caused by the present production system, and that of course is open to improvement. But a completely different train of thought is possible if we say that the instruments which the authorities have at their disposal are inadequate at the moment. I find no problem there, because I believe that governments, political parties and interest groups are also involved in this matter. We have usually spent more than we had in hand at any given moment, and therefore I find it a little too easy to say that the economic order is partially responsible for the unemployed. But again — flexible as we are — if we can interpret the statement in such a way that it says that the instruments which the authorities have at their disposal are inadequate in the present economic situation, I can accept that. But I feel that the text says something different :

President. — I call Mr Albers.

Mr Albers, — (NL) Mr President, just one brief comment. It strikes me that the rapporteur has not gone into the remarks made by Mr Haferkamp with regard to point 11 of the resolution. In the light of Mr Haferkamp's remarks I should like to ask the rapporteur to consider deleting point 11.

President. — I call Mr Walkhoff.

Mr Walkhoff, rapporteur. — (D) Mr President, I cannot agree to this, because the motion for a resolution recommends more thorough vocational preparation schemes and because it is obviously not possible to ensure their realization by holding back jobs for these young people on a long-term basis. I have already made this clear in my introduction to the report and in my reply to the comments of the House and of Vice-President Haferkamp.

President. — We shall now consider the motion for a resolution.

I call Mr Albers on a procedural motion.

Mr Albers, — — (NL) After my last comment, I would appreciate a separate vote on paragraph 11.

President. — I call Mr Van der Gun on a procedural motion.

Mr Van der Gun, — (NL) Mr President, I should like to ask the same for paragraph 2.

President. — I put the preamble and paragraph 1 to the vote.

The preamble and paragraph 1 are adopted.

I put paragraph 2 to the vote.

Paragraph 2 is adopted.

I put paragraphs 3 to 10 to the vote.

Paragraphs 3 to 10 are adopted.

I put paragraph 11 to the vote.

Paragraph 11 is adopted.

I put paragraphs 12 and 13 to the vote.

Paragraphs 12 and 13 are adopted.

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

The resolution is adopted.

11. *Directive on certain types of carriage of goods by road — Regulation on international goods transport by rail — Regulation on the carriage of goods by rail, road and inland waterway*

President. — The next item is a joint debate on — the report by Mr Giraud, on behalf of the Committee on Regional Policy, Regional Planning and Transport (Doc. 348/76), on the

President

proposal from the Commission to the Council for a directive on the establishment of common rules for certain types of carriage of goods by road between Member States ;

- the report by Mr Mursch, on behalf of the Committee on Regional Policy, Regional Planning and Transport (Doc. 349/76), on the

proposal from the Commission to the Council for a regulation concerning the fixing of rates for international goods transport by rail ;

- the report by Mr Mitterdorfer, on behalf of the Committee on Regional Policy, Regional Planning and Transport (Doc. 350/76), on the

proposal from the Commission to the Council for a regulation concerning a system for monitoring the markets for the carriage of goods by rail, road and inland waterway between Member States.

I call Mr Albers, who is deputizing for Mr Giraud.

Mr Albers, deputy rapporteur. — (NL) Mr President, Mr Giraud's report relates to a proposal concerning the extension of existing liberalization measures which have achieved good results since their implementation. The absence of quotas for the transfrontier carriage of goods has proved to be a positive factor in the development of the frontier regions. Bearing in mind this morning's debate on the internal frontiers, we may welcome the fact that the Community measures in this sector have been beneficial to the development of these frontier areas. During discussions in committee on this draft directive there have therefore been no objections to an extension of existing measures.

That the transport of perishable goods, foodstuffs and seasonal products should be made easier is clearly to be welcome. There are important commercial reasons for this connected with the opening hours of markets, technical reasons connected with the keeping qualities, and of course the high cost price of the vehicles makes faster transport desirable. In this context I should also like to support the liberalization of transport in live animals. In his report, Mr Giraud tried to place these measures in a wider context, and quite rightly so. He has sharply criticized the absence of an overall concept in the transport policy and has himself expressed his doubts about whether there is any point in discussing the Commission's proposals relating to liberalization, the fixing of rates and a monitoring system. It is a fact that a large number of proposals, more than 60 in number, have not prompted the Council of Ministers, to take a decision. Not for nothing did the Commissioner responsible for this policy, Mr Scarascia Mugnozza, point out to the Council at its meeting of 4 November this year that favourable opinions have been submitted by the Parliament and the Economic and Social Committee and ask the Council to draw up a list of priorities. The Committee on Regional Policy, Regional Planning

and Transport agrees with this. Like Mr Scarascia Mugnozza, it feels that the economic crisis makes a common policy more necessary than ever. But such pronouncements have had little effect on the Council of Ministers. After discussing the present proposals relating to transport we shall hear from Mr Scarascia Mugnozza if, in the light of the Council's decisions of 4 November last, there remains any hope of successfully continuing the work on a common transport policy.

In answer to written questions which I put in September on quotas in the international carriage of goods by road, the Commission referred to the proposals of October 1975 on the easing of the Community quota and also to the proposal we are now discussing. However, the Commission stated its intention of submitting a series of proposals to the Council during 1977 for the gradual attainment of the freedom to provide services and the removal of discrimination, based on the nationality of the operator, which denies access to the market. The Council's decisions however are directly opposed to these projects. The amount of the Community tariff for 1977 remains fixed at the 1976 level. The Community quota system is described as permanent.

Knowing this, is there any point in submitting proposals for liberalization? Is there any chance of the Commission's liberalization policy ever being introduced by the Council? I think there is a logical connection between these questions and the present proposal which aims at further liberalization for certain types of transport. The Committee on Regional Policy, Regional Planning and Transport unanimously adopted this proposal. So did the Committee on Economic and Monetary Affairs. However, the explanatory statement expresses the concern which I wanted to explain by way of introduction to this debate.

IN THE CHAIR : MR YEATS

Vice-president

President. — I call Mr Mursch to introduce his own report and also the report by Mr Mitterdorfer.

Mr Mursch, rapporteur. — (D) Mr President, ladies and gentlemen, on 18 November 1975 the Commission submitted to the Council a communication on the operation of the markets in goods transport within the Community. It concerns the carriage of goods by road and inland waterway. This communication contains eight proposals in all, and these have since been followed by a ninth proposal.

The Committee on Regional Policy, Regional Planning and Transport has appointed me rapporteur on the Commission proposal for a regulation concerning the fixing of rates for international goods transport by

Mursch

rail. It also instructed me, however, to report on the general part of the proposed package. I shall therefore begin with a few general comments on the package under discussion.

This is not the all-embracing package which the European Parliament has repeatedly called for, but it is a step in the right direction. It must also be acknowledged that the proposals are consistent with the Commission's basic communication of 1973. The problem now, however, as Mr Albers has just pointed out, is to get the Council to define more clearly the future orientation of the common transport policy.

The aim of the Commission's package is to fully liberalize all modes of transport and cross-border transport services, which is of no crucial significance to the transport policy. More important is the objective of liberalizing international industrial transport.

The Commission wants to raise Community quotas in commercial road and goods transport and thus gradually bring about a situation in which international transport is totally free of quotas. At the same time it wants to introduce a highly liberal price system for international road transport which in fact amounts to total freedom in the fixing of rates.

By replacing certain older proposals for access to professions and for the recognition of diplomas in inland waterway and road transport the Commission desires to promote freedom of movement and the right of establishment. It is intended that, in line with the greater commercial freedom in international road and goods transport, the railways should also be granted commercial freedom in the fixing of rates in international transport.

That, Mr President, is a brief summary — in accordance with your appeal and the House's decision — of the content of these eight proposals.

A word of criticism is called for here, however. Owing to the fact that no overall proposal has been made for a transport policy, the attempt to fill in the rift at frontiers which hampers international transport has the effect of creating an equally deep rift between international transport on the one hand and the internal transport of each country on the other.

The question arises, therefore, whether these disadvantages are possibly worse than the disadvantages of the present situation. The Commission does not say when a regulation will be adopted for transport within the individual countries and what it will involve. It will therefore be difficult, in my view, to have the current proposals adopted. This is a clear example of the disadvantages of a policy of gradualism, though it must be acknowledged that the Commission intends to achieve quicker progress with the present package, and in the right direction too.

In view of the great uncertainty as to the future timetable and the introduction of the common transport

policy, it is obviously difficult to recommend the far-reaching proposals of the Commission in the area of international transport. I have however, recommended the committee to support the Commission's proposals for the reason, so often put forward in the European Parliament, that a common transport policy must be introduced if the Community is to continue to function. From this point of view we are also justified in running a slight risk. We merely need to make sure that this risk is a calculated one. The Commission has identified this risk factor and proposed a system for monitoring the markets. The latter regulation is the subject of a report by Mr Mitterdorfer which I shall briefly introduce in a few moments.

It is not enough however, Mr President, to monitor the market. Instruments must also be created to make it possible, if necessary, to obviate the dangers which can arise spontaneously or as a result of the new system, owing to unexpected economic developments.

As rapporteur on the general section of the package I have therefore proposed that certain clauses should be inserted into the regulation on the fixing of rates permitting a slowing down of the process, if necessary, in other words a return to a less liberal system if an exceptional crisis should occur. The Commission shares these doubts, though it expresses them somewhat differently. It wishes to submit a proposal for a regulation on transport as a whole.

The last important point I should like to make as rapporteur on the general section is as follows: the Commission promises in its communication that the far-reaching proposals which it has now submitted on the removal of quotas, the improvement of the freedom of establishment and the restoration of free rate-fixing in international transport will be followed by further efforts to harmonize cost factors.

We cannot however, Mr President, be content with mere declarations of intent in this matter. The liberalization measures can be expected to provoke strong resistance, at least from the transport undertakings concerned, if the Council cannot be persuaded to make a declaration of intent to follow them up with additional and substantial harmonization measures. The road transport undertakings and the railways should be given full commercial responsibility for the fixing of rates in international transport. This can be achieved, however, only if the most important cost factors, i.e. motor vehicle tax, fuel oil tax, maximum dimensions and weights — one hardly dares mention the word — and the reimbursement of tollcharges are harmonized in the near future.

The committee therefore proposes that the Commission's proposals should be approved on the condition that the Council, in adopting them, makes a declaration of intent together with a timetable concerning further progress towards technical, social and fiscal harmonization.

Mursch

Turning now to the regulation concerning the fixing of rates for international goods transport by rail, I shall not make a detailed summary of its contents but shall simply put forward the amendments adopted — unanimously adopted — by the committee.

Firstly, it must be possible, in the event of an obvious crisis, to return to a system of rate control in international rail transport, though of course only temporarily and only as long as it is necessary.

Secondly, steps must be taken to ensure that the disparity which has now arisen between the international system and the national system of rail tariffs is only temporary. To this effect a declaration of intent by the Council is necessary.

Thirdly, your committee requests that Community law should be supplemented by rules against unfair competition. Unfair competition can arise when transport undertakings harm their competitors by charging prices which do not cover costs — this is also called 'cut-throat competition'. The Commission told the committee during our consultations that it was currently studying appropriate regulations.

In making these three points the committee is not trying to sabotage the liberal system which the Commission has proposed. On the contrary, Mr President, we are trying to ensure that the radical transition to free-rate-fixing, in a sector of the economy in which rate-fixing has so long been controlled by the state, is also acceptable to those who are particularly affected by the risks involved therein.

Finally, Article 4 of the proposal for a regulation provides for the introduction of through reference tariffs, i.e. tariffs intended to stop freight from piling up at frontiers. An obvious consequence of this is that the railways will lose revenue. Here again, we are faced with the difficulty which arises from separating international and national transport.

If the railways are to lose revenue by introducing through tariffs they could offset this loss by a very slight increase in tariffs in internal transport. This solution is made impossible, however, by the present policy of advancing only one step at a time. The committee therefore reached the conclusion that the railways should not be compelled to introduce through tariffs for all important transport. The Committee proposes that this Article should be amended to say that the railways should set up through reference tariffs for all transport services where the market situation and the interests of the railways undertakings justify such a system.

The decision of the Committee on Regional Policy, Regional Planning and Transport was unanimous. The opinion of the Committee on Economic and Monetary Affairs runs along the same lines. I therefore request Parliament to adopt the motion for a resolution.

The regulation concerning a system for monitoring the markets for the carriage of goods by rail, road and

inland waterways between the Member States involves the following. The aim of this proposal for a regulation is to provide public bodies and private undertakings with the information they require in order to take their decisions. This information is of particular significance for the solving of the problem of excess capacities, especially in goods transport by inland waterway. A system of monitoring the markets is also particularly important for measures in world crisis situations. In this connection I would point out that the Committee on Regional Policy, Regional Planning and Transport has already explicitly requested that measures be adopted to overcome a crisis situation in its opinions on the regulations concerning the introduction of reference tariffs in international goods transport by rail, inland waterway and road, as I stated earlier when dealing with the general section.

The Commission told the committee that it was currently studying the possibility of an overall regulation of this type.

The System involves the appointment of two consultative committees, the first of which consists of representatives of professional carriers, users and providers of services ancillary to transport. The second will consist of representatives of the Member States. These committees will operate within the framework of the Commission's activities and may, either at the Commission's request or on their own initiative, deliver opinions on all problems related to the operation of the markets in the international goods transport sector.

The proposal was adopted unanimously by the Committee, subject to the reservation that it will have more to say at a later date when the implementing regulation is submitted.

On behalf of the Committee on Regional Policy, Regional Planning and Transport I recommend that the House adopt the motion for a resolution and report by Mr Mitterdorfer. I should also like to take this opportunity to apologize to the interpreters for speaking too fast, which must have created difficulties for them, given the nature of the subject. I had to weigh the time available against the difficulties which would arise.

President. — I call Mr Osborn to speak on behalf of the European Conservative Group.

Mr Osborn. — Mr President, we have heard quite a lot on transport, and we find that the operators and the trade unions in the Member countries have differing opinions. Obviously, the issue being dealt with by Mr Seefeld, involving the controversial tachograph, — limits on distances and on drivers' hours — is one on which there should be as much agreement as possible. In the Economic and Social Committee there has been disagreement.

Osborn

Amongst the political groups in the Assembly I think there is a degree of agreement. Politicians must perhaps ultimately decide what is in the interest of those concerned in the field of these three reports, and although there has been disagreement in the Economic and Social Committee, it is fortunate that they are before the Parliament at this time. I congratulate, on behalf of my group, the three rapporteurs, Mr Giraud, Mr Mursch and Mr Mitterdorfer. My group welcomes these three reports.

We cannot agree with the passage in Mr Giraud's motion for a resolution, which deplores the piecemeal policy involving minor measures. We rather take the opposite view that it is agreement on minor measures that is useful, agreement on measures which constitute real progress towards the efficient Community transport system which we all want to see come into being.

Perhaps the Commission and the Parliament and those who inspired the concept of the Community were too ambitious in this field. My group would like to draw this Assembly's attention to the passage in Mr Mursch's motion for a resolution which approves the principle of orientating the common transport policy towards a market economy. There is a danger of there being too much intervention, too much regulation, which operators may set about defying. I would like to stress that my group — and I think all of us agree — feel that in spite of its imperfections the market economy furnishes at the very least a guide to the wisest allocation resources. We hope this will continue to be the fundamental philosophy of those responsible for the Community's transport, and we therefore endorse these three modest, but useful, measures.

Mr Giraud's report states that 'the Council has not agreed to any increase, even across the board, in the Community quotas for the carriage of goods by road' (paragraph 6, page 8). This was a relatively minor proposal for which I was the rapporteur. What I think is important is that we should understand the problems of operators. In the South Yorkshire area there are road haulage operators who wish to transport goods across Europe — perhaps to the Middle East, perhaps to the Far East — on the grounds that that particular type of transport commends itself to the product being shipped. It seems that they are having trouble with their quotas and, on occasions, are being routed away from the Community countries to the East — Poland, Czechoslovakia and even Hungary — on a very complicated route. Therefore, my group hopes that the process towards liberalization would go forward rapidly. This, in fact, is what Mr Mursch has emphasized in paragraphs 7 and 8 of his report. These measures are all in the right direction. My group supports them.

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

Mr Mursch. — (D) Mr President, I shall be very brief, but I should just like to add a few comments to the debate, in particular with regard to the report by Mr Giraud which was introduced by Mr Albers. I should like to thank both these colleagues, Mr Giraud for his report and Mr Albers for his speech here in the House. I thank Mr Giraud for taking the opportunity in discussing this proposal, which is not so crucially important from the transport policy point of view, to openly criticize the gradualist policy pursued by the Council. What Mr Giraud is calling for is an overall approach such as that called for by the European Parliament in its resolution of 25 September 1974. Mr Giraud has indeed already asked the question — as Mr Albers said — whether there is still any point in heaping proposals upon the Council, when the Council then remains inactive and does not take any decisions. And this is the point on which I must add one or two comments.

Mr President, I must confess that I shudder when I think of the methods of work of the Council of Ministers. In the last fortnight the ministers have decided next to nothing. They refer matters to their Committee of Representatives, i.e. the Secretaries of State. The Secretaries of State refer matters to the specialized departments of their national transport ministries and proposals are drawn up by them but — I myself have belonged to the Federal Ministry of Transport and I know this from experience, though I have always opposed these methods — in national transport ministries national interests are looked after first. These proposals then come back to the representatives who do not have the right to take a decision — they cannot agree in any case — and the matter is referred back to the Council of Ministers. The Council of Ministers thus receives a hotchpotch of the most varied ideas and cannot reach agreement.

