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1978-1979 Session

Report of Proceedings

from 15 to 19 January 1979

Europe House, Strasbourg

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NOTE TO READER

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

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

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IN THE CHAIR: MR COLOMBO

President

(The sitting opened at 5.05 p.m.)

President. — The sitting is open.

1. *Resumption of the session*

President. — I declare resumed the session of the European Parliament adjourned on 15 December 1978.

I call Mr Brown on a point of order.

Mr Brown. — At the last part-session, Mr President, I did raise with you, as a matter of some concern, the point that a pair of documents (Doc. 274/78) which the Commission had submitted to the Committee on Energy and Research had quite wrongly been passed through Parliament in November. You were kind enough to examine the submission I made, and on 12 December you confirmed that the point I had put to you was in substance correct. As a result of that, you instructed that both the Commission and the Council be informed that those documents were being returned to the committee. I have seen the letters that were sent from your office to the Commission and the Council informing them of this decision. I would like to draw to your attention that those letters went on 13 December, and on 21 December the Council considered those documents, and has approved them.

It does seem to me that this spells complete contempt for this Parliament, and it shows contempt for you as President, you having written to tell them that these matters were being returned to the Committee on Energy and Research. I am therefore raising this matter with you, Mr President, to see whether in some way we can take these people to task for treating Parliament in such a cavalier fashion. I would like to ask you: can you ensure that you will see the President-in-Office of the Council this week; can you undertake to have him invited to your office to tell him we do not like their treating us in this way and that you will ask him not to consider the matter until the Committee on Energy and Research has gone through its deliberations?

President. — I shall make enquiries of the Institutions concerned about the procedures followed, Mr Brown, and communicate to you the replies I receive.

2. *Membership of the Commission of the European Communities*

President. — Mr Genscher, President of the Conference of Representatives of the Governments of the Member States, has informed me of the appointment of the President and Vice-Presidents of the Commission of the

European Communities for the period from 6 January 1979 to 5 January 1981.

The following have been appointed:

Mr Jenkins, President
Mr Gundelach, Vice-President
Mr Haferkamp, Vice-President
Mr Natali, Vice-President
Mr Ortoli, Vice-President
Mr Vredeling, Vice-President

3. *Petitions*

President. — I have received from Mr P. L. Th. A. Marechal, on behalf of the Ecological Movement 'Anders denken! Anders doen!' and Mrs F. Rosenzweig, on behalf of the Mondiaal Alternatief Foundation, a petition on the use of chemical insecticides.

This petition has been entered under No 24/78 in the 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.

4. *Documents received*

President. — I have received:

- (a) from the Council, requests for an opinion on:
— a communication from the Commission to the Council concerning forestry policy in the European Community (Doc. 542/78),

which has been referred to the Committee on Agriculture as the committee responsible and to the Committee on Regional Policy, Regional Planning and Transport and the Committee on the Environment, Public Health and Consumer Protection for their opinions;

- a proposal from the Commission to the Council for a directive on the approximation of the laws of the Member States relating to safety requirements for tower cranes for building work (Doc. 548/78),

which has been referred to the Committee on Economic and Monetary Affairs as the committee responsible and to the Committee on the Environment, Public Health and Consumer Protection for its opinion;

- a proposal from the Commission to the Council for a directive on the approximation of the laws of the Member States relating to the operating space, access to the driving position (entry and exit facilities), and to the doors and windows of wheeled agricultural or forestry tractors (Doc. 549/78),

which has been referred to the Committee on Economic and Monetary Affairs as the committee responsible and

President

to the Committee on Regional Policy, Regional Planning and Transport for its opinion;

- a proposal from the Commission to the Council for a directive amending Directive 74/150/EEC on the approximation of the laws of the Member States relating to the type-approval of wheeled agricultural or forestry tractors (Doc. 550/78),

which has been referred to the Committee on Economic and Monetary Affairs as the committee responsible and to the Committee on Regional Policy, Regional Planning and Transport for its opinion;

- a proposal from the Commission to the Council for a regulation amending Regulation (EEC) No 222/77 on Community transit (Doc. 551/78),

which has been referred to the Committee on Economic and Monetary Affairs as the committee responsible and to the Committee on External Economic Relations and to the Committee on Budgets for their opinions;

- a proposal from the Commission to the Council for a regulation amending Regulation (EEC) No 3164/76 on the Community quota for the carriage of goods by road between Member States (Doc. 553/78),

which has been referred to the Committee on Regional Policy, Regional Planning and Transport;

- a proposal from the Commission to the Council for a directive on the approximation of the laws of the Member States relating to noise emitted by lawn-mowers (Doc. 562/78),

which has been referred to the Committee on Economic and Monetary Affairs as the committee responsible and to the Committee on the Environment, Public Health and Consumer Protection for its opinion;

- a proposal from the Commission to the Council for a directive on the approximation of the laws of the Member States relating to certain types of simple pressure vessels (Doc. 563/78),

which has been referred to the Committee on Economic and Monetary Affairs as the committee responsible and to the Committee on the Environment, Public Health and Consumer Protection for its opinion;

- a proposal from the Commission to the Council for a directive amending Directive 77/504/EEC on pure-bred breeding animals of the bovine species (Doc. 564/78),

which has been referred to the Committee on Agriculture;

- a proposal from the Commission to the Council for a regulation amending Regulation (EEC) No 816/70 laying down additional provisions for the common organization of the market in wine (Doc. 565/78),