Mr President, this terrifying circuit has been repeating itself for fifteen years: back and forth, down to the bottom and back up to the top again. I am concerned at the fact that the transport ministers regard themselves much more as administrators of their national transport authorities than as politicians and least of all as European transport ministers. What we deplore, Mr President, is the lack of will or the lack of ability to overcome difficulties, admittedly not inconsiderable, by taking decisions at European level.

In saying this, Mr President I do not wish to offend any of the nine transport ministers. On the contrary, I am convinced that they are efficient transport ministers in their own countries, who have, however, not got into these difficult situations by mere chance. They are efficient in their countries but, quite frankly Mr President, at European level they fail completely.

President. — I call Mr Evans.

Mr Evans, chairman of the Committee on Regional Policy, Planning and Transport. — Mr President, I would point out that the Community has given long and very careful consideration to these three important transport issues which are before the House for adoption. I would at this moment like to give my sincere congratulations to my colleagues, Mr Giraud, Mr Mursch and Mr Mitterdorfer, and in this instance Mr Albers, who has stood in for Mr Giraud, for their efforts in this field.

I would ask the House to remember that these reports are based on three proposals from the Commission which form part of a series of eight proposals in the transport field. We have had those reports over quite a long period of time, both before the committee and before this House, and some of them have been adopted. In fact, in retrospect I do feel that it may well have been better if the committee had considered the whole eight proposals as one package and spent rather a full day in this Assembly discussing this vitally important field, because I think Members looking at their agendas, see bits and pieces of transport policy stuck here and there over many months and tend to get rather bored with what is a very important subject. These proposals in fact were submitted by the Commission to the Council at the end of last year and they deal mainly with the organization of the transport market, for instance tariffs, capacity, access etc., in the three so-called traditional transport sectors which are transport by road, rail and inland waterway. All of them have now already been adopted by the House. Whilst I recognize the impressions of many members of my committee who are very, very concerned about the transport policy of the Community, I would in fact take this opportunity to caution patience, because it is going to take a very long time to ever get round to a truly common transport policy within the EEC. I agree with Mr Osborn. It may well have been that those who painted a glowing picture about life in the Community, did in fact overstate the case and built up too many expectations that these things could be done quickly. They cannot, they are difficult and they are going to involve a lot of consultations with an awful lot of people on both sides of industry. Therefore we have to be patient and we also have to recognize that the Council of Ministers also have their problems, not only with this Assembly but also with their national parliaments. Indeed I am quite certain that transport and the various ramifications flowing from that emotive word form large parts of the debates in the various nine member countries.

I would also at this juncture like to pay tribute to my colleague, Mr Mursch, who truly is one of the transport experts, as far as this Assembly is concerned. Mr Mursch unfortunately is leaving the European Parliament, a fact which we very sincerely regret. Certainly since I joined the committee, when the British Labour group finally decided to come to Europe last July I, have found a very great affection for Mr Mursch and a

very great appreciation of his knowledge in this complex field, and I assure you, Mr Mursch, that we will miss you very much indeed in the months that lie ahead, once you leave the European Parliament. I would like to take this opportunity of congratulating him on preparing his report on a proposal for a regulation concerning the fixing of rates for international goods transport by rail, of analysing in depth the background of the new approach made by the Commission. I am very happy and thankful to Mr Mursch that he has developed his ideas on the common transport policy here today, and I think that I can virtually close on that.

Nevertheless I should like to mention the fact that the proposals from the Commission have to be situated in the framework of the Commission's communication to the Council on the development of the common transport policy of October 1973, in which they tried to give that policy a new impetus and on which my colleague, Mr Mursch, made a very full report on behalf of the Committee on Transport. Let me conclude by saying that in the past years the Committee on Transport has always stressed the necessity of simultaneous action in the various sectors of the transport field and the series of proposals from the Commission does in my mind meet the wish of Parliament. I very much hope therefore that the honourable Members will vote in favour of the three reports submitted to them. I also hope that the Council of Ministers for Transport will, at their next meeting on 16 December, be able to take some steps, however small, towards the implementation of a coherent common transport policy.

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission. — (I) Mr President, I should like to begin by offering my special congratulations to the rapporteurs and Mr Mursch, who took on the task of presenting Mr Mitterdorfer's report as well as his own. I should also like to thank all those who have taken part in the debate, which I consider to have been both useful and interesting even though, unfortunately, we once again find transport problems, to which this Parliament attaches so much importance, being dealt with in a debate which is taking place at a late hour and in the presence of not more than 10 Members.

Having said that and paid homage to those who have remained in the Chamber this evening, I should like to stress that I remain fully committed to what I said in committee, namely that the forwarding of proposals by the Commission to the Council of Ministers, which then fails to reach any decision, clearly constitutes a serious setback not only to the transport policy as such, but also to the Community's whole economic system.

Scarascia Mugnozza

I listened with particular interest to the words of the chairman of the Committee on Regional Policy, Regional Planning and Transport, and would like to congratulate him on the clarity of what he said. This is virtually identical with what the Commission has been proposing for so long. In 1973 we submitted a communication which was debated fully by Parliament and by the Economic and Social Committee, and indeed came up twice in the Council itself. Even though agreement was not reached on incorporating the conclusions of this debate in a resolution, it did provide us with a background against which to assess the acceptability of our ideas where we saw that they did not correspond to the wishes of the majority, we changed them. And it is in this sense that we have continued; the eight proposals on transport policy which are today receiving the partial consideration of the European Parliament represent a first step.

I should also like to point out that, imaginatively, perhaps, but without losing sight of today's circumstances, we have extended the scope of a sector which up until now has been traditionally reserved for roads and railways. For the first time at the last Council meeting held a fortnight ago maritime policy came up for discussion, a subject which until then had been absolutely taboo; we have brought forward our first proposals on aeronautical policy; as regards a policy for the ports, we are already at an advanced stage with a study which will probably be published next spring, and later on this very evening we shall be initiating a new chapter which we have long wanted to include in the wider context of the transport policy, namely the financing of transport infrastructures.

It seems to me, therefore, that the field has widened during the course of this year and that even if the Council is having difficulties in reaching decisions, there can today be no doubt, thanks to the various proposals put forward by the Commission, that we can at least get away from the almost theological discussions on liberalization and non-liberalization in the transport sector, between harmonization and equalization, and thus introduce a greater measure of consistency into the transport policy as such.

I should also point out that the setting up in various Community countries of regional bodies directly concerned with transport policy has led to the initiation of a dialogue between the Community, the Member States and the regions, a dialogue which is enriching and supplementing our efforts in the transport field.

I should add that particularly during the past few months I have noticed, in the many conferences and meetings I have attended, that the various Community countries have begun to take a greater interest in transport, to the extent of considering it an important factor in economic policy.

I do not want to deny that we are at present in a situation of stalemate, but I think I am justified in thinking that the trend is positive and that, over the next few years, new proposals will take shape and result in firm decisions being taken.

Moreover, Mr President, I believe it will soon be possible for us to discuss, in committee, and also in the presence of the President of the Council, a whole range of problems to which I have only briefly referred here.

I do not think I ought to add anything to the specific points already mentioned by the rapporteur; there are some points I would like to make with regard to some of the amendments proposed by Mr Mursch concerning, above all, the crisis measures and unfair competition. These are not fundamental objections, they merely concern method. I therefore do not intend to raise this problem now since we shall have another opportunity to discuss it in the near future.

Having said that, I should like to renew my thanks to the rapporteurs, and express once again my special thanks to Mr Mursch for his hard work. He will, I am sure, be playing an important part in solving the problems of the common transport policy outside Parliament as well.

President. — We shall now consider the motions for resolutions.

I put to the vote the motion for a resolution contained in the report by Mr Giraud (Doc. 348/76).

The resolution is adopted.

I put to the vote the motion for a resolution contained in the report by Mr Mursch (Doc. 349/76).

The resolution is adopted.

I put to the vote the motion for a resolution contained in the report by Mr Mitterdorfer (Doc. 350/76).

The resolution is adopted.

12. *Communication, decision and regulation on transport infrastructure*

President. — The next item is the interim report by Mr Nyborg on behalf of the Committee on Regional Policy, Regional Planning and Transport (Doc. 377/76) on the

communication from the Commission of the European Communities to the Council on action in the field of transport infrastructure and the proposals from the Commission of the European Communities to the Council for

— a decision instituting a consultation procedure and creating a Committee in the field of transport infrastructure

— a regulation concerning aid to projects of Community interest in the field of transport infrastructure.

I call Mr Evans, chairman of the committee, to deputize for Mr Nyborg.

Mr Evans — I am bound to say that I feel rather like the substitute for the football team who didn't even realize that he had been invited to the ground.

(Laughter)

The importance of this communication from the Commission and the accompanying proposals for a Council decision and regulation is such that the Committee on Regional Policy, Regional Planning and Transport have considered that it would be desirable to produce an interim report and motion for a resolution which is before you now, before proceeding to a more detailed examination of the text, which may well result in their proposing certain amendments. There is also a degree of urgency, in that given the importance of the subject, the committee would hope that the Council of Ministers will be able to consider the package of transport market proposals at their next meeting. Not in isolation but in relation to the Commission's proposals for transport infrastructure. It would also be desirable for the Council of Ministers to be able to give the communication and proposals at least a preliminary favourable consideration before the end of 1976, so that implementation of the Commission's proposals should not therefore be unduly delayed. At the same time they should not be enacted without careful and detailed examination, which I assure the House my committee will give to them in their second report.

Broadly speaking, and very briefly speaking, the aim of the two proposals is to set up a committee for transport infrastructure and make possible Community support for projects of Community interest in transport infrastructure. There are, of course, a number of areas — peripheral areas, cross-regional areas and, dare I mention it, such things as the Channel Tunnel — which may well, in the future, qualify for some form of Community aid. This will obviously be of benefit not only to the individual country or to the individual region but would be beneficial to the whole Community. I am sure that the House appreciates that this is only an interim report and that we want it brought before the House quickly, so that it can be adopted. We do intend to give the full communication a very detailed study indeed. With that, Mr President, I commend this communication to the Parliament.

President. — I call Mr Osborn to speak on behalf of the European Conservative Group.

Mr Osborn. — Mr President, again at this late hour I would like to congratulate the chairman of the committee on presenting Mr Nyborg's excellent interim report and, in fact, on behalf of the Conservative Group I welcome the initiative of the Commission.

Mr Evans did touch on various applications of this consultation procedure and the need to look at the infrastructure requirements of the Community as a whole. One example is obviously the barrier formed by the Alps. Many of us have travelled from Salzburg to Parma over the Europa Bridge and that is an excellent route. As a feat of engineering the Mont Blanc tunnel is one of the modern marvels, but the access roads are still bad and many of those representing constituencies in Italy and Germany point out that on many of these passes there are traffic delays for one reason or another, which of course are an obstacle to trade and an obstacle to communication. And there are the problems of links with islands off Italy, between Denmark and Sweden, and again this type of infrastructure must be looked at by the appropriate ministers.

As a frequent passenger from Great Britain to either Brussels, Paris, Luxembourg or Strasbourg, I must conclude that the Channel is a drawback and a barrier, and this has not been overcome in decades of looking at it. I have asked questions on the time it takes a ferry, particularly if the ferry takes a train, to get from one side of the Channel to the other. The outcome of this that whereas Paris, Brussels, Amsterdam, Zürich, Cologne and Bonn are closely linked, the landlink by train from London is that much the longer and that much a bigger obstacle Mr Evans welcomed paragraph 6 of Mr Nyborg's report where a reference was made to the Channel Tunnel. The fact that the Channel and North Sea constitute a barrier does mean that the Community must look at this problem as a whole. There are arguments now whether it should be a rail-only link, rail transporters conveying cars, as was the original proposal, a road only link or some combination of road and rail which might be a tunnel and bridge complex. If that were to be built, then two sides of the Channel would come closer together.

But there is another aspect which I raised when the Committee on Regional Policy, Regional Planning and Transport was in Manchester. In Manchester there is ready access for heavy sea-going vessels right into the centre of the city. South Yorkshire has only a canal that will take 200-ton barges, as against much larger 2,000- perhaps 18,000-ton pusher complexes that are talked about on the Rhine for instance. Sheffield has a specialized steel industry South Yorkshire has a coal industry and of course, for bulk transport the sea-going inland waterways vessel is cheaper energy-wise than the road vehicle or rail. I visualize that — and I think this is a possibility — the industries at the centre of England could be connected by a North Sea canal link, perhaps using a stronger inland waterways link than has hitherto been the case. In fact the South Yorkshire County Council has discussed this with the Commissioner, Mr Thomson, and is organizing a meeting to consider this extra link. Yorkshire and South Yorkshire industrialists see great possibili-

Osborn

ties in a canal sea link from the North of England to Denmark, Holland in particular, and the countries beyond.

New these are all examples of the infrastructure problems that should be discussed by the Council of Ministers. And therefore I welcome the fact that Mr Nyborg has made this interim report. I hope the Commission will look at the infrastructure problems that the Council of Ministers and the Parliament and also the member governments of the Community must review. I hope they will consult as widely as possible and make this a priority, and I would urge the Council of Transport Ministers at their next meeting to give this proposal by the Commission a fair hearing — because they have tended to overlook some of the Commission's proposals in the past — so that we can look at the infrastructure problems, the transport problems of the Community as a whole in a much wider perspective than has been the case hitherto.

President. — I call Mr Nyborg.

Mr Nyborg, rapporteur. — (DK) Mr President, please excuse my late arrival.

I intend to be brief today. Members will notice that the report was unanimously adopted by the Committee on Regional Policy, Regional Planning and Transport and that it is an interim report which, as I hope is obvious from the explanatory statement, was drawn up largely on the initiative of Mr Scarascia Mugnozza. I believe — and I am sure that this view is shared by both the Commission and my committee — that the Commission's proposal represents a major step forward, especially if it is approved by the Council, towards a common transport policy which we have long needed.

As we all know, the cost of an improved transport infrastructure, especially such aspects as bridges and tunnels either inside Member States or at our internal or external frontiers, will most probably be very high, so high in fact that one country could perhaps not meet the expenditure involved although the advantages of the project could be greater for the Community as a whole than for any of the individual Member States.

As I tried to explain in my interim report, I do not think that we should go into the Commission's proposal in detail at this stage; I feel in fact that we should obtain the opinion of the Committee on Budgets on the budgetary aspect before we draw up our final report. As the Council of Transport Ministers is to meet before the end of the year, I think Parliament should at least adopt a positive attitude to the Commission's proposal.

I do not think however that our final report and motion for a resolution should contain any proposed amendments. I could ask some specific questions today to which I would hope to get specific answers.

Firstly, was the Commission's proposal discussed at the last meeting of transport ministers and if so what was the reaction? Secondly, does the Commission think that its proposals will be discussed again at the meeting of transport ministers scheduled for December? Thirdly, it would be interesting to obtain an assurance from the Commission member as to whether — as I assume — the general aims and objectives of the proposed consultation procedure will be maintained in the specific projects worthy of Community support under the proposed final arrangement. I am thinking especially of the possibility of granting Community aid to transport infrastructure projects in the Community's peripheral regions, in other words projects that a single country cannot afford but that will result in general advantages for the Community as a whole, especially by ironing out the regional differences that currently exist.

I do not want to go any further than this today, Mr President, and I hope that Parliament will feel the same, since we will have plenty of opportunity to debate these proposals in detail later. Nevertheless, I am convinced that the general line adopted by the Commission corresponds very closely to the wishes Parliament has expressed for many years. It is a line we can approve today without taking any final decision. I believe that the motion for a resolution and the explanatory statement in my report speak for themselves and I should merely ask Mr Scarascia Mugnozza to answer my questions.

President. — I call Mr Scarascia Mugnozza.

Mr Scarascia Mugnozza, Vice-President of the Commission. — (I) Mr President, I should like to thank Mr Nyborg for the clarity of his explanation and also the Committee on Regional Policy, Regional Planning and Transport and Parliament itself for having agreed to draw up this report so that we could have the European Parliament's first reactions, and those of the committee concerned, before the Council meets.

I should like very briefly to recount the history of this Commission proposal. In 1966 we worked out together with the Member States an information agreement for infrastructures, on the basis of which the Member States were merely obliged to inform the Commission of major projects concerning infrastructures; and the Commission would give its opinion; but in the event, each country simply went its own way, leaving the Commission with no way to intercede. When, a few years ago, there was talk of the Channel Tunnel and at the same time, the economic situation was causing many Member States to modify their transport programmes with serious repercussions for the economy of the Community itself, my colleagues and I considered whether it would not be possible to improve this information agreement, by changing it into something more binding for the

Scarascia Mugnozza

Community as a whole. I think I have made this known to the European Parliament on several occasions.

As time went by this idea took on more definite shape and has resulted in the proposal before you.

What do we want to do? Well, for one thing, we want to make the passing on of information binding by setting up this Committee, whose job will be to decide which projects are of Community interest. What you said, Mr Nyborg, is quite correct: where there is a project of Community interest, whether it concerns shipping, or transport by air, river or land, it should be given special treatment with a view to improving links between the various Community Member States. If the Channel Tunnel has been mentioned, so have tunnels beneath the Alps. I could also quote — simply as an example — the Reno-Rodano canal; I could mention other canals which are under consideration, and that includes what Mr Osborn said as regards Great Britain. I think we could find in every Community Member State transport infrastructure projects which could be considered as having Community-wide importance. But the novelty of this proposal lies in the fact that we are also proposing financing arrangements.

What we in fact want is for the Community to be able to help by providing adequate funds with a view to facilitating the implementation of those projects which, as a result of the economic difficulties to which I referred, have been deferred, suspended or incorporated into existing programmes.

We have, in fact, already achieved a first success, even though the proposals on which Parliament is being consulted today have not yet taken the form of a Council decision. This first success is the Council's agreement to the proposal to enter in the 1977 budget an appropriation intended to finance infrastructures and transport, on which Parliament has already given its opinion. I am sure that this appropriation will appear in the 1977 budget. This is a clear indication of the value of the proposal and we will in future be able to count on Community financial aid in solving this problem.

I hope I have thus answered the specific questions put by Mr Nyborg. As to the other two questions which concerned work in the Council, I can tell you that at the last Council meeting I myself explained the broad outlines of the problems, but there was no reaction because the subject was not on the agenda. I might however say that the very fact of the adoption of the principle of the budget entry can be taken as a positive sign.

I think that at the next Council meeting — and this is precisely the reason I brought the matter to the attention of the Committee on Regional Policy, Regional Planning and Transport — the subject will come up for discussion, though of course it cannot be finally adopted since the European Parliament will not yet have given its final opinion. Nevertheless, the Council of Ministers will have the opportunity to discuss it, to give the matter some thought so that at the beginning of 1977, after the Economic and Social Committee and the European Parliament have given their opinions, it can take a decision. And, indeed, it is clear that if an appropriation is earmarked for 1977 in the budget, it will hardly be possible to wait until the end of the next financial year before taking a decision on the matter.

I should like to conclude, Mr President, by renewing my extremely cordial thanks to the committee for the sensitivity it has shown. I am of course fully at the disposal of Parliament, and in particular of Mr Nyborg, so that the Assembly can give its opinion within the next few months.

President. — Since no-one else wishes to speak. I put the motion for a resolution to the vote.

The resolution is adopted.

13. Agenda for the next sitting

President. — The next sitting will be held tomorrow, Friday, 19 November 1976, from 9:00 a.m. to 12 noon, with the following agenda:

- Procedure without report
- Report by Mrs Dunwoody on frozen beef and veal (without debate)
- Oral questions to the Commission on the needs for basic raw materials
- Oral questions to the Commission on consumer democracy
- Second report by Lord Bethell on the dumping of wastes at sea
- Second report by Mr Brégère on jams
- Report by Mr Willi Müller on a convention on the protection of the Rhine against pollution
- Report by Mr Ney on veterinary medicinal products
- Report by Mr Guerlin on fresh poultrymeat
- Report by Miss Boothroyd on a regulation on beef and veal originating in certain ACP countries
- Report by Mr Brøndlund Nielsen on the food-aid programme

The sitting is closed.

(The sitting was closed at 9:15 p.m.)

SITTING OF FRIDAY, 19 NOVEMBER 1976

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IN THE CHAIR : MR SCOTT-HOPKINS

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

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

- a regulation amending Regulation (EEC) No 97/69 on measures to be taken for uniform application of the nomenclature of the Common Customs Tariff (Doc. 423/76).

This document has been referred to the Committee on External Economic Relations, as the committee

responsible, and to the Committee on Agriculture for its opinions.

- a directive on the harmonization of laws in the Member States to combat illegal migration and illegal employment (Doc. 426/76).

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

- a directive relating to the quality requirements for waters favourable to shellfish growth (Doc. 427/76).

This document has been referred to the Committee on the Environment, Public Health and Consumer Protection.

(b) from the Joint Parliamentary Committee of the EEC-Turkey Association, the recommendations adopted in Ankara on 9 November 1976 (Doc. 428/76).

This document has been referred to the Committee on External Economic Relations, the Committee on Social Affairs, Employment and Education, the Political Affairs Committee and the Committee on Agriculture for information.

(c) from the Council of the European Communities, a proposal for a transfer of appropriations between

President

chapters in Section III — Commission — of the general budget of the European Communities for the financial year 1976 (Doc. 429/76).

This document has been referred to the Committee on Budgets.

3. Change in the name of a group

President. — By letter of 15 November this year Mr Duriex, chairman of the Liberal and Allies Group, informed me that his group would henceforth be known as the Liberal and Democratic Group.

4. Procedure without report

President. — During the sitting of Monday, 15 November 1976 you were notified of the title of a Commission proposal for which the *procedure without report* pursuant to Rule 27 of the Rules of Procedure had been proposed. Since no-one has asked to speak and no amendments have been tabled on this matter, I declare that this document is approved. The document concerned is the proposal from the Commission to the council for a :

regulation amending Annex IV of Regulation (EEC) No 816/76 laying down additional provisions for the common organization of the market in wine and the Common Customs Tariff as regards the exchange rates applicable to customs duties on certain wines (Doc. 395/76).

5. Regulation on frozen beef and veal

President. — The next item is a vote without debate on the report (Doc. 418/76) drawn up by Mrs Dunwoody on behalf of the Committee on Agriculture on the

proposal from the Commission to the Council for a regulation on the opening, allocation and administration of a Community tariff quota for frozen beef and veal falling within subheading No 02.01 A II a) 2 of the Common Customs Tariff (1977).

Since no-one wishes to speak I put the motion for a resolution to the vote.

The resolution is adopted.¹

6. Oral question with debate: Needs for basic raw materials

President. — The next item is an oral question with debate (Doc. 331/76) by Lord Bessborough on behalf of the European Conservative Group to the Commission of the European Communities on the needs for basic raw materials :

Has the Commission surveyed the needs of Member States for basic raw materials during the next decade and if so, what were the conclusions?

I call Lord Bessborough.

Lord Bessborough. — Mr President, in raising this particular question on the availability of raw materials, I would like at the outset to express my belief that it is the duty of this European Parliament to assume responsibility for Europe's patrimony, to defend industry's supplies, to be determined to improve the livelihood of our citizens, to sponsor the development of the Third World and indeed, if I may say so, champion the rights of man. As Jean Monnet indicates on the cover of his great book : '*Nous ne coalisons pas des États, mais nous unissons des hommes*'

Only, I think, in war time have the industries of Europe been anxious until now about their future supplies of raw materials; only in war time have the peoples of Europe endured the uncertainty which has afflicted our ancient and illustrious continent. Now, however the oil cartel has plunged the industrial world into recession: oil cartels, copper cartels, uranium cartels, sugar and coffee cartels — the list is long. But, unlike industrial cartels, which the civilized world inhibits, these are the cartels of governments; in sum, for 'commercial prudence', substitute 'political blackmail'.

Europe's politicians and functionaries sit face to face with representatives of supplying States whose business code differs from our own. Exporters, as I know from personal experience, have long trod this difficult path, but Europe must reach out to those countries first who need markets as we need theirs. It is axiomatic that politicians, whatever their ideology, care for the survival of the society they lead. Our Community must hold out the hand of economic friendship to countries endowed with raw materials and a poor population — countries which can be enriched by securing a market in Europe at fair prices.

In this partnership, countries on the way to creating a more developed society will join us in bringing a better life to millions including those in the Community who have yet to reach the comforts of life. For ours is a continuing industrial revolution, in which the intelligence of our fellowmen, wedded to newer and more sophisticated skills, will yield new products to the service of man. There will never be a post-industrial society as such, only a society in which men and women find a true vocation in serving others and making things which others need.

Closer to the beginning of time, there was the water-driven wheel, the ox for energy and the shaping of stone as raw material. If today is the middle of time, then oil and nuclear power, ores and phosphates, are the materials of the 20th century, the middle time, which distinguishes itself from previous time by the efficiency of the processes which transform these materials. Suddenly we find we might be running out of them. Why? Some may say there are guilty leaders

¹ OJ C 293 of 13. 12. 1976.

Lord Bessborough

who have refused to face the facts and take the necessary decisions. Here are some of the facts. First of all, the Community imports between 75 % to 100 % of its raw materials. Secondly, many essential materials are found in politically changeable or difficult areas of the world. Thirdly, nationalist politicians in newly independent lands have changed the rules for investment, with the result that exploration is drying up for lack of incentives. The failure of the Council of Ministers to face these facts has been described as an example of mental palsy. This Parliament must do all in its power to avert the disaster that can occur from material collapse. The Council should either seek to innovate politically and socially, or it must cede more authority to this Parliament to take those long-term decisions essential to the livelihood of our children and our grandchildren. It is within the grasp of statesmen to take those decisions that will provide the Community with its own energy supply. But there has been no action by the Council. As usual their benches are empty.

The bulk of the Community's fossil fuel imports continue to emanate from Saudi Arabia, the Gulf States, Libya, Algeria, Iraq; how many of these States are our friends? In the last century my own country manufactured 45 % of the world's copper. Today Chile, Zambia, Zaire and Peru account for 70 % of the world's copper exports to the non-Communist world. The larger proportion of world reserves of important alloying elements to be harnessed in tomorrow's technology, on which the Community's future prosperity will be based, are found in the Far East, particularly in China. Half the World's reserves of manganese are in the Soviet Union and a further third in southern Africa, which is also the free world's principal source of chromium, vanadium, platinum, and cobalt. Europe's soil needs phosphates. Hitherto, the United States and Morocco met the needs of Europe's farmers. Not long ago, the United States suspended shipments and Morocco quadrupled the price, with all that that means to the price of food for the housewife. If ever an element was tarnished by its military reputation it is of course uranium. Yet it shines, Mr President, as an immense resource capable of freeing mankind from dependence on electricity produced by fossil fuels. The world's estimated reserves exceed one million tons more than a decade's supply at the expected demand level of the 1990's. On the other hand, fossil fuel experts agree that at some time within the coming century, the world's oil reserves will be depleted, yet there are abundant tapped and untapped reserves of important raw materials.

Europe's companies lack not in the intellectual and financial resources with which to reach new sources of these materials. It is the normal cycle of 10 to 15 years from discovery to the day of delivery that has been broken. Europe's industry can continue deliv-

eries of these materials until approximately 1990. But we must exhort and encourage and secure investment in distant, sometimes difficult, and usually newly independent nations to make sure that these nations have a product to sell in ours, where there will be a ready market. To all engaged in the North-South Dialogue, this Parliament must give a reminder that Europe's industrial vitality is the seed of new economic vitality in the supplier nations. We must address ourselves to the political leaders of these nations and stress the need for a just return on the investments made by Community firms. With the same conviction we should address ourselves to the world's political — and I might say religious — leaders in highlighting our ambition to bring citizens in the developing nations and those poorer citizens in the Community the best that life can give.

Mr President, the right assessment of the Community's material needs and the right level of investment is urgent. I have read the recommendations contained in the excellent Commission document which was published on 5 February 1975. They are, in my view, equally valid today. It is an excellent document, which is still relevant today. If only governments would take heed. It is now nearly two years since it was published and yet there seems to have been virtually no public discussion of the recommendations, and certainly no decisions.

Mr President, will we only learn when our factories are at a standstill?

President. — I call Mr Simonet.

Mr Simonet, Vice-President of the Commission. — (F) Mr President, Lord Bessborough has pointed out that in its communication of February 1975 on the Community supplies of raw material, the Commission made a list of the various problems that were likely to arise in the next decade as regards supplies of raw materials for the countries of the Community.

In this report, based on the opinions of the various experts it consulted, it reached the provisional conclusion that for the next decade there were no serious risks of shortages for most of the essential mineral raw materials. Since then, in cooperation with the economics and industry ministers of the member countries of the Community, the Commission has set up a working party to carry out a group of studies covering, initially, fourteen raw materials, aimed at estimating each Member State's requirements for each of the raw materials. These studies should also help to identify the various present and potential Community suppliers.

In addition, the Council's Scientific Research Group has set up a sub-group on 'research and development of raw materials', for which the Commission provides the secretariat. This sub-group will, in particular, draw up research and development programmes aimed at

Simonet

increasing the Community's self-sufficiency, both through prospecting for new reserves of raw materials and improving recycling techniques.

Finally, the Commission has obtained the cooperation of a certain number of large European mining companies, who have agreed to make available to it all the information it needs to pursue this research.

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

Mr Jahn. — (*D*) Mr President, ladies and gentlemen, on behalf of the Christian-Democratic Group, I should like to warn against using over-emotional arguments when discussing the problems of the Communist's supply of raw materials, as was partly the case with the first report by the Club of Rome. By adopting this approach, it did more harm than good to the cause in its desire to win over to its views, with the methods of the market place, a European public ill informed on the subject of raw materials.

No-one disputes the fact that safeguarding the Community's supply of raw materials will be one of the crucial problems facing our continent over the next decade, irrespective of whether or not we include in it the question of the supply of energy resources.

If we look at the most important raw material imports into the European Community, like iron and manganese, we see that our iron and steel industry depends for over 90 % of its supplies on sources which lie outside the nine Member States. A similar situation obtains for copper, chrome, uranium etc., indeed for most primary mineral products. The Community is more dependent than other areas — with the exception of Japan — on imported raw materials and must, therefore, together with the world powers, negotiate a political solution with the countries of the Third World, in order to guarantee that our industry will get the supplies it needs in the medium term, i.e. until the end of the century. In the long term, it no longer seems possible to solve the problem of the supply of raw materials simply by protecting possible raw material sources in third countries or in as yet unexplored areas of the sea, since the earth's reserves of many important minerals are heading for depletion in less than 40 years.

Any new discoveries that might be made have already been included in this forecast by extrapolation. Remedial measures can, however only be taken through intensive research aimed at synthesizing artificial substances or discovering ways of recycling the raw materials we need. However, the longer we put off adopting a common raw materials policy, the less weight our voice will have when the terms of delivery of raw materials from third countries are fixed. This also applies to the need to find the money for intensive research into the possibility of synthesizing artificial substances since, with the growing indebtedness

of the public authorities in the Community, it will become increasingly difficult, if not impossible, to provide the necessary means.

Mr President, The Council must take a decision as soon as possible on the basis of the proposals put before it by the Commission on 7 February, 5 June, 22 May and 13 June 1975. And it should under no circumstances allow the North-South Dialogue to founder completely, if it does not want seriously to jeopardize our supplies of raw materials. In the near future, the availability of the necessary raw materials will have become a question of life or death for our continent. Politico — sociological changes in the countries supplying raw materials or power-seeking by a major power can, at the very least, influence access to basic raw materials. The oil embargo of 1973 showed us how quickly a change in the present balance of power in the world can occur, and how vulnerable our highly industrialized States are to such a threat. For this reason, the Commission and, above all, the Council, should act swiftly.

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

Mr Nyborg. — (*DK*) Mr President, on behalf of my group I would like first of all to thank Lord Bessborough for his oral question with debate on Member States' needs for basic raw materials. It goes much further than a simple statement of needs. Firstly, it raises the question of the Community's need for raw materials because of its own inadequate resources and secondly, the question of improving relations between countries that produce raw materials and consumer countries. That is the real crux of the problem.

My group has already frequently stressed the fact that the Community's future is very much dependent on its possibilities of obtaining raw materials and on the favourable outcome of the Conference on International Economic Cooperation. As we know, Europe has a considerable technological capacity but it lacks basic raw materials. On the other hand countries with considerable quantities of raw materials generally have a low technological capacity. It has become obvious that economic systems cannot be allowed to continue to develop in completely different directions, since this would lead to a confrontation between industrialized and developing countries and Europe in particular would be the loser.

The resumption of the North-South dialogue in September was therefore greeted with relief and raised many hopes. The problem of buffer stocks of certain raw materials and their financing must be dealt with and producer-consumer conferences on other raw materials must be held. Not all the problems can be dealt with in the same way. As I said, we hold great store by the North-South dialogue, since the European Economic Community is not merely the largest

Nyborg

economic unit in the world amongst raw material importers; its policy towards the Third World is part of its unity and the favourable impression it creates in the Third World is part of its political strength.

The fate of the Community is largely dependent on the successful outcome of the Conference on International Economic Cooperation for two reasons. Firstly, the Community's whole existence and standard of living depend on such cooperation which is essential for obtaining the raw materials and energy that we lack. Secondly, this is the first time that the Community is speaking with one voice at an international conference of such importance. An unfavourable outcome will therefore not merely hamper economic developments in Member States but also detract from Europe's political power. The success of the Community's policy depends on solidarity being strengthened through joint negotiation, and unity is the basis of our image at international level.

We learnt nothing from the difficulties that arose in connection with the oil crisis. The Community had no real common energy or raw materials policy. The problems the Community had in obtaining oil supplies gave rise to a mass of words and very little action. Now, in 1976 the Community has still not introduced any real reforms. We were led to believe that the decrease in economic activity was not the only reason for the encouraging fall in the demand for petroleum products in 1975 but that efforts to save and use oil rationally also played a part. We must now sweep all these delusions aside. With the economic upswing, demand has increased quickly and difficulties have arisen again. When will the Community pull itself together as we all expect and hope it will do?