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

(b) from the committees, the following reports:

- report by Mr Notenboom, on behalf of the Committee on Economic and Monetary Affairs, on the proposal

from the Commission to the Council for an eighth directive on the harmonization of the laws of the Member States relating to turnover taxes: arrangements for the refund of value-added tax to taxable persons not established in the territory of the country (Doc. 543/78);

- report by Mr Durand, on behalf of the Committee on Agriculture, on the proposals from the Commission to the Council for:

- I. a directive on brucellosis, tuberculosis and swine fever and prolonging certain derogations granted to Denmark, Ireland and the United Kingdom; and
- II. a directive authorizing the Italian Republic to postpone the notification and implementation of its national plans for the accelerated eradication of brucellosis and tuberculosis in cattle,

(Doc. 544/78);

- report by Mr Halvgaard, on behalf of the Committee on Agriculture, on the proposal from the Commission to the Council for a directive amending Directive 77/101/EEC on the marketing of straight feedingstuffs (Doc. 545/78);

- report by Mr Martinelli, on behalf of the Committee on External Economic Relations, on economic and trade relations between the EEC and Australia (Doc. 546/78);

- report by Mr Cot, on behalf of the Political Affairs Committee, on the respect of human rights in Iran (Doc. 547/78);

- report by Mr Dinesen, on behalf of the Committee on Social Affairs, Employment and Education, on the proposal from the Commission to the Council for a directive on the approximation of the laws of the Member States concerning the protection of employees in the event of the insolvency of their employer (Doc. 552/78);

- report by Mr McDonald, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the proposal from the Commission to the Council for a directive on the approximation of the laws of the Member States relating to:

- headlamps which function as main-beam and/or dipped-beam headlamps and to incandescent electric filament lamps for such headlamps,

- end-outline marker-lamps,

- front-position (side) lamps,

- rear-position (side) and stop lamps,

- direction-indicator lamps,

- reflex reflectors,

- the rear registration-plate lamps,

- front fog-lamps and filament-lamps for such lamps,

- rear fog-lamps,

- reversing lamps,

- parking lamps and

for wheeled agricultural or forestry tractors (Doc. 559/78);

- report by Mr Ansquer, on behalf of the Committee on Economic and Monetary Affairs, on the situation in the iron-and-steel industry in the Community (Docs. 446/78 and 499/78);

President

- report by Lord Bruce of Donington, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on:
 - I. the best means of preventing accidents to shipping and consequential marine and coastal pollution, and
 - II. shipping regulations;
 (Doc. 555/78);

- report by Lord Bruce of Donington, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the proposal from the Commission to the Council for a decision rendering mandatory the procedures for ship inspection forming the subject of resolutions of the Inter-Governmental Maritime Consultative Organization (IGMCO) (Doc. 556/78);

- report by Mr Dalyell, on behalf of the Committee on Energy and Research, on the proposal from the Commission to the Council for a regulation on the implementation in the solar energy sector of Regulation (EEC) No 1302/78 concerning the granting of financial support for projects to exploit alternative energy sources (Doc. 557/78);

- report by Mr Delmotte, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the third annual report (1977) by the Commission on the European Regional Development Fund (Doc. 558/78);

(c) the following oral questions:

- by Sir Geoffrey de Freitas, Mr Normanton, Mrs Squarcialupi, Mr Osborn, Sir Brandon Rhys Williams, Mr Ryan, Mr McDonald, Mrs Dunwoody, Mr Brugha, Mr Scott-Hopkins, Mr Spicer, Mr Corrie, Mr Nolan, Lord Bessborough, Mr Howell, Mr Hughes, Mr Fitch, Mr De Clercq, Mr Kavanagh, Mr Dankert, Mr Yeats, Mr Power, Mr Herbert, Mr Brosnan, Sir Geoffrey de Freitas, Mr Osborn, Mr Cifarelli, Mr Brown, Mr Dalyell, Mr Ryan, Sir Brandon Rhys Williams, Mr McDonald, Mr Rippon, Mr Howell, Mr Kavanagh, Mr Soury, Mr Bordu, Mr Hamilton, Mr Dalyell, Mr Ryan and Mr McDonald, for Question-time on 16, 17 and 18 January 1979, pursuant to Rule 47 A of the Rules of Procedure (Doc. 560/78);

(d) the following oral question, without debate:

- by Mr Brosnan, Mr Brugha, Mr Herbert, Mr Nolan, Mr Power and Mr Yeats, on behalf of the Group of European Progressive Democrats, to the Commission, on the disaster at Bantry Bay (Doc. 568/78);

(e) from the Commission:

- a report on the financial situation of the Communities at 30 September 1978 (Doc. 561/78),

which has been referred to the Committee on Budgets;

- the annual report (1978) on progress made towards European union, drawn up by the Foreign Ministers and the Commission (Doc. 566/78),

which has been referred to the Political Affairs Committee.

5. Texts of treaties forwarded by the Council

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

- agreement in the form of an exchange of letters between the European Economic Community and the Republic of Finland;
- act of notification of the approval by the Community of the fifth international tin agreement; and
- agreement in the form of an exchange of letters extending the trade agreement between the European Economic Community and the Argentine Republic.

These documents have been deposited in the archives of the European Parliament.

6. Authorization of reports

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

- Committee on Agriculture:
 - report on measures to be taken to improve the situation in the dairy sector;
- Committee on Energy and Research:
 - report on the proposal for a Commission decision on coal and coke in the iron-and-steel industry in the Community.