President. — I call Mr Normanton to speak on behalf of the European Conservative Group.

Mr Normanton. — Mr President, in submitting his question to the Commission this morning, I believe that Lord Bessborough has rendered a very great service to industry in particular, certainly as far as its foreseeable future is concerned, and indeed I think he has rendered a great service to the 250 million men and women of this Community whose future — indeed their employment, livelihood and very existence — depend on the continued availability of raw materials to keep the furnaces and the factories going.

Gone long ago are the days when European industry was established and developed upon the basins of indigenous energy in the form of coal, of course, and when most, if not all, of its basic raw materials for processing were also indigenous. The only raw materials today which one might describe as indigenous to our Community are our people, and their ability, intellect and will to produce goods and services for themselves and for the world at large. We are dependent on imports for 90 % of essential raw materials for manufacturing industry.

It seems to me, therefore, right and proper for the Community — and that is the Commission, the Council of Ministers and this House — to give serious and continuous thought to our sourcing of raw materials and factors which might affect their future availability and price. We only have to think for one moment about the crises over oil, without which European industry would have come to a grinding halt in a matter of weeks. And, yet, we continue to expose ourselves to the vagaries of political forces and political actions as if we were literally living still in dream-land.

Oil can be stored we all know, but only sufficient to cover our basic needs for a matter of months. As for gas, that is natural gas, at least as far as certain parts of the European Community are concerned we are totally dependent upon the sourcing from areas which are dangerously vulnerable, as I pointed out to the House on Tuesday afternoon this week. Incidentally, Mr President, I think the House may well be interested to hear that, at the same time as this particular point was being made on Tuesday, the North Atlantic Assembly was studying the very self-same subject.

Our present and future nuclear power stations are dependent entirely on imported uranium, either processed or in the form of raw ore. And yet this Community, and the uranium-consuming establishments are still placing contracts for sourcing and enrichment with parts of the world over which we have not quite the same confidence, shall we say, as we have with the Member States.

Technology advances, so do our industrial raw material requirements to enable technological concepts to be translated into technological realities.

Concorde is flying today only because of the use of new and special elements which go to make high performance materials. There has been reference by previous speakers to the actual materials themselves. One in particular, though, has not I think been mentioned, yet it is of far greater industrial and economic importance than perhaps the lay public generally would believe. I refer to diamonds. These diamonds are exclusively in South Africa and in the Soviet Union, with the exception of a small proportion in Australia. I suggest the lessons we therefore have to draw from these stark facts should be clear to all, whether we are engaged in industry or whether we are engaged in politics and I list but three or four. Sourcing of such vital raw materials cannot be left solely and exclusively to the haphazard free play of decision-taking by commercial interests. This is a matter on which the Community and all its institutions must demonstrate clear thinking and a conscious political awareness whenever we are involved in international negotiations. Mr Nyborg referred to the need for strategic stocks, and that aspect itself cannot

Normanton

be under-assessed. The Community should help promote the concept of joint ventures in developing countries — joint ventures in exploration of and development and processing, if necessary, of raw materials which are, and can only be, sourced from those parts of the world. Fiscal and economic policies must be promoted which will facilitate long-term investment by European industry, and by the European investor, as well as by the Community itself. Of course the fact that we have the very close and developing relationships with the Lomé States is of tremendous importance to us, but I believe that the industrial aspect, as far as raw materials are concerned, is still grossly misunderstood. As one who has been engaged in industry, may I suggest that we might well take a leaf out of the agricultural book here in Europe. We are therefore grateful, certainly as far as the European Conservative Group is concerned, to Lord Bessborough for drawing the attention of the House to the situation and to Commissioner Simonet for making it clear that the Commission also recognizes and appreciates the importance and will give due consideration to the question of raw material supplies for European industry in the future.

President. — The debate is closed.

7. Oral question with debate: Consumer democracy

President. — The next item is an oral question with debate (Doc. 388/76) by Miss Boothroyd, Mr Evans, Mr Adams, Mr Carpentier and Mr Kavanagh to the Commission, on consumer democracy:

In the first consumer survey after the adoption of the Commission's Consumer Information and Protection Programme, less than 4 out of 10 people in several Member States were able to mention the name of any consumer organization.

1. What concrete plans does the Commission have to remedy this lack of education and information of the consumers in the Community and what efforts has the Commission possibly made to implement these plans?
2. Does the Commission agree that it should be a fundamental prerogative of European consumers to have direct access to the European Parliament, and will they amend the constitution of the Consumer Consultative Committee accordingly?
3. What structures exist for environmental consumers? Has the Commission plans to extend the functions of the European Environmental Bureau?
4. Would the Commission agree that the new Commission should contain one member whose main responsibility is for consumer affairs?

I call Lady Fisher to deputize for Miss Boothroyd.

Lady Fisher of Rednal. — Mr President, can I first of all say how sorry I am that Miss Boothroyd herself

is not presenting this oral question this morning. Miss Boothroyd has been very active working in the Socialist Group and chairing all kind of committees and meeting all kinds of consumer groups in the various Member States. It is unfortunate that illness has prevented her from attending this plenary session this week. I feel sure that I shall not do justice to the questions she has got down on the order paper, but I will do my best.

I think Mr President we have to accept that the consumer society which is built up by the media subjects the consumer to unremitting pressure — unremitting pressure to buy, to run into debt, to seek all kinds of pleasures, whether it is running the best cars on the road or sailing the best yacht or going on the most expensive holiday. Because of these unremitting pressures it is imperative that the consumer have some form of protection. The questions we have on the order paper are a follow-up to the items the Commission has already undertaken. There has been a mass survey in the Member States and many of the replies obtained from that mass survey show total dissatisfaction with consumer affairs in all the Member States. It was clearly pointed out in the survey that there was dissatisfaction with what the EEC did to protect the consumer.

One of the things that might raise the esteem of the Commission if they want to do something to encourage the consumer might be to try to form some opinion on food prices and set up a very objective study on what happens to the price of food between the farm gate and the housewife's table. There is a great disparity between the price the farmer gets for his produce and the price the consumer pays. It was important to Miss Boothroyd, I think, when she tabled her questions, to ask what had been the result of the survey.

Legislation is very difficult to understand in any of the Member States — and EEC legislation is perhaps more difficult than their legislation. What plans does the Commission have to try to ensure that consumers understand this legislation? Would it not be worthy of consideration that one member of the Commission should be solely and totally responsible for consumer affairs?

I want to say this morning, Mr President, that consumer affairs is not just a woman's affair. It is important for men to understand consumer affairs quite clearly. It has not only to do with food. It has to do with all kinds of things that are on the market. The male members of society should recognize that a greater interest in consumer affairs would mean that the wage packet that they earn could be spent much more wisely. They should be encouraged to support consumer organizations.

Lady Fisher

I think it was clearly understood that Mr Lardinois agreed to hold a mass conference or a mass debate in December in the Community and I would be grateful if the Commission could give us details of when this conference is taking place and the people who have been invited from the various Member States.

I think it is also significant that there is a different attitude to consumer affairs when considered in relation to the environment. A lot of pressure is now building up with regard to the protection of the environment. On the television screens throughout Great Britain we have seen the pressures built up by consumers in Germany on the siting of energy plants and we therefore ask: what opportunities have environmental consumers to make their position clearly known?

My final point, Mr President, is that if the Commission feels that the European consumer organizations cannot have direct access to this European Parliament, I would say to those consumer groups that ample attention is paid to the interests of manufacturers and traders when legislation is under consideration in the EEC. It is important for consumer groups to recognize that this Parliament and its individual Members are available to put forward the point of view of the consumer. If they are not able to put sufficient pressure on the Commission themselves, Parliament is always ready and willing to help them.

President. — I call Mr Simonet.

Mr Simonet, Vice-President of the Commission — (F) Mr President, various surveys have shown that European consumers feel that the media — the press, radio and television — do not devote enough attention to the protection of their interests. The Commission believes that this fact should encourage the media to develop articles or programmes devoted to consumer problems. For its part the Commission has, over the last three years, held extensive exchanges of information and of experiences by organizing regular meetings of Community journalists specialized in the field of consumer information. These exchanges make a very large contribution to improving the information provided to consumers.

In addition, the Commission itself has taken part in a number of conferences organized by others on all the problems posed by consumer protection. It therefore believes that public discussion of these matters should be encouraged as much as possible, I will mention, for example the Montpellier conference on legal and other official methods of protecting consumers, with which Parliament was also associated.

As regards, more specifically, information on the Community's activity in sectors of interest to consumers, I would mention first of all that the Commission publishes each week the press bulletin 'Euroforum' which is widely quoted in the press and a large proportion of whose articles concern problems of consumer protection.

The Commission is also active on the legal front: this year it transmitted to the council a proposal for a directive on the labelling and presentation of foodstuffs and on advertising, on which the European Parliament delivered a favourable opinion. It is also in the process of drafting a proposal for a directive on unit pricing for certain foodstuffs to improve consumer information in the shops and to facilitate price comparisons. It has begun work on a draft directive on misleading or dishonest advertising. Finally, before the end of the year, the Commission will publish several information brochures on consumer organizations and a bibliography on consumer protection.

The Commission does not deny European consumers the right of direct access to the European Parliament. Indeed, consumers do use this right, if you think of the number of petitions which Parliament has considered over recent months. However, the Commission does not think it is appropriate to change the statutes of the Consumer Advisory Committee. The task of this committee is to represent consumer interests to the Commission and to give it its opinion on the formulation and implementation of policies and measures on consumer protection and information.

National or regional environmental protection associations established in the Member States of the Community have set up an independent international association under Belgian law, with scientific and educational objectives, better known as the 'European Environmental Bureau'. The Commission welcomed this initiative and indeed helps it financially. Since this is an independent association, the Commission has no plans to extend the functions of the European Environmental Bureau.

Finally, the Commission which is at present in its last weeks, feels obliged to remind the honourable Member that it judged the problem of consumer protection sufficiently important to give one of its vice-presidents responsibility for these matters.

The progress achieved in consumer protection and information at Community level is a result of the initiatives which it took in this field following the decisions of the Paris Summit of 1972. As regards the responsibilities, the present Commission believes that it should leave its successors to allocate responsibilities as they see fit.

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

Mrs Squarcialupi. — (I) Mr President, I have just listened to Commissioner Simonet's answer and I must say that the Commission's efforts seem to be somewhat lacking in forcefulness since they have failed to cross the Alps — which are, of course, very high. Indeed, in my country I have been so far unable to find anyone in authority — in so far as my job

Squarcialupi

enables me to deal with consumer problems — who can verify that the measures to which the Commissioner has referred have in fact been carried out. I therefore want to support, in my own name and on behalf of the Communist and Allies Group, this question to the Commission, even if my recent arrival in this Parliament does not permit me to go into the details of the four paragraphs, which contain a number of urgent questions to the Commission.

I shall thus stick to the substance, to the spirit of the question, which is consumer democracy, which, as I see it, is being denied to consumers in a number of ways referred to by the questioners. The fact that less than four out of ten people were able to name a consumer association implies either that such associations do not exist or that they do exist but that the consumer has not been provided with any information on them. If the first hypothesis were true, the consumer would not have available a democratic body to inform and protect him, and if the second were true — associations existed but were not known about — it would be like putting a pretty cover on a bad book. Whatever the truth of the matter, the citizen is being deceived, and that does not amount to democracy.

If it is true — as Lady Fisher said — that all consumers should be aware, for example, of how prices are rising, we should nevertheless recall that because 75 % of household budgets are managed by the women, this threat to democracy, which is at same time in the interests of the producers — particularly the big producers — is largely at the expense of women and their efforts to balance their budgets. To keep housewives in the dark about consumer problems by not informing them and not providing them with guidance is like denying workers trade union protection.

Women, far too many of whom are still obliged to work in the house, are thus denied even the basic democratic liberty of free choice, since it is precisely at them that, because of a lack of information, advertising and the mass media are especially directed.

The provision of democratic consumer information is particularly desirable during this period of recession. Just as the most hazardous moments for an aircraft are when it lands and takes off, the most hazardous moment for consumers are just as consumption is beginning to take off, a period during which consumers in all the Member States and certainly in my country have been very much left to their own devices. At the moment we are going down, it's the landing, and extremely hazardous; a traumatic period in such a hazardous turning point for the economy and for the entire system. Consumers must therefore be helped and helped a lot, and no time should be lost in doing so, so that the sacrifices and self denial imposed on them by the economic crisis can be made somewhat more bearable. The more democracy we

can therefore give to the consumer through the Community Institutions and their proposals, the sooner this Parliament can turn a democratic face to the world:

President. — I call Mr Mitchell.

Mr Mitchell. — Mr President, producers, whether they be employers or trade unionists, are very well organized. The ordinary consumer is not organized and therefore very often has a definite sense of frustration, a feeling that he or she — and it is he or she, it is not just the woman we are taking about, it is the man as well — is not heard in our society. I think it is our responsibility as parliamentarians to do whatever we can to ensure that the voice of the consumer is heard. We can do it in our national governments and our national parliaments. I look forward in Britain to the day when governments consult not only the Trade Union Congress and the employers' organizations but also the National Consumer Council before they make decisions. At the moment you continually hear the government in my own country, whichever party is in power, assure us that it has consulted the TUC, it has consulted the CBI, but nobody has consulted the poor consumer. I think that in the Council of Ministers, when for example the agricultural ministers are meeting to discuss the common agricultural policy and to arrange prices throughout the Community, the ministers representing consumer interests should also be present alongside the agricultural ministers, for they should have a direct voice in the decision-making there.

Secondly, I think that, as is implied in the question, there should be a Commissioner responsible for consumer affairs. When we get a proposal from the Commission, there should be attached to it from the Commissioner responsible for consumer affairs a note indicating the effect on the consumer of that particular proposal.

Finally, this European Parliament. I would suggest, Mr President, by far the best way of giving consumers direct access to this European Parliament is to hold direct elections so that they have a directly-elected Member of Parliament, who can make his voice heard here. So I think that we should do everything in our power as parliamentarians to make sure that the voice of the consumer is heard in all these sectors of the Community.

President. — I call Lord Bethell.

Lord Bethell. — Mr President, I would like to join with other Members who have spoken to express their concern at the thought that the consumer does not have sufficient access to the Commission in the drafting of proposals on consumer affairs and to join in expressing the feelings, which I think is pretty general in this House, that the Commissioner did not offer us very much hope that this situation would be improved in the near future.

Lord Bethell

There are two very brief points I want to make. The first one concerns the Consumer Consultative Committee. I am assured that this committee does excellent work in helping the Commission prepare its directives, but it works in an invisible way its wonders to perform. It seems to have very little access either to Parliament or to the press, and it is difficult to see how this committee can operate effectively or really influence the Commission unless it has access to the media or to parliamentary committees or to Parliament itself, perhaps through appearing regularly at plenary sessions and making reports. So I would urge that the Commission try to think of some way of giving this committee a little more publicity and a little more access to the public forum. Secondly I would like to draw attention to the request made by other speakers that there should be in the Commission a separate portfolio for consumer affairs. I was disappointed that Mr Simonet seemed to think that this was not possible at the moment, although I appreciate that the Commission is being changed. I would point out that many of the Member States have a separate department of state devoted to consumer affairs. This seems to have worked in some of the Member States, and it is a pattern which surely should be tried out and copied in the Commission's work.

President. — I call Lord Bruce.

Lord Bruce of Donington. — Mr President, the Commissioner will forgive me when I say that he really seems to have missed the whole point of the question addressed to him. In his reply, Mr Simonet seemed to indicate that in his view the protection of consumer interests in the Community was covered essentially by aiding what he called consumer protection agencies in the various countries, by providing for facilities for working parties or delegations to discuss with one another under Community auspices matters affecting consumer protection at the retail end. This, Mr President, as my colleague Mr Mitchell said, misses the whole point of the question addressed to him. The consumer throughout Europe is subjected annually to a barrage of advertising and publicity which over Europe as a whole costs some 10 000 m u.a., or in my own country £ 1 000 000 000 per annum, mainly initiated by private corporate power to promote prestige products, to ram the virtues of various products down the population's throats. In particular, such publicity is directed at the teenager, to whom the acquisition of material things is represented as being of greater importance than the values of what we will call somewhat loosely the good life. These are the consumers of Europe. Now, where the consumer interest requires to be protected is at the policy-making point, which in Europe means the Commission; and in the Commission at the moment the consumer interest is looked

after by six individuals — six officers in the Consumer and Environment Protection Office, aided by 19 typists and clerks, out of a total Commission staff of some 7 400 or 7 800 at the last count. What Europe requires is that the consumer interest be taken care of when policy decisions are being made in the Commission. What is required is a Commissioner who, whenever a proposal is made in the Commission, has the right and the duty to remind his colleagues that this proposal has to be considered in conjunction with consumer interests. Mr President, if there had been a Commissioner for consumer affairs at the time that the common agricultural policy was put forward and when the intervention prices were determined, all of which are agreed to be at far too high a level with regard to the consumer, I very much doubt whether Commissioner Lardinois would have been permitted to get away with the high intervention prices that have obtained in Europe in the interests of the producer over the last three or four years.

These are the matters, Mr President, which require attention. Just as in some countries in Europe there are now ministers for consumer affairs who sit in at cabinet level whenever discussions of national policy are made, so too there should be in Europe, and I hope that when the new President of the Commission comes to consider its reorganization in conjunction with his colleagues he will give some effect to this demand, which will gather momentum in Europe until we are satisfied that the interests of the consumer rank equally with the interests of the producer, which have been so far safeguarded by the Commission.

President. — The debate is closed.

8. *Directive on the dumping of wastes at sea*

President. — The next item is the second report (Doc. 375/76) drawn up by Lord Bethell on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the

proposal from the Commission of the European Communities to the Council for a directive concerning the dumping of wastes at sea

I call Lord Bethell.

Lord Bethell, rapporteur. — Mr President, Parliament will be aware that this matter has been before the House already. It has been before the Committee on the Environment, Public Health and Consumer Protection five or six times. This report aims to bring the Community into line with various conventions presently existing on the dumping of wastes at sea, and to work out a common policy restricting what may or may not be dumped.

Lord Bethell

The problem in our discussions has been that various rules apply to various parts of the oceans. It is, for instance, understandable that more strict rules should apply to the dumping of waste materials in the Mediterranean than in the Atlantic Ocean, and that even stricter rules should apply to the Baltic, which is shallow and even more enclosed than the Mediterranean. Therefore, it has been the committee's task and concern to see that, while bringing some uniform rule into our legislation about dumping at sea, we do not impose some global provision upon Member States which would make the rules about dumping universal and impose the same rules for every part of the marine environment.

We have therefore prepared a report, which advises the Commission to pay special attention to different areas of the marine environment and to see that the existing conventions, which have been signed by very many Member States, and which I am told will very soon be ratified by them, are used as the basis for this new Community legislation; that the Community directive — if it is passed, which I hope it will be — will supplement the existing international conventions rather than supersede them; that it will complement these conventions rather than being the fifth wheel on the chariot, which could only cause difficulty and confusion and duplication in the enforcement of the various rules about dumping.

I explained the details of this report on a previous occasion, Mr President. I do not think I need to go into it in any more detail now. I beg to move that the House adopt my report.

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

Mr Jahn. — (*D*) Ladies and gentlemen, allow me to raise, on behalf of the Christian-Democratic Group, one or two points about this second report by our colleague Lord Bethell which, in our view, are very important.

The Commission proposal under discussion on pollution of the sea by the dumping of wastes is based, on the one hand, on the EEC Action Programme for the Protection of the Environment and, on the other hand, on a request by the Council to the Commission to take action in this important field. The Community thus wishes to take the initiative and to play a leading part, because the international organizations are dragging their feet. It is therefore, all the more regrettable, however, to note that the Commission submitted this proposal for a directive to the Council as long ago as 8 January 1975, whereas the latter did not consult the European Parliament until a year later, i.e. on 22 January of this year and the House has already discussed it several times.

However, the very pressing question now arises of whether the directive has any point at all if one

considers that international agreement on measures to combat sea pollution have already been concluded. Might not the Commission initiative mean an unnecessary burden on national legislation if the provisions currently in force are applied in the individual Member States?

The answer to this question is clearly no, precisely because, as we all know, for one thing, the individual Member States possess very different provisions in this field and apply them very differently and, for another thing, as our colleague Lord Bethell has already mentioned in his presentation, neither the London Convention nor those of Oslo and Barcelona and those dealing with the Baltic have yet been signed, let alone ratified, by all the Member States.

For these reasons, the Community must develop its own initiatives in this field and lay down unified rules for all the Member States, so that the protection of the sea against pollution can be comprehensively assured. That should, however, not be too difficult for our Community since it has, after all, the coastlines of various seas to look after and protect.

We cannot but agree with the Commission when it claims in the introduction to the explanatory memorandum of this directive that its main purpose is to get the Member States to establish a system of supervision and to adopt safeguard measures. Mr President, it remains to be hoped, that, after the supervision is carried out, the question will be further clarified and that the Council will wholeheartedly back up the Commission in its purpose, since it has already expressly asked it to proceed with Community action in this field.

We urge that effective measures be brought into force as soon as possible — I speak now on behalf of the Committee on the Environment but also on behalf of my group — and that, as the European Parliament, we be kept regularly and fully informed by the Commission of the implementation of this directive. I must thank Lord Bethell once again for his long and arduous work and thank you also for your attention.

President. — I call Mrs Kruchow to speak on behalf of the Liberal and Democratic Group.

Mrs Kruchow. — (*DK*) Mr President, I must unfortunately point out that there is a mistake on page 3 of Lord Bethell's report. The report states that only one of the Members present abstained from voting. I must be the person referred to, but the fact is that I voted against the report. I did however agree to some of the paragraphs. That will also explain what I am about to say.

First of all, I cannot accept the motion for a resolution if paragraphs 6, 7 and 8 are maintained. I will therefore vote against the report as it now stands, if a

Kruchow

majority in this Chamber do not adopt my amendment to delete these three points from the motion.

On the other hand, I agree with the committee and admit that marine pollution continues to be a very serious threat to the environment. I also note that all Member States have signed the London Convention, the global agreement on the dumping of wastes at sea, but that not all have ratified it. Some Member States have signed three other international agreements on the dumping of wastes at sea, the Oslo Convention, the Baltic Convention and the Barcelona Convention, but that not all of them have ratified them either.

What I find very serious is that in point 6 the Committee on the Environment, Public Health and Consumer Protection

invites the Commission to amend Annexes 1 and 2 of their proposal so that the lists of substances for which dumping is restricted coincide exactly with the provisions in the international conventions appropriate to their various sea areas.

I would appeal to Parliament to reject this request and I shall tell you why. I shall also explain why I think Parliament should support the Commission's proposal as a minimum proposal. The report by the Committee on the Environment, Public Health and Consumer Protection acknowledges that the provisions of the various conventions may vary according to the different characteristics of the sea areas to which they apply. But the conventions referred to — especially the London Convention and the Oslo Convention — were drawn up in 1971-72 and the results of marine research in recent years have shown that there is a need to make the requirements more stringent. In this connection I would refer you to the very thorough and detailed opinion adopted by the Economic and Social Committee at its 139th plenary meeting on 25 and 26 May this year, which was published in the Official Journal of the European Communities on 23 August 1976.

The Economic and Social Committee approves the proposal for a directive but considers it as being a first step covering the minimum provisions. It wants the proposal to be tightened up in several respects, either by amending the text as it stands at present or by adopting further provisions. There are several reasons for this, including the need for monitoring of synergistic effects, in other words the effects due to the inter-reaction of chemical compounds or elements which bring about or increase toxicity. There is also the rise in the concentrations of marine pollutants and the effects of this rise on certain foods of marine origin, and finally the need for preventive action, all of which I fully support.

I would also draw your attention to the clear need to check regularly whether the requirements laid down in the conventions are up-to-date, which should encourage Parliament to endorse the fact that the

Commission has made some provisions more stringent than those in the London and Oslo Conventions. I am referring to Annex 1 in all three conventions which lists the wastes and substances whose dumping is banned in all circumstances. In Annex 1, point 6, the London Convention includes radioactive wastes or other highly active radioactive materials. In the corresponding annex to the Oslo Convention, the dumping of radioactive waste is not prohibited. The present Commission proposal for a directive prohibits the dumping of high, medium and low level radioactive material as defined by the Council on a proposal of the Commission before 1 January 1978 as unsuitable for dumping at sea. Certainly no-one would venture to suggest that the Commission has gone too far here, although this provision is more stringent than older conventions. When they were drawn up we were not so much on our guard against an increase in radioactive pollution.

I therefore agree with the Economic and Social Committee whose opinion as a whole is based on the fact that there will be a need to make provisions more stringent in the near future if research results show that there is a need to do so. It is true that not all seas in the Community are equally badly affected by pollution, nor is it true that all are equally exposed to pollution, but it is important to prevent the abuse of dumping and to prevent pollution arising where it does not yet exist.

The lists set out in the annexes to the present Commission proposal correspond in the main to the Barcelona protocols. These agreements, which were concluded by 16 of the 18 countries with Mediterranean coasts, are based on the most advanced and newest research. That should be the case for a Community directive.

For your information, I would point out that Article 4 (4) of the Baltic Convention says that the convention does not apply to warships and other military vessels or aircraft. I see that no specific exemption is given for military vessels in the Commission's proposal and wonder whether I should understand that they are excluded from the provisions of the directive.

As you will have understood, I am opposed to the way in which Lord Bethell's motion for a resolution waters down the provisions and I have explained why I have tabled an amendment.

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

Mr Nyborg. — (DK) The Commission's proposal for a directive which is the basis for the European Parliament's discussion of dumping of wastes, contains some very positive ideas about reducing marine pollution. As the report points out, the question whether it is necessary to have a Community directive on this subject when there are international conventions that

Nyborg

govern the dumping of wastes. Not all Member States have ratified the Barcelona, Oslo and Baltic Conventions, nor are these conventions legally binding on all Member States. But it is a big step from that to a Community regulation, since we must try to avoid double administration and seek the most rational and best solution to the whole dumping problem. As Lord Bethell's report suggests, it would be advisable to have a Council directive that makes the provisions of the international conventions binding on the Member States.

The dumping of wastes can have different effects on the ecology of different sea areas, depending on the amount and toxicity of the substances. This is seen most clearly if we compare the Barcelona and Oslo Conventions. In many respects the provisions of the Barcelona Convention are more stringent because of the narrow waters of the Mediterranean. There will be less distortion of competition between the Member States and third countries that have signed the international conventions if the ideas given in the report are followed. However, there will still be problems with third countries that have not signed the conventions and this could lead to some distortion of competition.

Marine pollution from dumping is a serious problem and it is therefore essential to intensify environmental protection of the seas. The discharge of toxic waste waters either directly to the sea or to rivers must be avoided, since it can have disastrous effects on the environment and reduce the number of species of fish in our most highly fished areas. It is therefore essential to reduce the amount of waste dumped or to neutralize its harmful effects before it is dumped. I therefore propose that the 'polluter pays' principle be interpreted as meaning that whoever wants to dump wastes at sea should be obliged to make them harmless. Prevention is after all better than cure.

On behalf of the Group of European Progressive Democrats I recommend that Parliament vote in favour of the motion for a resolution since it must be regarded as the most practical step taken in this direction.

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

Mr Veronesi. — (1) Mr President, the Communist and Allies Group will vote in favour of the motion which has been tabled.

This important matter has already been discussed so often in this Chamber that some might consider this debate superfluous. I, on the contrary, feel that we should discuss this matter again in the future and indeed continue to keep a watchful eye on it, because the problems of pollution and the questions they raise grow at the same rate as the development of productive techniques and population increases in the various countries, and we shall thus have new

problems to deal with from one year to the next. We should therefore bear in mind the fact that we shall never, once and for all, have solved the problem of pollution and it would be wise for both this Assembly and the Commission to devote plenty of time to consideration of these questions every year.

There are a few points that I should like to make to show what I mean. The first step that the Community should undertake in its role of initiator of Member States' activities is the setting up of scientific research organizations on environmental and pollution problems. It is because new and unexpected problems appear from one day to the next, situations which cannot be anticipated in advance, that we have run into serious difficulties: I take as an example the Adriatic coast of Emilia Romagna, the region I come from, so famous for its beaches, which is now being overrun by a plague of algae which is likely to seriously jeopardize the environment and affect the economy, tourism and fishing.

The seaside towns were proud of the purification plants they built, which were without equal anywhere in the world. Their installation cost a great deal of money, work and sacrifice and was intended to guarantee the tourist a clean sea genuinely fit for bathing and relaxation. Despite all this, however, we now have the problem of the proliferation of the algae — which devour oxygen — and this has led to the death of a great number of fish and a fairly serious situation. Researchers and scientists have not yet discovered the precise causes of this phenomenon, which at present remains unexplained.

Now, if it is true that not all environmental problems can be dealt with, I think that this is a problem for the whole Mediterranean and should be brought to the attention of the Community with a view to encouraging and providing financial help for investigations and research into the matter, particularly as regards the new difficulties which have cropped up without warning as the result of the environment's reaction to outside stimuli, despite the fact that these stimuli were applied with best intentions and the greatest care.

A second point I should like to stress is that the industry still does not provide purification plants — that, at least, is my personal experience — with adequate guarantees. I myself have seen how difficult it is to be given absolute guarantees by Community firms which manufacture purification plants for sewage, water, etc.: none of them are willing to commit themselves. So this, in my view, is another area where the Community should encourage the undertakings concerned to further refine production of their plants, develop their purification methods and agree to offer more binding guarantees, because at the moment local authorities which decide to purchase purification plants receive no firm guarantees as to the plants, effectiveness.

Veronesi

The third matter I should like to refer to has already been discussed by the House, and I refer to the recycling of waste. We discussed the problem of raw materials earlier; right now, as I see it, we have to start facing with a certain degree of urgency the problem of recycling waste materials in order to recover those raw materials which otherwise are so inconsiderately and dangerously thrown into the sea or discharged into the atmosphere. Here too it is a question of vitally needed scientific research. At this moment in time — if you will excuse the parallel — an invention for reutilizing and returning to the productive cycle the sewage of a large town would be of far greater value to the Community than philosophical research which might provide us with new perspectives for interpreting the world about us! I believe, therefore, that the Commission should be encouraging such research as falls within its responsibility in this direction — whilst leaving the scientists with the right of initiative that is their due — and laying the emphasis on research aimed at recovering raw materials and other substances which would otherwise cause dangerous pollution.

In conclusion I would stress that the Commission has done well to raise this problem once again and would do well to raise it again in future, because all too often we find ourselves confronted with new problems and new demands which require attention.

President. — I call Mr Simonet.

Mr Simonet, Vice-President of the Commission. — (I) Mr President, the Commission is particularly grateful to Lord Bethell for his efforts to conciliate all the various viewpoints in considering the Commission's proposal and in drafting the motion for a resolution. I also thank the various speakers who all stressed the importance of this proposal for a directive. Both the directive and Lord Bethell's report were the subject of long discussions in the Committee on the Environment, Public Health and Consumer Protection.

I will therefore simply mention that this proposal, presented in application of the Action Programme on the Environment, is aimed at greater consistency in the rules applying certain international conventions. The provisions of these conventions sometimes differ, particularly as regards the lists of dangerous waste products. The Council has agreed that the application of these agreements will mean that the Community must introduce laws and regulations which will have to be harmonized to prevent the creation of distortions in trade and in the location of investments. The Council has stressed, in particular, that a way will have to be found to introduce a single certification procedure in the Community and that the laws and regula-

tions on the dumping of products not contained in the conventions will also have to be harmonized and, if necessary, Community proposals will have to be presented reviewing the list of substances. This is the purpose of our proposal.

The Commission notes that it has been asked to amend the annexes to bring them into line with the provisions of the international conventions on various marine areas. It has already indicated that it will bring the backlist of the most dangerous substances into line with the list finally adopted in Barcelona for the Mediterranean, which takes account of the results of the latest research. However, to go any further in adapting these annexes would run counter to the purpose of this directive. I would add that the differences between the annexes and the various international conventions are of relatively small importance.

I would like today to reassure once more the Members of this Assembly: the Commission does not intend to add a system of authorization for thermal discharges at sea to those existing under the international conventions, nor to superimpose an administrative structure on existing structures. What the Commission wants is to see the rules for applying these various conventions of the Common Market and the implementation of the Action Programme on the Environment. I would add that a certain flexibility is retained in the directive since derogations are provided for in serious circumstances.

The Commission thanks Parliament for asking the Community to ratify other international conventions; it has already indicated in its proposal for an environmental programme for 1977 to 1981 that it will present appropriate proposals on the Community's participation in the various international conventions on marine pollution from the dumping of waste.

President. — The debate is closed.

We shall now consider the motion for a resolution. I put the preamble and paragraphs 1 to 5 to the vote. The preamble and paragraphs 1 to 5 are adopted.

On paragraphs 6 to 8 I have Amendment No 1, tabled by Mrs Kruchow on behalf of the Liberal and Democratic Group, seeking to delete those paragraphs.

Although the report was published on 8 November, this amendment was not tabled until this morning. The chair regrets that such a short time has been given to the Assembly.

I call Mrs Kruchow.

Mrs Kruchow. — (DK) Certainly the report is dated 8 November, but the Danish version was not distributed before I came down here. I think I should just point that out to the President. I have also explained why I want paragraph 6 deleted.

President. — What is Lord Bethell's position?

Lord Bethell, rapporteur. — Mr President, I did in fact only receive my copy of the amendment just as I was standing up to speak about half an hour ago.

I cannot advise the House to accept the amendment. It seems to me that, if paragraphs 6 to 8 are removed, there is a serious danger that we will have duplication in the enforcement procedures of the various international conventions. Unless the Commission take very seriously the advice in paragraphs 6 to 8 to bring the various rules into line with the London, Oslo, Barcelona and Baltic Conventions, there will inevitably be conflict between the regulations of the international conventions and the regulations of this directive.

I have taken the best scientific advice available to me in preparing this report, and I have not heard it suggested, as Mrs Kruchow does, that the London Convention and the others are out of date and that they are not strict enough. On the contrary, the weight of the evidence that I have been able to obtain suggests that the London Convention is a good convention, a global convention, and the only serious problem with it will be to see it is signed and ratified by every country, not only the Nine of course, but globally. I am told it has already been signed by some 90 countries. It is an important convention, which will do an awful lot to help the marine environment and to keep it in a better state.