The Committee on Budgets has been asked for an opinion;

- Committee on External Economic Relations:
 - report on the recommendations adopted at the last meeting of the EEC-Turkey Joint Parliamentary Committee;
 - report on the recommendations adopted at the last two meetings of the EEC-Greece Joint Parliamentary Committee;
 - report on the outcome of the visit by a European Parliament delegation to Japan last October;

- Committee on Development and Cooperation:
 - report on energy cooperation with the developing countries.

The Committee on Energy and Research has been asked for an opinion.

7. Statement by the President on motion for a resolution Doc. 303/78

President. — At its meeting of 20 December 1978, the Committee on Social Affairs, Employment and Education decided not to draw up a report on the motion for a resolution tabled by Mr Porcu and others on the employment situation in the Community (Doc. 303/78), which had been referred to it on 14 September 1978, but to consider this document in connection with a second Albers report on the 1978 Community Tripartite Conference.

8. Transfer of appropriations

President. — At its meeting of 12 December 1978, the Council approved the proposals for transfers of appropriations contained in Doc. 426/78.

9. Urgent procedure

President. — I have received Mr Hughes, on behalf of the Committee on Agriculture, a motion for a resolution, with request for urgent debate pursuant to Rule 14 of the Rules of Procedure, on a common fisheries policy (Doc. 554/78). The reasons supporting this request for urgent debate will be found in the document concerned.

Pursuant to Rule 14 (1), second sub-paragraph, of the Rules of Procedure, the vote on this request will be taken at the beginning of tomorrow's sitting.

10. Order of business

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

At its meeting of 13 December 1978, the enlarged Bureau adopted a draft order of business, which has been distributed. In the meantime, I have been informed that the reports by Mr Hans-Werner Müller, on behalf of the Committee on Energy and Research, on trade within the Community in power-station coal, scheduled as Item 351 for the sitting of Thursday, 18 January 1979, and Mr Albers, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the carriage of goods by road for hire or reward, scheduled as Item 369 for the sitting of Friday, 19 January 1979, have been withdrawn from the agenda because they have not been approved in committee.

In addition, the Committee on the Environment, Public Health and Consumer Protection has requested that the oral question by Mrs Krouwel-Vlam, on medical apparatus and equipment, scheduled as Item 365 for the sitting of Friday, 19 January, be held over until the February part-session.

Are there any objections?

That is agreed.

The Group of European Progressive Democrats has requested that an oral question, without debate, by Mr Brosnan and others, on the Bantry Bay disaster, be placed on the agenda for this part-session. I am informed that the Commissioner concerned, Mr Burke, who is present, would in agreement with the authors of the question, like this question to be included as the last item on today's agenda, which already includes one report falling within his competence.

Are there any objections?

That is agreed.

The Committee on Agriculture has asked for a report without debate on hops to be included in the agenda for this part-session. I propose that this report be placed as

the last item on the agenda for Thursday, 18 January, subject to its being adopted at the committee meeting to be held on Wednesday, 17 January.

Are there any objections?

That is agreed.

The Committee on Energy and Research has asked that the report by Mr Dalyell on solar energy, scheduled as Item 368, for Friday, 19 January, be placed on today's or tomorrow's agenda, these being the only two days on which the rapporteur will be present.

Since the agenda for today and tomorrow is already overloaded, it seems to me difficult to comply with this request. Moreover, I must remind you that it is the custom here for a rapporteur who is unable to present his own report to be replaced by the chairman or another member of the appropriate committee. On the other hand, the Hans-Werner Müller report on behalf of the Committee on Energy and Research, originally scheduled as Item 351 for Thursday, 18 January, has been removed from the agenda. I therefore propose that we insert, in its place, the Dalyell report, which will thus be treated at greater length.

I call Mrs Walz.

Mrs Walz. — (D) Mr President, I would be most grateful if the report could after all be considered on Monday or Tuesday. As you know, the report is a problematic one, not so much because of the subject matter as because of the fact that it concerns one of those conciliation procedures which have been handled in an extremely strange manner by the Council. Mr Dalyell is also a member of the Committee on Budgets and by that token is of course very well acquainted indeed with this kind of thing. Unfortunately, he cannot be here on Thursday. Now although I could obviously take over the report on Thursday, I would really prefer it if Mr Dalyell could introduce his report himself, since that report is, precisely because of the budgetary problems associated with it, of considerable importance to the European Parliament.

President. — From what Mrs Walz has just said as chairman of the Committee on Energy and Research, I gather that she does not agree with my proposal to insert the Dalyell report in Thursday's agenda.

There is therefore no alternative but to include it in the agenda for tomorrow. I would nevertheless point out that tomorrow's agenda is already overloaded and that, moreover, I shall be putting before the House some rules on the organization of our work which at the moment are being discussed by the Bureau and which certainly are not designed to increase but rather to restrict the length of time at our disposal.

I call Mrs Walz.

Mrs Walz. — (D) Mr President, you called for one speaker in favour and one against. It seems to me, as chairman of the committee, that I have already put in a word on Mr Dalyell's behalf. All we need now is for someone to speak against.

President. — I call Mr Deschamps.