If we start imposing a new set of rules which would supersede this London Convention, I feel that the London Convention will be undermined and that we will only get ourselves into the most hopeless muddle. As the Commissioner has said, the Commission would propose to delegate responsibility for enforcement to the authorities of the Member States. The international conventions also delegate authority for enforcement to the Member States. If the various rules are in conflict, there will be two separate authorities in Member States, enforcing two different sets of rules on dumping. This, I submit, would be madness. I therefore ask the House to reject the amendment.

President. — I call Mr Jahn.

Mr Jahn, vice-chairman of the Committee on the Environment, Public Health and Consumer Protection. — (D) Ladies and gentlemen, I should like to ask you to adopt this motion for a resolution as it stands. Mrs Kruchow, we were and are all of the opinion that if it were necessary to improve the Conventions — as Mr Simonet said — then amendments to all these Conventions would have to be proposed. Nothing can be changed now, or else we will have problems getting anything done at all and especially anything successful. So I ask my colleagues to adopt the motion for a resolution in its present form.

President. — I put Amendment No 1 to the vote. Amendment No 1 is rejected.

I put paragraphs 6 to 9 to the vote.

Paragraphs 6 to 9 are adopted.

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

The resolution as a whole is adopted.¹

9. Manufacture and sale of jams

President. — The next item is the second report (Doc. 376/76) by Mr Brégégère on behalf of the Committee on the Environment, Public Health and Consumer Protection on the consumer and public health aspects of the manufacture and sale of fruit jams, jellies and marmalades, and chestnut puree.

I call Mr Brégégère.

Mr Brégégère, rapporteur. — (F) Mr President, ladies and gentlemen, I hope you will allow me to go briefly over the difficulties encountered in the report presented to the European Parliament on the consumer and public health aspects of the manufacture and sale of fruit jams, jellies and marmalades, and chestnut purée. There has already been a long discussion in committee and in plenary sitting on both Mr Liogier's report and the report which I drafted and which was equally unsuccessful: its discussion last July gave rise to some misunderstanding, and it was referred back to committee again. Indeed, I would like today to express my regret and apologies for any responsibility which I may have had for this slight incident.

In today's report the committee in a spirit of conciliation and understanding, unanimously supports as far as it can the Commission's arguments on the general or procedural points, while at the same time taking a hard line on all matters concerning the health of consumers. For this reason we abandoned our proposal to have recourse to Article 100 of the Treaty, since the Commission's remarks seem to us to be perfectly just. Recourse to Article 100, which requires unanimity in the Council, would have given every Member State the possibility of exercising the right of veto and therefore rejecting the proposed directive. The rules on labelling and more precisely, the fixing of precise maximum quantities for each authorized additive, the obligation to include particulars on the label in the language of the consumer, the indication of the date of manufacture or the time limit for consumption, the difference in presentation of products for export, are included in a general way in the directive on the labelling and presentation of food-stuffs. We can thus omit the corresponding provisions from the directive jams.

¹ OJ C 293 of 13. 12. 1976.

Brégère

As regards the provisions on time-limits, we expressed the wish to see the time-limits for entry into force of a directive reduced, and we asked on the one hand for methods of sampling and analysis to be drawn up not later than the date of application of the directive, and on the other hand for Member States to inform the Commission in good time of all their domestic legal provisions on this matter.

The Commission has drawn our attention to the cumbersome nature of the procedures and the accumulating delays which would result from the last two obligations. Stressing the unrealistic nature of our wishes on the date of entry into force, it asked us — and we agreed — to act accordingly.

On the other hand, as regards provisions which directly affect the health of consumers, I propose that we stick firmly to our position on paragraphs 6 (b), (c) and (e), for the arguments put forward by the Commission have not fully convinced us.

As regards the soaking of chestnuts in a solution of sulphur dioxide, the fact that this is merely a cleaning process does not seem to me to make the provisions of a maximum time-limit unnecessary, even if the limit is higher than that applied usually to foodstuffs. If it proves difficult to set this limit, at least there should be a limit on the sulphur dioxide content of the chestnuts after the process. This limit could be 10 ppm.

Secondly, the question of colouring matter, we could slightly alter our position. As regards the obligation of specifying the colouring matter used, the Commission has objected that this requirement is not specific to jams and that the directive on labelling had provided for this in a general way. On the other hand, we cannot drop the maximum limit on quantities of colouring matter used. Voluntary limitation by manufacturers has not been shown to work and the quantities necessary to improve the product are not necessarily the same as the limits imposed by the requirements of consumer health.

Finally, as I have already said, we demand compulsory indication of the presence of sulphur dioxide. If, as the Commission claims, quantities are negligible, we can only welcome this, but this is no justification for the lack of precision on the label; especially as the inclusion of this information among the rest will not, we believe, lay much of an extra burden on manufacturers. This is why we must remain vigilant in the interests of public health.

As Mr Thomson said in his speech last July, we have very complex matters to deal with. He asked the European Parliament not to fall into the temptation of giving routine approval. This is well and good. However, no one could ever accuse your committee of this: it is, I believe, because it strongly resisted this temptation that the Commission reacted to the two

previous reports referred back to committee for further consideration.

Perhaps we will be accused of considering the technical details insufficiently and too rapidly. I would point out that the rapporteur is available to the committee which appointed him and to Parliament, which is the final judge. I am therefore available to our Assembly to discuss with it the suggestion contained in the motion for a resolution, which is aimed essentially at protecting the consumer while avoiding technical barriers to trade which hinder the free movement of goods on the European market.

Of course, I realize that the Commission's role is not easy. It has to try to achieve a true Community market meeting the requirements of European industry by progressively harmonizing national technical standards, but at the same time it is its duty to ensure the highest possible level of consumer protection by imposing high quality standards on European products.

We are not concerned only with the contents of products, but also with the manufacturing processes, with the methods of presentation, with the time-limits for consumption, their labelling and their origins. If consumer information is improved, as I said this morning, consumers will become active participants in economic life. We can thus only welcome the setting up by the Commission of an Advisory Committee on Foodstuffs, bringing together scientists highly qualified in the fields of protection of health and of human life where foodstuffs are concerned. Too often pollution is to be found on our dinner plates.

Your committee is fully aware of the efforts of the Commission on consumer protection and hopes they will continue. It therefore invokes the spirit of cooperation between the Community institutions and hopes that a hearing will be given to its wishes on the motion for a resolution before you today, which it asks you to adopt.

IN THE CHAIR : MR SANTER

Vice-President

President. — I call Mr Simonet.

Mr Simonet, *Vice-President of the Commission.* — (F) Mr President, allow me first of all to thank Mr Brégère and the Committee on the Environment, Public Health and Consumer Protection for their work in this very complicated field.

However, reading this second report before Parliament, I think that I can say that it differs only slightly from the one which at the plenary sitting of 14 May 1976 gave rise to a very long and heated discussion for what is a very technical subject.

Simonet

In these circumstances, Parliament will probably not be surprised that the Commission's position remains substantially unchanged: insofar as the new report repeats the points of view already expressed last May, the Commission is also obliged to repeat its own views. However, I think it is necessary for me to reply to each point raised by the rapporteur, even if the necessarily technical nature of the comments is not likely to raise much enthusiasm in the House.

First of all I would like to mention a series of proposed amendments to the Commission's proposal which the Commission cannot accept: as my colleague, Mr Thomson, pointed out during the previous debate, there are a number of objections to them. I would therefore ask Parliament not to approve these points of the report. I will comment on them briefly:

Paragraphs 6 (b) and (c), request that maximum quantities should be laid down for colouring matters and other additives used in jams and similar products. In principle, this is a perfectly reasonable request, but in practice it has to be recognized that the use of the substances in question has a natural limit arising out of the appearance and taste of the product.

In the present state of the Community's food laws, this voluntary limitation is enough to protect public health. However, I am happy to inform Parliament that more general work is already under way or will be under way shortly in the Commission to settle these questions in a more satisfactory way. Parliament will thus have a further opportunity to comment on this.

Paragraph 6 (d), asking for an indication of the sulphur dioxide content on the label of the finished products, seems to me to go too far. This additive is used exclusively in raw materials to preserve them and disappears almost totally during manufacture. The permitted level of 50 mg/kg, laid down for any residue not eliminated, constitutes what is usually called a 'transfer' which requires no mention on the label. In this connection I would like to point out that in the proposal for a directive on labelling of foodstuffs recently considered by Parliament cases of transfer were exempt from this obligation: this solution was approved by Parliament.

Paragraphs 6 (e), (f) and (g), mention general problems which will have to be settled in the general directive on labelling, and discussion of that directive is making good progress.

Paragraph 6 (h) does not seem to me realistic in asking for the detailed rules concerning methods of sampling and analysis to be drawn up not later than the date of application of the directive: as this is a very technical and complicated matter, it requires long preparatory work. Therefore, while specifically recognizing the value of the rapporteur's request, the Commission cannot undertake to accept it.

In paragraphs 6 (i) and (l), Parliament repeats the position it adopted on previous occasions, although it well

knows the Commission has always been opposed to this. I am therefore afraid that I must maintain the position previously adopted by the Commission.

On paragraph 6 (k), I would say that I do not think it is possible to ask for the directive to be applied one year after notification; the legislative procedures in Member States require much longer time-limits.

Finally, apart from the points which I have just listed, we found in the second report by Mr Brégégère two points of view which were not included in his first report and on which the Commission has not yet had the opportunity to give its views. The first arises in paragraph 6 (a) concerning methods of preserving jams with a relatively low sugar content: the Commission sees some advantages in indicating on the label of these products that they should be kept in a cool place and can therefore support the amendment. The second new feature is set out in paragraph 6 (j): the rapporteur proposes that the wording of the first part of article 14 should be revised. In this connection I am happy to note that the wording requested is more realistic than that put forward in the first report and that it also conforms to the text we proposed for the labelling of foodstuffs in general. In these circumstances I am happy to give the Commission's agreement on this point.

President. — Since no-one else wishes to speak, I put the motion for a resolution to the vote.

The resolution is adopted.¹

10. *Decision on protection of the Rhine against pollution*

President. — The next item is the report (Doc. 400/76) by Mr Willi Müller on behalf of the Committee on the Environment, Public Health and Consumer Protection on the

proposal from the Commission of the European Communities to the Council for a decision concluding a Convention for the Protection of the Rhine against Chemical Pollution and an Additional Agreement to the Agreement signed in Berne on 29 April 1963 concerning the International Commission for the Protection of the Rhine against Pollution.

I call Mr Willi Müller.

Mr Willi Müller, rapporteur. (D) Mr President, ladies and gentlemen, one seldom has the opportunity, as rapporteur in this House, to carry out such a pleasant duty as mine is today. It is a pleasant duty because it concerns a very precise report which puts forward concrete proposals, which, despite the narrowness of the field covered, are of the greatest importance. What is the subject of this report?

¹ OJ C 293 of 13. 12. 1976.

Willi Müller

I should like to remind you that Parliament and the Committee on the Environment have in the past repeatedly adopted resolutions relating to the protection of the Rhine against pollution and that in these resolutions, we have always stressed that the Commission and the Community must be represented in the International Commission for the Protection of the Rhine against Pollution, both because it is major political task — since the deliberations of the Rhine Commission are wide-ranging and do not just concern the interests of European citizens in that basin and because it offers, in addition, the chance to collaborate in the work of an international body of major importance.

Today, as rapporteur for the committee, I can state that we emphatically welcome the fact that this position now also has the support of the Council and that from now on it will be possible to safeguard the interests of the Community in this Commission. The committee — and I emphasize this — not only attaches to this the hope and the desire that this should and must lead to certain changes in relations in this area but is also convinced that it will be possible for the Commission to achieve, from this negotiating position, more than has been possible hitherto.

The Committee on the Environment, Public Health and Consumer Protection supports the position of the Legal Affairs Committee, which has been consulted on the matter and has expressed the view that we must attach importance to the necessity, when the representation of the Community in the Rhine Commission is assured, of Parliament being consulted in good time and being brought into the discussion, since we believe that this will also considerably improve the Community's negotiating position on the Commission itself.

I have kept what I have to say here today as rapporteur as brief and concise as possible. I ask the House to approve this motion for a resolution and I must also, on behalf of the committee, emphasize what we have repeatedly said. We are wagering here on the Commission and on its skill and willingness to bring things to a successful conclusion within the framework of the Rhine Commission.

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

Mr Jahn. — (*D*) Mr President, ladies and gentlemen I should like to make a preliminary remark. For almost eight years now I have seen questions of health and the environment habitually discussed here on Fridays, as if health and the environment which concern us all, were matters of only marginal interest. I should, therefore, like to ask that, when the agenda for the next part-session is drawn up, there should be a rotation with the major policy areas of agriculture, the economy and transport, so that they all take their turn on a Friday, for we all have so much to do in our constituencies on Friday — and Friday-Saturday is the only time available — that it is not a good thing for us to be the only ones to be consistently conspicuous by our absence and to be reproached for not

being present where policy is made. This was by way of introduction, to relieve my irritation somewhat at having to sit here every Friday — particularly now in view of my position on the Committee on the Environment.

Mr President, ladies and gentlemen, allow me to make one or two points about the outstanding report by Mr Müller, for which we offer him our special thanks, for we know how much work it has involved.

I should like to put the emphasis on the implementation of the Convention for the Protection of the Rhine against Chemical Pollution. As is rightly stated in point 4 of the motion for a resolution, the Commission, as spokesman for the Community — the Community is already party to the Convention — must insist that the latest scientific knowledge be used during implementation of the agreement. All emphasis must in fact be placed on achieving progress in protecting the Rhine against pollution. We must start from the harsh fact that, despite the setting up of the International Commission for the Rhine against Pollution in 1963, the Rhine is still becoming steadily more polluted. Despite the work of this commission, which was set up by the signatories to the Berne Convention, it has hitherto been impossible to achieve any clear successes and it will not be done by the signing of this agreement either — we should have no illusions about that. In order to see this clearly, we must look more closely at the content of the Convention. The Objective is clear — it is to improve the quality of the waters of the Rhine. This is to be accomplished as follows: firstly, pollution of the surface waters of the Rhine basin by the dangerous substances referred to in Annex I (e.g. organic halogen, phosphor and tin compounds etc.) will be progressively eliminated; secondly, the pollution of the waters of the Rhine by the dangerous substances mentioned in Annex II to this Regulation (metals and metalloids, biocides, substances which adversely affect the taste or smell of products, etc.) will be reduced.

When considering these measures, it must be borne in mind that the waters of the Rhine are used for the following purposes — and if one lives on the Rhine, and many of our friends do and almost a hundred million people are involved, then these facts are known: as drinking water; for consumption by domestic animals and wild animals; for the preservation and care of the living conditions of the flora and fauna; to maintain the self-purifying properties of the waters; for fishing; for leisure activities, having regard to hygienic and aesthetic requirements; for the direct or indirect supply of fresh water to the land for agricultural purposes; for the production of water for industrial use etc. And I believe that, with the enumeration of these points, the full scale of the task before us here becomes clear. We know that limits must be fixed in order to guarantee that these anti-pollution measures will be effective and it is to be noted that these limits have only been partly determined. They must first be proposed by the International Commission.

Jahn

The citizens of our Community are dependent on the goodwill of the contracting parties. But even if this goodwill is forthcoming, everything will depend on the people responsible working out quick and smooth — procedures for overcoming the obstacles set up in the Convention. The crucial thing will thus be to breathe life into this Convention, which, as our rapporteur, Mr Müller, has just said, is undoubtedly useful in its conception.

It is only in this way that the people of the Rhine basin will personally experience the advantages of these rules and get to know about the reality of European and international conventions on the protection of the environment. In this connection we would be very grateful to the Commission representative if he could tell us when the Commission is expecting the first results from the measures taken under the implementation agreement.

In conclusion, I should like to say that, in general, the problem of the protection of the Rhine against pollution can be solved. Only two or three decades ago the Thames was highly polluted.

About a year ago, Mr Spicer rightly stated in this House that we could learn from the United Kingdom's experience with the Thames. We know that the efforts of our British friends to clean up the Thames have been remarkably successful.

The success we are looking forward to in cleaning up the Rhine Basin will only come about, Mr President, if the contracting parties also have the *political* will to unite on this question of the ways and means of achieving it. We request the European Commission, therefore, to make sure that the Community is soon to be united over the implementation of the convention and to speak with one voice. We know how difficult this has been in the past. I should like to conclude by drawing your attention to the fact that this international action to protect the Rhine against chemical pollution is an important element of the general efforts to protect the Rhine and all other waters, particularly drainage waters. We hope, therefore, that the promised convention for the protection of the Rhine against chloride and against thermal pollution will be concluded in the foreseeable future.

The Christian-Democratic Group once again thanks the rapporteur and will approve the motion for a resolution.

President. — I call Mrs Kruchow to speak on behalf of the Liberal and Democratic Group.

Mrs Kruchow. — (DK) Mr President, the Liberal and Democratic Group fully endorses the motion for a resolution contained in this report. We particularly welcome the fact that it will now be possible to prevent chemical industries, especially those near the source of the Rhine, from causing pollution. The

further away from the source, the worse it becomes for countries lower down the Rhine. I am also glad to note that the report advocates use of the most recent scientific results.