Mr Deschamps — (F) Mr President, we have just had a meeting of the enlarged Bureau of Parliament, where we have had to take a number of decisions. I understand that you will, in due course, be explaining them to the House. I think that the chairman of the Committee on Energy and Mr Dalyell will understand that after the decisions that we have just taken we cannot immediately turn round and adopt a position on a report, however important it might be, that would be diametrically opposed to what we have just unanimously decided in the Bureau. That is why, personally, but I think that I can also speak on behalf of the Bureau, I am opposed to the proposal that we put this document down for Tuesday's agenda.

President. — I put to the vote the request that the Dalyell report be included in the agenda for Tuesday, 16 January 1979. The request is adopted.

The enlarged Bureau proposes that the agenda for Thursday, 18 January, be changed so that the debate on EEC-Comecon relations follows that on the EEC-Malta Association Agreement. Are there any objections?

That is agreed.

The order of business would therefore be as follows:

This afternoon:

- Procedure without report;
- Commission statement on action taken on the opinions and proposals of Parliament;
- Oral question, without debate, to the Commission, on delays in answering written questions from Members of Parliament;
- Notenboom report on turnover taxes;
- Seefeld report on the Common Transport Policy;
- Oral question, without debate, to the Commission, on the Bantry Bay disaster;

Tuesday, 16 January 1979

10 a.m. and in the afternoon:

- Ansquer report on the situation in the iron-and-steel industry;
- Dinesen report on the protection of employees in the event of their employer's insolvency;
- Oral question, with debate, to the Commission, on special rights of Community citizens;
- Oral question, with debate, to the Commission, on the shipbuilding industry;
- Krieg report on the amendment of the Treaties establishing the European Communities;
- Dalyell report on solar energy;

3 p.m.:

- Question Time (questions to the Commission);

3.45 p.m.:

- Voting-time

Wednesday, 17 January 1979

10 a.m. and in the afternoon:

- Council statement on the work programme for the French presidency (followed by a debate);
- Oral question, without debate, to the Council, on arrangements for counting the votes in direct elections;
- Pinat report on the prospects of enlargement of the Community;
- Amadei interim report on Community action in the cultural sector;

3 p.m.:

- Question Time (questions to the Council and the Foreign Ministers);

4.30 p.m.:

- Voting-time;

Thursday, 18 January 1979

10 a.m. and in the afternoon:

- Oral question, with debate, to the Commission, on the EEC-Malta Association agreement;
- Oral question, with debate, to the Commission, on relations between the EEC and COMECON;
- De Clercq report on an energy R&D programme;
- W. Müller report on the prices of agricultural products;
- Joint debate on two Klinker reports on fishing activities in Community waters;
- Halvgaard report on straight feedingstuffs;
- Durand report on brucellosis and tuberculosis;
- Report, without debate, on hops;

3 p.m.:

- Question Time (questions to the Commission);

3.45 p.m.:

- Voting-time;

Friday, 19 January 1979

9 a.m.:

- Procedure without report;
- Possibly, continuation of Thursday's agenda;
- Squarcialupi report on noise emitted by compressors;
- McDonald report on agricultural or forestry tractors;
- Bruce report on ship inspection;
- Oral question, with debate, to the Commission, on the protection of the mother and child in the EEC countries;
- Oral question, with debate, to the Commission, on social security in the Community;
- Oral question, with debate, to the Commission, on Community policy on the family;
- Oral question, with debate, to the Commission, on Calabria;
- Oral question, without debate, to the Commission, on titanium dioxide;
- Oral question, without debate, to the Commission, on poultry.

President

End of sitting

— Voting-time.

Are there any objections?

The order of business is agreed.

11. *Limitation of speaking-time*

President. — I propose that Parliament limit speaking-time for all reports and motions for resolutions on the agenda as follows:

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

Are there any objections?

That is agreed.

12. *Procedure without report*

President. — Pursuant to Rule 27A of the Rules of Procedure, the following Commission proposal has been placed on the agenda for this sitting for consideration without report:

- proposal from the Commission to the Council for a regulation extending the period of validity of Regulation (EEC) No 2862/77, on levies applicable to imports of certain adult bovine animals and beef from Yugoslavia (Doc. 540/78).

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

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 January 1978, I shall, at that sitting, declare this proposal approved.

13. *Action taken by the Commission on the opinions and proposals of Parliament*

President. — The next item is the Commission statement on the action taken on the opinions and proposals of Parliament ⁽¹⁾.

Since no one wishes to speak, this item is closed.

14. *Delays in answering written questions from Members of Parliament*

President. — The next item is the oral question, without debate, by Mr Yeats to the Commission, on delays in answering written questions from Members of the European Parliament (Doc. 529/78):

On 31 December 1978, there was a total of 266 written questions unanswered by the Commission. Of these questions, one had been submitted 9 months previously, one had been submitted 8 months previously, 3 had been submitted 6 months previously, 4 had been submitted 5 months previously, 13 had been submitted 4 months previously, 31 had been submitted 3 months previously and 64 had been submitted 2 months previously. 149 written questions had been submitted within the previous month.

Only the last-mentioned 149 questions could be answered within the specified time of one month for answering written questions.

Will the Commission explain why so many written questions are not answered within one month and, in particular, why some of them have remained unanswered for such a long time?

I call Mr Yeats.

Mr Yeats. — Mr President, before I begin on this oral question I would like to raise a preliminary point of order. This particular question I put down on 30 October last in a particular form; it was circulated in that form; it was considered by the Bureau, and the Bureau agreed to put it on the agenda; and in the European Parliament briefing issued by the Directorate-General for Information and Public Relations dated 4 January last, my question is listed *in toto* in the form in which I lodged it. From somewhere, by some means unknown to me, a totally different form of my question has now appeared, with a different set of figures entirely. I did not authorize this; I did not even see it until last Friday; I certainly did not sign it, and find it difficult to understand how this could have happened. While I do not want to waste time by wrangling about differences between one version and another, I would urge you, Mr President, to ensure that in future, if a Member puts down a question of this kind, it finally emerges for discussion in plenary sitting in the form in which he submitted it.

However, to get to the matter in hand: it is, I think, very clear that the matter of questions, both written and oral, is one of very great importance to this Parliament and indeed to all Parliaments.

The Commission is specifically stated in the Treaties to be responsible to the European Parliament, and one of the most important duties of Members of this Parliament is to carry out the supervision of the Commission and to try and find out, amidst the labyrinthine complexities of EEC affairs, just what is happening on any particular occasion. It is, therefore, vital for us in this Parliament to get rapid, accurate and complete answers to our questions, and the Commission has in fact undertaken to answer written questions from Members within the period of one month.

Now, quite candidly, this undertaking is not being observed. In my oral question — both versions of it — there are figures given of the number of questions which have been outstanding for a period of months. In fact, between the two versions there isn't a great deal of

⁽¹⁾ See Annex.

Yeats

difference. In the first version, which brought the figures up to 30 September 1978, there were 123 questions which were late — that is, which had not been answered for anything between two months and ten months after their submission, while the most recent figures, for 31 December 1978, give 117 questions which had not been answered over periods ranging up to as many as nine months. I haven't attempted to get the figures for the precise percentage of questions which are answered in time, but I think I should probably be correct in saying that as many as four out of five of all questions are not in fact answered within the one-month period.

Now I do accept, and it is only fair to say this, Mr President, that of course there are particular problems presented in the EEC context from the point of view of the Commission in answering questions. The Commission has a sort of collegiate nature which makes it difficult for individual Commissioners to answer questions as rapidly as otherwise they might. There is the question of the particular organization of the various Directorates-General, which means that a question directed to the Commission sometimes has to be sent to a number of Directorates in order to get the necessary information. Sometimes, but by no means always, our questions require research in the nine member countries, which can, of course, cause delays. The Commission have, I think, on several occasions pointed out that they have no way of enforcing member governments to dig up the information with any particular rapidity, though one does sometimes feel that things could be speeded up.

I put down a question a year or two ago about customs officers. I got a very rapid reply within three weeks saying that the Commission were going to get the figures for me. Four-and-a-half months passed. I put down another question asking about my figures, and some time after this I did in fact get them. I don't believe that, even where investigations are required in the nine member countries, it is necessary to have such delays.

There is also the question of the six languages, which on occasions the Commission has presented as an excuse for delays of this kind. I personally would not accept that for a moment. This is a Community using six languages; all our affairs are run in six languages; everybody knows this, and I think it is the business of the Commission therefore to arrange their affairs, and in particular their replies to us, so that translation problems do not prevent them from doing so. — And, indeed, it is because of these particular problems that they are allowed, and have undertaken, to answer in one month rather than the much shorter period which would normally apply in a national parliament.

Unfortunately, Mr President, besides the inordinate delays which have been taking place in the answering of questions, we also have the position that the answers

are frequently inadequate, not to say evasive. Now I have not attempted to ask other Members what their experience has been, but I suspect that their experience has been very similar to mine, and I think it is worth while mentioning just a few of the problems that I myself as one individual, out of the 198 Members of this Parliament, have had in trying to get information out of the Commission.

Take for example a rather ludicrous series of questions that I had to put down on a matter, not of fundamental importance, concerning the directive on the quality of bathing water. It all started way back at the beginning of December 1977, when I asked the Commission what Member States had adopted the various provisions necessary to comply with the directive on bathing water and what Member States had communicated to the Commission the text of these provisions in accordance with the terms of the directive. This was on 7 December. On 22 February, more than two months later, the Commission replied, giving me no information except that they were looking into it. I put down another question on 30 March, or rather two questions. In the first, I pointed out that I had asked this question but had not received a reply, and I asked the Commission whether, in view of the fact that the answer as delivered did not involve any research or inquiries from the governments of Member States, it could explain its inability to produce a reply until 2 1/2 months after receiving the question, and whether the Commission would take steps to ensure that, where a written question calls for the collection of simple facts known already to the Commission itself, it would provide Members with such facts without delay. On the same day, I put down another question asking for the same information and sent a copy of these questions to Mr Burke.

Two more months went by, and on 30 May 1978 — two months after this and 4 1/2 months after my original question — the Commission replied: 'The Commissioner regrets that the Honourable Member is dissatisfied with the substance of the reply'. That's all: no undertaking for the future, no explanation, and indeed, no information.

So I put down another question, this time on 29 June, asking for the precise dates on which the various Member States had sent the information concerned to the Commission. On 14 November last, the Commission again replied without giving me the precise dates for which I had asked. At this stage I gave up that topic and decided that the only thing to do was to raise the matter at a plenary sitting.

Now I asked a question about printing contracts last January. I got an answer two months and eleven days later. I asked a question on smoking and improper advertising on 31 January 1978. Two months later, on 31 March, the Commission said that they would present a directive to the Council as soon as possible. Why they

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could not have told me this in ten days I do not know. There was no research required; it was a very bald, not to say uninformative, reply, and I cannot see why it should take two months.