President. — I call Mr Simonet.

Mr Simonet, Vice-President of the Commission. — (F) Mr President, I thank the committee and its rapporteur for their favourable attitude to the Commission's proposal and I am able to confirm here in plenary sitting what the Commission had earlier stated to your committee.

First, the Commission is prepared to adapt its activities under the Convention to new developments in science and technology, for instance by promoting the use of the newest measuring, analytical and control techniques. The Commission is also prepared to consult Parliament on the position it adopts in the international Commission on the Protection of the Rhine in relation to fundamental matters affecting the environment.

President. — Since no-one else wishes to speak, I put the motion for a resolution to the vote.

The resolution is adopted.¹

11. Directives on veterinary medicinal products

President. — The next item is the report (Doc. 421/76) by Mr Ney on behalf of the Committee on the Environment, Public Health and Consumer Protection on the

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

- I. a Council directive on the approximation of the laws of the Member States relating to veterinary medicinal products;
- II. a Council directive on the approximation of the laws of the Member States relating to analytical, pharmacotoxicological and clinical standards and protocols in respect of the testing of veterinary medicinal products.

I call Mr Ney.

Mr Ney, rapporteur. — (F) Mr President, these two directives have a double aim: first to eliminate, at least to some extent, obstacles to the free movement of veterinary medicinal products and veterinary services and secondly, to protect human health.

The scope of the proposals, however, especially that concerning the free movement of veterinary medicinal products is restricted. What is envisaged is by no means a harmonization of the various national legislations, but simply a first stage in reducing certain divergences which hamper free movement. The Member

¹ OJ C 293 of 13. 12. 1976.

Ney

States are agreeing, in the first instance, to adopt identical criteria for the granting of authorization for marketing these products and to require the same information and documents to be furnished in support of such applications.

Your committee wishes to emphasize the importance of this initiative and it is grateful to the Commission for taking it, because this question of the authorization for marketing is a fundamental one. It should be noted, however that the authorization which will be granted under the new arrangements will only be applicable in the state where it is issued. The fact that an applicant has received it in one Member State will not automatically enable the product to be sold throughout the Community's territory, and this despite the fact that the procedures and control methods in force in a number of Member States can offer nothing but supplementary health safeguards, since the fundamental examination of the product will have been effected in the Member State where the application for permission to sell has first been made.

Priority was given to the protection of the health of the human population, rather than any economic considerations; but it is in fact, difficult to see how reciprocal recognition by the Member States could involve any hazard to health.

Your committee is convinced that, if the specifications and regulations are wholly complied with, there is no serious reason why the Member States should not reciprocally recognize the authorization for marketing issued in any one of them. In our motion for a resolution we strongly urge that at the second stage — that is four years after the entry into force of the present directive — the Commission should submit to us proposals for the establishment of a European authorization procedure directly applicable throughout the Community.

I should like to add a few remarks concerning human health and the protection of animal health. Attention must be paid to the damage which may arise from the effects of veterinary medicaments on the processing of animal products and to a number of problems specific to veterinary medicine. One of the peculiarities of veterinary medicaments is the danger of their accumulation, to which are related questions of retention, the means and duration of their elimination, and above all, the time lag to be observed between the administration of the medicine and consumption of the product. We are therefore highly satisfied with the provisions of Article 4, because we fully agree that the application for authorization should be supported by full documentation on the therapeutic effects, the contra-indications, any secondary effects, the results of clinical tests, and I emphasize this particularly — on the time-gap between administration of the medicine and consumption of the product.

We regret, however, that the scope of application of the directive has not been extended to vaccines and

serums, which account for a substantial part of existing veterinary products. Nor does the directive apply to medicated feedingstuffs. Given the widespread use of such feedingstuffs by some farmers, I must insist that the Commission include provisions for these products — which, indeed, I understand it intends to do.

May I also, Mr President, underline another aspect of human health protection. National legislations, insofar as they exist, have not been able to prevent abuses, such as the unregulated state of the distribution of these products or their over-administration, and of the advertising relating to them. We should be very grateful to the Commission for drawing up quickly a directive on this very important matter.

These, Mr President, are the remarks I wished to make. Our committee has proposed a number of amendments, aiming primarily to extend the scope of application of the directive to vaccines, serums and medicated feedingstuffs. The aim of another amendment is to shorten certain time-limits, particularly those laid down in Article 43. The amendments and the motion for a resolution were unanimously adopted by your committee and I ask the House to give them the same reception.

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

Mr Nyborg. — *(DK)* Mr President, the proposal for a directive on the approximation of Member States' laws on veterinary medicinal products is a step towards a free market in these products since it attempts to remove some of the existing barriers to trade. It is realistic to try to approximate the rules on veterinary medicinal products to those applied to products used in human medicine instead of trying to create a completely free market in one blow. Public health considerations require authorization to be granted before veterinary medicinal products can be marketed. This is because human health can be affected if preparations are used that leave residues in animals used for human consumption. The granting of such authorization by the individual Member States in accordance with the Commission's proposal is, however, a barrier to free trade. It is therefore essential to introduce a system according to the proposal, no later than four years after the entry into force of the directive in which marketing authorization would cover the whole Community, since this would make trade easier and would be a real step towards removing technical barriers to trade.

President. — I call Mr Simonet.

Mr Simonet, Vice-President of the Commission. — *(F)* Mr President, in thanking the rapporteur I merely wish to tell him that his suggestions to the Commis-

Simonet

sion correspond exactly to its own views on the matter. We intend to prepare a programme covering the various aspects which he mentioned in his speech.

President. — Since no-one else wishes to speak, I put the motion for a resolution to the vote.

The resolution is adopted.¹

12. Directive on trade in fresh poultrymeat

President. — The next item is the report (Doc. 401/76) by Mr Guerlin on behalf of the Committee on the Environment, Public Health and Consumer Protection on the

proposal from the Commission of the European Communities to the Council for a Directive supplementing, with regard to the chilling process amended Directive 71/118/EEC on health problems affecting trade in fresh poultrymeat.

I call Mr Willi Müller, deputizing for Mr Guerlin.

Mr Willi Müller, deputy rapporteur. — (D) I must first of all apologize on behalf of my colleague Mr Guerlin, who has a pressing engagement elsewhere. He regrets that he cannot be here and I too believe that this is really a matter for regret, since he has taken great trouble to familiarize himself with this subject. I should attempt, in his place, to summarize what has to be said about the report.

Mr President, ladies and gentlemen, if we consider the problem of the process of chilling poultrymeat by immersion, whose significance must not be underestimated both from the economic and the health points of view, there are two important points. Firstly, there is the technical angle: the traditional 'Spinchiller' chilling process has proved to be a health hazard for the consumer, since it produces a significant increase in the number of bacteria present, results in considerable cross-infection and considerably hastens decomposition of the poultrymeat. For this reason, this process was already prohibited in Council Directive No 71/118 of 15 February 1971 and the Commission of the European Communities instructed to consult the Member States through the Standing Veterinary Committee.

In eight countries of the Community, a thorough study was carried out which produced conclusive results and established the dangers of the Spinchiller process. A number of modifications of the system were proposed to make it possible to retain the process of chilling by immersion without endangering the health of the consumer. There were nine of these modifications and adjustments altogether. They are listed in the Commission's report and explained in detail. I shall spare you a detailed analysis here but I should like to repeat that these modifications are the

outcome of a most important piece of work, which was entrusted to specialists from eight countries, and that they carried out the painstaking research required. So we can rely on the expert opinion of the specialists and consider the problem as solved from the technical point of view.

There is another side to the question, which we must describe as political in the broadest sense of the term. If one considers the way the Community's action in this field has been conducted, one must simply be shocked by the slow rate at which things have developed. The first alarm signal was sounded as long ago as 1962/63. The Commission, however, did not deal with the problem until 1971, when it published the directive which we are working on today. The application of this directive was however dependent on the study which experts from the veterinary committee had to be asked to carry out. This committee was to meet in 1972. In fact, however, it was not convened for the first time until the end of 1975. Meanwhile the 1971 directive was modified in order to push back the date from which the Spinchiller process was to be prohibited from 1 January 1976 to 1 January 1978.

We are astonished at this delay and procrastination over a problem where the facts are so simple and so clear and that could have been settled very quickly. For this reason, the Committee on the Environment, Public Health and Consumer Protection, conscious of its responsibility in such an important area, where the health of European citizens is exposed to such immediate and far-reaching dangers, is of the opinion that this regrettable situation should be remedied as soon as possible and calls for the date of application to be brought forward to 1 July 1977 — that is to say by 6 months.

There is no technical obstacle to this early application. In the opinion of our committee, it is of fundamental importance that the European Parliament should appear in the eyes of the public as the political authority which advocated finding the most rapid solution possible to the problem.

In conclusion, Mr President, I should like to say that a rapid solution to this problem is also in the interests of the producers themselves, for it is obvious that the disadvantages of the Spinchiller process, which are now known to consumers, have given rise, in some countries, to a boycott of these products and that it is a matter of urgency to win back as quickly as possible the confidence that has been lost.

The Committee on the Environment, Public Health and Consumer Protection therefore asks you to support it on this point and to amend Article 5 of the Directive as proposed in its report.

President. — I call Mr Spicer to speak on behalf of the European Conservative Group.

¹ OJ C 293 of 13. 12. 1976.

Mr Spicer. — Mr President, may I briefly on behalf of our group very warmly welcome this report and indeed the directive in very general terms. Could I make just two or three quick points?

Of course, one welcomes this directive because it does safeguard public health and it also will not involve either the trade or ultimately the consumer in a major increase in costs. But against that, the Commission did give the committee a certain answer about Article 4(g) concerning the change from stainless steel. They said they would accept non-corrodible materials instead of stainless steel. I hope we can have an assurance that that still holds and that non-corrodible material will be acceptable.

Secondly, a point really where I personally am at a loss. All the work that the Commission seem to have carried out, and all the tests that have been carried out, have been carried out on chickens. Am I to understand that this directive is applicable only to chickens? What about larger birds such as ducks and turkeys? Will they need a different time-scale to make the process effective? That is just purely a layman's question and I would be very grateful if I can have a quick answer on that.

Finally, could I ask the House to support our amendment, which is a perfectly straightforward amendment in support of the original proposal by the Commission in Article 5 that this directive should come into force by 1 January 1978. I would like to see it in force by 1 January 1977, but that is quite impossible. I think equally that the date of 1 July 1977 suggested by Mr Guerlin again is quite impossible. As I emphasized at the beginning, there is no doubt that the poultry industry themselves want to see the implementation of this directive at the earliest possible moment, but in my view and in their view and I believe in the Commission's view, the date of 1 July is really not a practical one and I would therefore ask this House to accept our amendment restoring the original date of 1 January 1978.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Mr President, I wish to support my honourable Friend in asking the House to adopt our amendment which brings the date back to the original Commission date. I would congratulate Mr Müller in the way he presented the report of Mr Guerlin. I think that we nevertheless have to keep a sense of proportion about this matter. He talked about the health of European citizens being put gravely at risk and so on. I do not recall any cases recently, or indeed at all in the last two or three years, where there has been any danger or any reported danger from the Spinchiller chilling process although, of course, this is a possibility. As Mr Spicer has said, the industry itself wishes to change over, but it would be at a consider-

able cost to the industry if it were to change a particular method which it is just adopting. If we try and rush the laws in by July 1977, I think this would put an unfair burden on an industry which is coping, on the whole, without any kind of Community or national aid throughout the whole of the Community.

Indeed I would ask the House to be considerate in thinking about the amendments we have been putting forward. The question here concerns the water, its quality, purity, the stage at which the water should flow over the actual carcass. This is what it is all about and whether there can be a danger of carrying a germ from one bird to another which is going through the same process. This is when the actual danger arises. Everybody accepts that this is possible but I would say let us keep it in proportion. There have not been cases reported of danger over this and so I would really ask the House to consider our amendment sympathetically. I think the Commission is right: both sides of the industry — the processors and the producers — are prepared to accept that this is something that has to be done, but they do need time to adapt to the new conditions and methods. I hope the House will support the amendment.

President. — I call Mr Simonet.

Mr Simonet, Vice-President of the Commission. — (F) Mr President, I thank Mr Guerlin and also Mr Müller who undertook the task of explaining the views of Mr Guerlin and of the committee.

I should just like to review the amendments suggested by your committee. To begin with the first one, the one where for paragraph (g) you propose: 'the equipment used for chilling by immersion must be made of a non-corrodible material': this would permit the use of materials other than stainless steel. The Commission would be prepared to accept this amendment, but it believes that it would be improved if 'non-corrodible' were replaced by 'non-deteriorating', in line with the terminology which has already been often employed in Community health directives to specify the materials to be used in installations.

For Article 5, to which Mr Scott-Hopkins, seconding Mr Spicer, has referred, a change of date is proposed. Your committee would like to bring it forward to 1 July 1977 from that of 1 January 1978 proposed by the Commission. We cannot accept this amendment for two reasons: first, because the Commission proposal involves some fairly considerable modifications in about two hundred poultry slaughterhouses in the Community, which means that they must be given time to carry them out, particularly since the new equipment is produced and supplied by only a small number of factories; and then because the date of 1 January 1978 proposed by the Commission corresponds to that laid down by the Council for the prohibition on the use of the present equipment.

Simonet

It can be reasonably supposed that the poultry slaughtering industry has already made its plans for modifications in reference to that time limit.

Finally, the proper functioning of the chilling equipment must be monitored by regular microbiological analysis and time is also needed to put these controls into effect.

For all these reasons we support Mr Spicer's amendment reinstating the Commission's text and I should like to tell Mr Spicer that the Commission for the time being confined itself to chickens so that the temperatures laid down are not applicable to other poultry.

President. — Before considering the motion for a resolution we must vote on an amendment to the proposal for a directive.

On Article 5 I have Amendment No 1 tabled by Mr Spicer on behalf of the European Conservative Group and aimed at reinstating the Commission's text.

What is Mr Müller's position?

Mr Willi Müller, deputy rapporteur. — (D) Mr President, if the situation was as the Conservative side has argued here today then I am not prepared to agree, for it has been said by Mr Scott-Hopkins that it is a question of the interests of the industry concerned and that it had not been shown that the Spinchiller process was dangerous. I should like to state here and now that this can in no way suffice as the justification for the amendment. It is a question of public health and of a process which is undoubtedly dangerous — and this is also the opinion of the Commission and of specialists in the field. So that cannot be sufficient justification. If, on the other hand, it is shown — and I say this quite sincerely — that time is needed for the changeover and that the date fixed is too early — as Mr Simonet has also said, — then I fully understand and I say that that is acceptable, but then please do not produce new arguments, as Mr Scott-Hopkins did, since they do not provide a justification for the amendment but are — and this is my personal opinion which I have already had to justify here on several occasions — exclusively concerned with the producers' interests. We discussed these questions this morning and once again called upon the Commission to safeguard the interests of the consumer. This Parliament must also safeguard the interests of the consumer and that is what is at stake here today.

President. — I call Mr Spicer.

Mr Spicer. — Could I just give Mr Müller my very firm assurance that the only reason we moved this amendment was entirely a matter of what is possible — that is all. It is quite impossible for the trade to be ready by 1 July 1977. It is absolutely possible for them to be ready by 1 January 1978. That is the basis

of our amendment, that is the only reason that we wish to give our support to the original terms which the Commissioner spoke about and I would like to fully endorse what he said on this. Mr Müller's stand on these matters is always absolutely in terms of public health, but I would on this occasion ask him to take the sensible view that we must defer this until 1978 for it to be effective. And I would be very grateful for his support for the amendment.

President. — I call Mr Müller.

Mr Willi Müller, deputy-rapporteur. — (D) Mr President, I can only say that Mr Spicer's reasoning has confirmed what Mr Simonet said. This means that arguments used previously for this amendment are obviously not being maintained. Under the circumstances, as deputy-rapporteur, I am prepared to say that I support the amendment, for it would be senseless to tackle the matter in a way which one feels in advance is unrealistic. So I am in favour of the realistic solution, but, please, not on the basis of an argument, or several arguments, like those used earlier. I therefore support the amendment.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — I did not want to intervene, but after Mr Müller's words I feel I have to. He will remember that what I said was that both sides of the industry, the processors and the producers, accepted without question that this was necessary. But it is a question of timing. If he will look at the verbatim report tomorrow or put his headphones on now he will know what I said!

President. — I put Amendment No 1 to the vote. The amendment is adopted.

I put the motion for a resolution to the vote.

The resolution is adopted.¹

13. Regulation on beef and veal originating in certain ACP States

President. — The next item is the report (Doc. 406/76) by Miss Boothroyd on behalf of the Committee on Development and Cooperation on the

proposal from the Commission of the European Communities to the Council for a regulation on the autonomous and special arrangements for beef and veal products originating in some signatory States of the ACP-EEC Convention of Lomé.

I call Lord Walston, deputizing for Miss Boothroyd.

Lord Walston, deputy rapporteur. — Mr President, from the point of view of the Community this is a very small matter. But from the point of view of the countries concerned, and particularly Botswana, but

¹ OJ C 293 of 13. 12. 1976.