Again, on 31 January 1978, I asked a question about a research programme in the field of food technology, relating only to information known to the Commission about its own affairs, its own expenditures. They gave me an answer on 14 April — 2 ½ months later. I asked a question last July on the effects of fire damage in the Community. The reply I got from the Commission was that they did not have the information. But when did they give it to me? On 9 November! I put down my question on 17 July. All right, one must accept that they may not have the information, but one telephone call to whoever was responsible would have told them they hadn't the information. They had one month to send it, heaven knows. Why did it take all this time? Three-and-a-half months!

I put down a question on equal pay, and I must admit that they sent me a long and detailed reply which I was happy to get, but this again was a matter within their own cognizance, not a matter entailing research, and it took more than 2 months. I put another question down on equal pay in April, asking for certain information. They replied saying they were not going in effect to provide the information — I am not making an issue of this; it is a matter I must take up again some time with Mr Vredeling — but at any rate, they were not going to provide the information. But when did they tell me this? On 26 October. I put down the question on 25 April, and it took them until 26 October to say they were not going to produce it. On a question of expenditure under Chapter 26 of the Commission's budget, I asked on 13 April for certain information. They gave it to me, but again it was information known to the Commission, not involving research in Member States, and when did they give it? On 16 December — 5 months later. The last one I will mention concerned the question of expenditure under Chapter 26, again of the Commission's budget, on 10 January 1977. They gave me an answer on 16 March, which is more than 2 months later. I had to put down a further question on 26 May, pointing out that the information they gave me was contradictory. They candidly admitted this in their reply, and said that it was due to unclear drafting of their original reply to my question; but it took them until 7 September to tell me this.

It is, then, abundantly clear that to get information out of the Commission is becoming increasingly difficult, and I may say that in 1974 and 1975 you could get answers quite rapidly. I have a number of cases where I got answers in three or four weeks, which would cause great surprise if it happened now.

Now, the basic point, I think, is that there is not sufficient urgency in the Commission about these

questions. I think it is only fair to say there is no real effort being made to keep within one month, and the answers unfortunately are often evasive, as is the case of my bathing water. I would ask the Commissioner whether he can give us an assurance, first of all, that these delays will be cut down and if possible eliminated — certainly they should be eliminated where the Commission itself is in question and where no research is involved in the Member States — and secondly, that replies in future will be less evasive, more directed to the matter in hand. As far as I am concerned, if I find it impossible to get an answer in a reasonable time to a written question, or if the answer when it comes is evasive, I propose, and I would urge other Members to do the same, to transfer these questions to Question Time, and then the Commission will have to reply within a week. If one has a question in Question Time they do reply within a week, which shows it can be done. I would be unwilling to do this, because I think there are quite enough questions in Question Time without adding to the number, but there would be no other solution, I am afraid. So I really would urge the Commissioner to take this matter seriously: it is an important part of our parliamentary duties, and at the moment it is quite clear that there is not the sense of urgency at the Commission that there ought to be.

IN THE CHAIR: MR MEINTZ

Vice-President

President — I call Mr Burke.

Mr Burke, Member of the Commission. — Mr President, I fully understand the reasons which have led the honourable Member, Mr Yeats, to put down this question. Needless to say, the Commission attaches great importance to written questions and to the written-question procedure. It provides a very effective means of keeping Parliament informed of the Commission's activities, and in particular of those aspects which the honourable Members single out for special attention in the formulation of their questions. It is also quite evidently a popular procedure. We now receive about one hundred written questions per month — about five questions per working day. In 1975, the number of questions came to 750. This increased to 810 in 1976, and to 1010 in 1977. For the 1978-79 Parliamentary year I estimate that the total number of written questions will be in the region of 1300 — an increase of some 73% since 1975.

In examining the problem raised by the honourable Member, we must be conscious of the fact that there are considerable differences between the procedures used here and those used in Member States. Equally, there are considerable differences between the institutional arrangements which exist between this House and the Commission, and those which exist between a national

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parliament and a national government. The fact, as already alluded to here this evening, that we work in six official languages complicates our procedures very considerably, even when we compare them to those used in Member States which have more than one official language.

So much for the general considerations. I would now like to turn to the detailed points. It is true that the Commission does not reply to all written questions within the period of one month provided for in Rule 45 (3) of Parliament's Rules of Procedure. Of course, Members of Parliament will realize that the insertion of this rule in your procedures is one which merits our very great respect, but we have not at any stage as a Commission formally engaged to be able on all occasions to meet the requirements of that particular rule. I agree that the situation is serious but not, I suggest, to the degree suggested by the honourable Member. Mr Yeats states that on 30 September last, a total of 203 written questions had not been answered by the Commission. Now, without discussing the merits of this figure, I can point out that last week the total number of questions to which replies had not been given came to 84, excluding those in respect of which the period of one month had not yet elapsed. Of course, this figure changes from week to week. I have already mentioned the number of written questions which the Commission receives and the fact that this has increased by 73% in the last five years. I should also point out that, as indeed, I think, is obvious to the House from recent discussions on budgets, there has not been any increase in the number of staff available to prepare the replies. I would like to insist on the fact that in that period there has not been any increase in the staff available for this work.

It is tempting, and I say this knowing the Member State from which Mr Yeats comes, to compare this situation with that existing in our Member States. In Ireland, for example, replies to questions are given normally within three or four days. I would assure the honourable Member that this is a unique situation. I should like to point out that in the Member States questions are addressed to the Ministers; Ministers' responsibilities are clearly defined; the information required is directly available, and Ministers reply on their own initiative and without being obliged to refer their replies to the government. The questions put down in most national parliaments are shorter and more specific than those put down in this House — a situation which facilitates their replies.

Our situation is rather different. The Commission is a collegiate body, and parliamentary questions are addressed to the college. Written questions frequently touch more than one policy area. In such cases it is necessary that the Commissioners concerned and their directorates coordinate their contributions to the replies. This coordination necessarily takes some time. Again, the information requested is not always directly

available to the Commission, but must frequently be collected by a number of Directorates-General from the Member States. In such circumstances, the speed of reply is largely determined by the national administrations, and since the reply is considered as expressing the Commission's official position the preparation of draft replies is subject to the same rules as Commission decisions or other official statements. I shall return to that briefly at the end. Replies are sent to this House in the six Community languages. Translation and reproduction inevitably take some time. I would point out to the House that the Commission has made substantial progress in the matter of replies to written questions since the 1960s and the early 1970s. A single administrative unit has been given the responsibility of preparing the replies and of coordinating all the activities relating to their approval. Priority has been given to material operations, such as typing, translation and transmission of written questions.

I have underlined, Mr President, the importance which the Commission attaches to written questions. The degree of importance which we attach to the accurate formulation of a reply sometimes means that the reply is delayed, and I am sure that the honourable Member will appreciate that that is a justifiable and acceptable reason for delay. There are some cases where a reply given within the prescribed period would be incomplete and unsatisfactory. As I have mentioned already, the Commission is obliged to ensure that Member States apply Community directives. Normal procedure in cases where Member States do not apply directives within the time-span laid down is to discuss the matter with the Member State concerned and to examine the question of taking proceedings in accordance with the Treaty provisions. If the Commission finds a Member State in infringement of its obligations, proper procedure requires that the Member State be informed first. The finding of an infringement is a serious matter which culminates in a case before the Court of Justice, and is therefore a matter for very careful consideration. The Commission will continue to do everything in its power to improve the situation. Certain increases in personnel were foreseen in the 1979 budget, thanks largely to the Committee on Budgets of this Parliament. Now there is no need for me to comment on the present situation in that respect.

In conclusion, let me assure you, Mr President, and the honourable Member, and the House, that I regard the improvement of the situation as being even more important in the light of our expectation that the number of written questions put down by the directly-elected Parliament will show a further substantial increase on the present level. To Mr Yeats directly, I would like to indicate that I shall undertake to reply, or to have a reply given, to each of those cases mentioned by him and to which he asks particular attention to be given.

President. — I call Mr Yeats.

Mr Yeats. — Mr President, I would like to put two questions to the Commissioner, whilst thanking him for his reply.

First of all, with regard to the question of staff, he mentioned that there is provision for additional staff in the 1979 budget. Leaving aside the immediate problems affecting that budget, I would ask him whether this additional staff will be sufficient to enable him to deal in reasonable time with the larger number of questions coming forward now.

The second question, I think, is a more fundamental one. The Commissioner referred to the fact that the one-month period for reply is provided for in Parliament's Rules but not necessarily in those of the Commission. I think he should state quite clearly whether or not the Commission accepts that it is obliged to reply to written questions within one month.

President. — I call Mr Burke.

Mr Burke, Member of the Commission. — Mr President, I have already answered the second question which Mr Yeats puts to me now during the course of my remarks. In regard to the first question as to whether or not the staff which was requested in the budget would be sufficient for the task, we think that it would make a very considerable improvement, but we cannot prejudge the number of written questions which in fact will be submitted by the Members of the House. We therefore are not in a position accurately to answer the question posed by the honourable Member. We hope that it will make a considerable improvement.

President. — I would point out that between the Commission and the Parliament there are two categories of relations — institutional relations, which are obviously good, not to say excellent, and relations with Members of Parliament, for the improvement of which we can certainly count on the good offices of Mr Burke.

15. Urgent procedure

President. — I have received the following documents, with request for urgent debate pursuant to Rule 14 of the Rules of Procedure:

— from Mr Pintat, on behalf of the Liberal and Democratic Group, a motion for a resolution on the energy situation in the Community (Doc. 569/78). The reasons supporting this request for urgent debate are the recent events in the oil sector and the situation in Iran;

— from Mr Cifarelli, on behalf of the Liberal and Democratic Group, a motion for a resolution on the problems raised by refugees from Cambodia, Laos and Vietnam (Doc. 570/78). The reasons supporting

this request for urgent debate are the gravity of the present political situation and the intense human suffering in South-East Asia;

— from Mr Liogier, on behalf of the Group of European Progressive Democrats, a motion for a resolution on the natural disasters in the Ardèche region (Doc. 571/78). The reason supporting this request for urgent debate is the scale of the damage caused in this region by these disasters.

The vote on these requests will be taken at the beginning of tomorrow's sitting.

16. Eighth Directive on turnover taxes

President. — The next item is the report by Mr Notenboom (Doc. 543/78), on behalf of the Committee on Economic and Monetary Affairs, on

the proposal from the Commission to the Council for an eighth directive on the harmonization of the laws of the Member States relating to turnover taxes: arrangements for the refund of value-added tax to taxable persons not established in the territory of the country.

I call Mr Notenboom.