Lord Walston

also Madagascar, Swaziland and Kenya, it is of very considerable importance. Honourable Members will recall that when restrictions were brought in in the Community on the importation of meat, special exemptions or exceptions were made on behalf of these four countries. But they were only made on a short-term basis. It is now proposed that these exemptions should be renewed for a somewhat longer period, in view of the purely technical difficulties of organizing the production, slaughter, packaging and export of the meat and meat products. The objective is to facilitate an arrangement that has already been accepted in principle for some considerable time.

One or two modifications are proposed here by the Commission and this report fully endorses the Commission's proposals. I will not weary Members by going into them in any detail. It is proposed that there should be a progressive reduction in the advantages of the existing reduced import charges over the next 18 months — the period for which it is suggested the proposals should run — from 90 % down to 85 %, 80 % and 75 %. The main reason for doing this is in the first place to continue the special provisions for these four countries and in the second place to do so on a rather longer-term basis, in order to allow for proper forward planning.

I think it is worth mentioning that the total cost — or rather loss to the Community since it is not actually handing out the money but is merely not collecting it — is estimated to be something between 12m and 19m u.a., which in terms of the total Community budget is, one can almost say, insignificant, while the effect on the economies of the countries concerned — and I repeat, particularly Botswana, where over 80 % of the population is directly involved in beef production — is very considerable indeed. I therefore hope that the House, will support this recommendation which, as I say, endorses the recommendations of the Commission.

President. — I call Lord Bruce of Donington to speak on behalf of the Committee on Budgets.

Lord Bruce of Donington. — Mr President, I would draw the attention of the House to the letter from Mr Aigner, who is the vice-chairman of the Committee on Budgets, which sets out the opinion of that committee on this proposal and is on the reverse page of Doc. 406/76/Annex. Shortly, Mr President, the position of the Committee on Budgets is this. It never calls into question any line of budget receipts. We are grateful to receive anything, and therefore we must have *prima facie* a favourable opinion about the proposals.

We would, however, like to draw the Commission's attention to the manner in which the financial statement accompanying the proposal has been completed by the Commission. In more recent months, there has

been a tendency by the Commission, when forwarding its proposals, to submit incomplete financial statements and the one accompanying this proposal is no exception. No method of calculation is shown, there is no endeavour to indicate, in respect of the period of time covered by the proposals, what revenues of our own resources are to be expected within the respective years. The Committee on Budgets really does require to have more particulars and does require to have these financial statements completed properly. Otherwise the Committee on Budgets will fall back on its practice earlier in the year of rejecting out of hand any proposal from the Commission that does not contain the full financial particulars required by the Committee on Budgets on behalf of Parliament. In this case, however, in view of the fact that this is an addition to own resources the Committee on Budgets gives a favourable opinion.

President. — I call Lord St. Oswald.

Lord St. Oswald. — Mr President, I shall say no more than a word or two, since there have been two British speakers so far on this matter, I thought that as the proposal will benefit three former British colonial territories, it would be as well to enunciate, from this wing also of the British political spectrum, the satisfaction and support we feel with regard to this proposal.

President. — I call Mr Simonet.

Mr Simonet, Vice-President of the Commission. — (F) I should just like to say to Lord Bruce that he has very properly drawn attention to a shortcoming which I shall make a point of reporting to the Commission, so that it can be made good when further proposals are made and submitted to Parliament.

President. — Since no-one else wishes to speak, I put the motion for a resolution to the vote.

The resolution is adopted.¹

14. *Communication on the three-year indicative food aid programme*

President. — The next item is the report (Doc. 407/76) by Mr Brøndlund Nielsen on behalf of the Committee on Development and Cooperation on the

communication from the Commission of the European Communities to the Council for the 3-year indicative food aid programme 1977 — 1979.

I have just heard that Mr Nielsen has been involved in a road accident in Denmark. On behalf of Parliament I wish him a speedy recovery.

The report was submitted within the time-limits laid down and has been distributed in all languages. No oral presentation is needed, especially as Mr Nielsen has told us that he has nothing to add.

¹ OJ C 293 of 13. 12. 1976.

President

I call Lord Bruce to speak on behalf of the Committee on Budgets.

Lord Bruce of Donington. — Mr President, on this last item on the agenda I will not detain the House longer than is necessary, but I may have to detain it a little longer than I had expected.

This proposal from the Commission is disappointing from the point of view of the Committee on Budgets in that it reveals a state of mind of the Commission such that it is not prepared to envisage a rolling programme of food aid to these underdeveloped parts of the world; instead it insists on an annual presentation.

An examination of the document itself (Doc. 323/76) I am bound to say does not reveal a very progressive or encouraging attitude on the part of the Commission considering, for example the colossal stocks of surplus skimmed-milk powder still held within Europe, which by now have become a public scandal. Insofar as the Committee on Budgets is concerned, I would not presume to deal with the political issues. But I must deal with the whole question of cost. Mr President, it is a matter of amazement to me, and will, I am sure, be a matter of amazement to Parliament, that both Commission and Council are prepared to contemplate paying out upwards of 80m u.a. per annum for the storage of skimmed milk, one-eighth of which goes in actual storage charges and the remainder of which goes in interest. This is a colossal waste of Community funds, to which the taxpayers of all Member States have in fact to contribute.

My colleague, Lord Walston, and myself drew the attention of the House some four or five months ago to this particular problem. We pointed out to Mr Lardinois that it would pay the Community, in terms of saving money on interest charges which go not to individuals, not to governments but to finance houses, to extend its food programme. Now, for reasons, Mr President, which are not clear to me, which I am sure are not clear to my colleagues in Parliament, in whatever quarter they sit, and which are certainly not clear to mankind outside, the Commission and the Council seem to refuse to apply their minds to this. I don't know, Mr President, whether there is a kind of mental atrophy that periodically inflicts itself upon members of the Council on those rare occasions when they meet together in concertation. I don't know whether they are mesmerized by the oratory and the dominant personality of Mr Lardinois, I don't know how Mr Lardinois is able to secure the collegiate compliance of the Commission with this colossal waste of public funds; and on this matter, the Committee on Budgets is vitally concerned.

Whereas, therefore, we are compelled, on the basis of the miserable memorandum itself, to do nothing that would withhold approval of the idea of a three-year programme — it is a small thing, it is the Commission's own, and we would not wish to hinder them

even in this minor step — we must once again draw the attention of the Commission and the Council and this Parliament and the outside world to the fact that this colossal waste of money in the storage and interest charges on the skimmed milk mountain is something that we will not long endure while there is a cheaper and far better way of dealing with the problem — one more consistent with the ideals of the Community — by aiding those parts of the world that are living on the borderline of starvation.

President. — I call Mr Broeks to speak on behalf of the Committee on Development and Cooperation.

Mr Broeks. — (NL) Mr President, I must say that the developing countries will be better served by the three year indicative programme that is now proposed than by the annual programmes expressed in value rather than in quantitative terms. They now know where they stand and this is a step forward even though the 1974 memorandum did also mention sugar and various other products.

Mr President, with reference to what the Committee on Budgets has said, not in my opinion with a full appreciation of the facts, I would like to point out that the question is whether Mr Cheysson and not Mr Lardinois could have made more skimmed-milk powder available. This is not a simple matter, as our committee found during consultations with the Commission. That these quantities of skimmed-milk powder exist is not in doubt but the question is whether these stocks can be sent abroad, that is to say to the Third World, and whether the Third World can assimilate them. This is not merely a question of transport. As you know, skimmed-milk powder cannot be used directly but has to be processed and this requires machines. In some cases in tropical countries it is even dangerous to use this skimmed-milk powder unless it is vitaminized. Our committee has repeatedly urged the Commission to increase the quantities made available but they made it very clear to us that this is impossible, that although Mr Lardinois could make more available, Mr Cheysson is not in a position to have greater quantities processed both because of transport and because of the Third World's capacity to receive this product.

Mr President, the problem is not as simple as it seems at first sight. The Committee on Development and Cooperation is able to approve this report, but there are a couple of things on which I would like to comment, particularly in paragraph 7. Since Mr Nielsen is not here to introduce the report, and I wish him a speedy recovery, I would like to say something about this paragraph which reads as follows:

'Stresses in this connexion the need to reorganize and control the distribution of aid to ensure that it has maximum effect and reaches the people in greatest need.'

I should like to ask the Commission some questions about this. We now know what quantities the Community can and will make available. But the means and

Broeksz

the supplier will be determined, in the case of free food aid (e.g. emergency aid), according to whether the aid will really be to the advantage of those who are in most need of it.

My second question is how, if the recipient countries are obliged to sell the products on the national market, will it be ensured that the value of the aid will be used for development projects and how is it to be ensured that the sale is made at reasonable prices so that not just the upper strata of the population profit from it? Then we should like to know who is to carry out this supervision. I do not mean in the ACP countries, of course, since the Community has representatives which can look after this. But how is this supervision to be conducted in countries which do not come under the Lomé Agreement? We know that when agreements on food aid are concluded, the recipient countries accept certain conditions, and that is reasonable. But it is not enough that such a country can later send us a fine letter telling us that the agreement has been respected and that the development project concerned has been carried out. Who makes a check on this? This question of supervision in these non-ACP countries, to our mind, becomes more acute every year and I should like the Commission to give us further details on this.

President. — I call Lord St Oswald to speak on behalf of the European Conservative Group.

Lord St Oswald. — Mr President, this is a matter on which everyone agrees; except for certain nuances, everyone is agreed and everyone approves of the purpose; but it is, of course, a matter which all the same must be handled with some delicacy in order to maintain a proper and sensible balance. We should stress, I think, as we have stressed before, that we consider it important to assist developing countries to produce their own food. This is in fact a greater priority in the long term. Giving food aid is only a short-term policy, and we are encouraged by the Commission's view that the need for food aid is no more than a transitional phase in the development of less developed countries. It may be a long transitional phase, but we should keep in mind that it is transitional. However, it is a common view that food-aid needs will increase dramatically in the next decade and we must do all we can to respond to this evident human problem by providing all possible aid, at the same time doing our utmost to stimulate developing agricultural economies. And it is self-evident that these two actions may work against each other unless they are carefully managed. A few years ago, the 'population explosion' was a topic of common discussion and lively concern. The problem is still with us, even though it is now less discussed, even largely ignored. Despite this it has not gone away. And let us not forget that a significant part of the world food problem is contributed by the rapid increase of mouths in those countries least able to feed them.

And it seems to me, and it seems to my group, that it is here that Community aid can best be provided. Now, skimmed-milk powder has been an issue this year. It may be true, as Mr Nielsen's report and Mr Hansen's opinion suggest, that the Community is in danger of being accused of providing food aid simply to remove its surpluses. We agree, indeed we affirm, that food aid should not be a vehicle for the building in of agricultural surpluses into the common agricultural policy. This will in fact make surpluses a misnomer. But we see nothing wrong, in parenthesis, in giving away chance surpluses, unavoidable surpluses, to hungry countries who are willing and able to take food, food which we do not want and which is a burden upon us. I say: when this occurs by unavoidable action and does not become a regular feature.

We know that the Commission are aware that gifts of skimmed-milk powder can upset the internal markets of the less-developed countries or, ironically enough, they may in fact actually be medically harmful. They can cause blindness if improperly used in areas where diets are vitamin-deficient. There were articles in two serious English papers last summer — *The Observer* and the *Sunday Times* — which were technically convincing as well as disquieting with regard to this. Care must be taken to ensure that our gifts are wholly beneficial to their recipients. I am not suggesting that this is an original view, but it is something which has to be taken account of and cannot be repeated too often.

The idea of food aid's being regular is a good one which we have consistently supported. In particular, it enables more stable planning to be undertaken in the less-developed countries — periodic and unpredictable influxes of aid may cause logistic problems and great waste. Similarly, the sudden cutting of aid can have drastic repercussions not only on health but also on development projects.

Finally, we emphasize yet again that cereals are the most useful form of food aid to less-developed countries. This is yet another reason why, as net cereal importers, the Community should promote domestic cereal production in place of our excess dairy capacity. Cereal aid can, and should, be expanded. The Commission have in the past given us their criteria for selecting countries eligible for cereal aid: they must have a *per capita* income of 300 dollars or less, have a balance-of-payments problem and not be cereal exporters. The last of these sounds natural and reasonable enough, but I ask whether we could not consider the possibility of relaxing a little the other two criteria. *Per capita* incomes in particular are notoriously open to misinterpretation and generalization, and a number of ostentatiously rich members of a national society may statistically mask millions of under-nourished people. The rate of infant mortality is another very significant criterion for measuring or estimating food shortages.

Lord St Oswald

It is proper and practical that with present world inflation-levels, the Commission proposes food aid in quantities, not values. We would encourage them to look kindly upon calls for help from less-developed countries needing food and to consider firstly humanitarian questions and to worry only secondarily about the prestige of the Community.

President. — I call Mr Laban.

Mr Laban. — (NL) Mr President, it was not my intention to speak on this subject but Lord Bruce's remarks have prompted me to do so. I should like to state in advance that I am just as scandalized as Lord Bruce about the squandering of money on storage and interest charges for the enormous quantities of milk powder which we have in stock at the moment. And I fully agree with him that we must make as much skimmed milk powder as possible available for certain countries in the Third and Fourth World which need it. Not because we now have accidental surpluses. From now on we must become accustomed to making provision for it in our production.

Mr Broeks has already pointed out and I can therefore be quite brief, that we have repeatedly asked Mr Cheysson if the need is not greater. Mr Cheysson has done everything he can to increase food aid. However, for the moment, the demand is not greater. The opinion of the Committee on Agriculture included in Mr Nielsen's report states that they ought to supply the maximum fixed in the medium-term programme and improve upon it if demand increases. This does not seem likely at the moment and I would like therefore to impress upon Mr Broeks that the only way to remove this surplus of skimmed milk powder is to adjust production now, seriously, with adequate measures now under discussion in Parliament, in line with demand in the EEC, demand abroad and the planned demand for development cooperation. Only then can we set up a proper arrangement in the future and prevent surpluses. At the moment one could dump the surpluses on the world market, but Mr Broeks knows very well that all prices are inter-related and therefore this would not be possible. You can also give it to cattle, but the only method for really being rid of it and lowering these costs at the moment is to dump the surpluses in the sea. However, everyone knows that that is completely impossible.

Therefore, Mr President, we must in the future have appropriate production aimed at the objectives which I have just described.

President. — I call Mr Simonet.

Mr Simonet, Vice-President of the Commission. — (F) Mr President, I feel sure that your various committees have clearly grasped that the object of this memo-

randum was to give the Commission's food aid a permanent character, so that it becomes something more than an act of charity or a series of isolated gestures. The essential aim is to try to mobilize some of the Community's food resources so as to employ them in the overall policy of aid to developing countries, and more particularly to those developing countries suffering serious food shortages.

I thank Mr Broeks, Mr Laban and Lord St. Oswald for answering Lord Bruce's half-imperial, half-professional philippic. I have never been mesmerized or subjugated by my colleague, Mr Lardinois, to the point of acquiescing in everything he says. On the other hand in watching Lord Bruce and listening to his denunciations, I was irresistibly put in mind of that period of British history when Lloyd George as Prime Minister struck the first serious blow at the House of Lords. Had Lord Bruce been a member of the House of Lords at that time, Lloyd George would never have dared even to suggest any alteration whatsoever to the powers of that House. I have been deeply impressed by Lord Bruce.

Mr Broeks has asked me an important question on the control of the use of food aids. He himself has made a distinction between the associated countries, where that control is carried out by Commission delegates who draw up their own reports, and the other countries, where, as regards direct aid, we have to rely on reports drawn up by the countries concerned and those from Commission officials sent to carry out on-the-spot checks, and as regards indirect aid, which passes through the intermediary of international organizations, on control bodies and officials appointed by those organizations. Mr President, I thank once again the rapporteurs and the three committees. I shall make a point of informing my colleague, Mr Lardinois, of the reactions he seems to arouse in the Council, perhaps also in the Commission, and most certainly in this Parliament.

President. — Since no-one else wishes to speak, I put the motion for a resolution to the vote.

The resolution is adopted.¹

15. *Appointment of a Member and verification of his credentials*

President. — The Folketing has informed me that, with effect from 19 November 1976, Mr Owe Hansen has been appointed a Member of the European Parliament to replace Mr Kristian Albertsen.

At its meeting of 26 October 1976 the enlarged Bureau made sure that this appointment complies with the provisions of the Treaties.

¹ OJ C 293 of 13. 12. 1976.

President

It therefore asks the House to ratify this appointment.
Are there any objections?

The appointment is ratified. I welcome the new Member.

16. Amendments to the report on the milk sector

President. — The time-limit for tabling amendments to Mr De Koning's report (Doc. 414/76) has expired. I propose that these amendments be referred to the Committee on Agriculture.

Are there any objections?

That is agreed.

17. Dates of the next part-session

President. — There are no other items on the agenda. I thank the representatives of the Council and Commission for their contributions to our proceedings.

The enlarged Bureau proposes that our next sittings be held at Luxembourg during the week from 13 to 17 December 1976.

Are there any objections?

That is agreed.

18. Adjournment of the session

President. — I declare the session of the European Parliament adjourned.

19. 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 12.15 p.m.)