Mr Notenboom, rapporteur. — (NL) Mr President, since the numbering system seems a little odd, may I remind the House that in 1974 we discussed the Sixth Directive on the common basis of assessment, and that the Council only took a decision on it in 1977. Last year we discussed the Ninth Directive on which the Council took an immediate decision. That concerned the authorization for six Member States to postpone implementation of the Sixth Directive until 1 January 1979 at the latest.

Mr President, we are now dealing with the Eighth Directive while the Seventh, for which I am rapporteur, is still in course of preparation. My report on it will be ready very soon. The order in which the Directives are being taken is thus different from that drawn up by the Council, and the various Directives retain the number given them by the Commission's schedule, although we have discussed them in a different order. That is why we are now dealing with the Eighth Directive, although we have not yet seen the Seventh and have already wound up the Ninth.

Mr President, the matter we are considering is very straightforward. However, the Committee on Economic and Monetary Affairs notes one very important fundamental aspect. VAT is a system whereby in the last analysis the final consumer should bear the rate of turnover tax adopted by the legislator. No more and no less. The turnover tax payable by the consumer should not be affected by the length of the production chain for particular goods or services, nor by whether there are a number of small business or one large undertaking in the chain, nor by whether there are exclusively domestic

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undertakings in the chain or foreign undertakings as well. VAT is a consumer tax which aims at being neutral, irrespective of the way in which goods or services are supplied. It is a tax on consumers, although the undertakings are liable to tax and must bear the administrative costs involved. This Directive governs the refund of tax to undertakings not established in the territory of the country which do not carry out taxable business activities in the country of refund. There are not many of them. The problem arises mainly in the case of transport services when the carrier is faced, for example, with the cost of vehicle repairs in a country other than his own, such as repairs to a commercial vehicle, which must be carried out in a country where the carrier is not liable for VAT. You will realize from this example — and this is the most important example — that this is a very straightforward matter. This is stated in the report. In this speech I will highlight three aspects of my report. Firstly, the fact that this Directive does not apply to undertakings in third countries, secondly, the administrative simplicity, especially for small and medium-sized undertakings, and thirdly, prevention of fraud. I shall confine myself to these three subjects.

Firstly, the report on the Sixth Directive which I submitted in 1974 on behalf of the Committee on Budgets — under whose terms of reference matters relating to taxation then fell — welcomed the fact that the Commission's proposal authorized the Member States to grant reimbursement of VAT to undertakings established abroad in cases where national undertakings were entitled to deduction. After all, that was perfectly in line with a neutral VAT system.

However, in Article 17 (4) of the Sixth Directive the Council distinguishes between refunds to foreign taxable persons established in the EEC and foreign taxable persons established outside the territory of the EEC. In principle I consider that to be less fair, and it is certainly not in line with the position adopted by the Parliament on the Sixth Directive in 1974. This Eighth Directive from the Commission only concerns refunds to foreign taxable persons established in the EEC.

Pursuant to the Sixth Directive, the Member States can refuse refunds if the taxable person is not established in the territory of the Community. At the meeting of the Committee on Economic and Monetary Affairs the Commission's representative said that in the near future the Commission of the European Communities would submit a new and more comprehensive proposal concerning refunds to taxable persons not established within the EEC. We were grateful for this undertaking, and that is why we are not submitting any amendments to this part of the proposal before us.

We welcome the fact that the Commission will be submitting a third proposal in the near future. We welcome it, Mr President, because essentially it is not a

major matter which is involved but rather a point of principle as I said just now.

If, despite the principle of VAT, we discriminate between undertakings established inside and outside the Community, we shall only give more ammunition — and unnecessarily so — to the belief which is particularly prevalent in the United States, that the Community VAT system is not a neutral but a protectionist system. And we are all well aware of the extent to which significant lobbies in the United States press the case for countervailing duties on Community products. At present there is a case before the American courts, the famous Steel case, which is directly linked to the Community VAT system. Now, I feel it would be extremely unwise for the EEC to provide ammunition for this mistaken but obstinate view of our VAT system by practising discrimination in this very unsuitable area.

That is why I would urge the early submission of a further proposal designed to abolish this discrimination.

The second point I wanted to talk about, Mr President, concerns administrative charges. Taxable persons for VAT purposes — despite the fact that this is a consumer tax which should be paid by the consumer — are the businessmen. Small businessmen, in particular, are relatively heavily burdened by more and more new administrative obligations which weigh them down considerably. Therefore we feel that the legislator has the duty to ensure that the application of each new piece of legislation is as straightforward as possible. The Committee on Economic and Monetary Affairs has done so, and that is why we have tabled an amendment on one small point to the effect that a taxable person need only produce evidence once a year that he is a taxable person in his own country and not each time that he requests a refund from a foreign country.

The Commission agreed with us, but I then heard from a Dutch source that the Council had already agreed on that point. So it is a buckshee amendment, and I would have preferred the Commission to have informed us of this fact.

Finally, Mr President, the third point. On behalf of the Committee on Economic and Monetary Affairs I would urge you to keep a very close watch on the situation to prevent the possibility of fraud. Whenever refunds are involved, attempts are made to obtain them fraudulently as well, and this happens, as we know, even in the European Community, alas. High priority must be given to the prevention of fraud in the matter of refunds and generally in the tax sector. What we need is cooperation between the fiscal authorities, greater knowledge of each other's methods, the introduction of uniform documents and a flexible scheme of contacts. If we did this we would increase our present ability to combat fraud.

We would therefore ask the Commissioner to pay great attention to this aspect of fraud prevention. This also

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applies to the other directives and in general to the levying of taxes in the Community.

And there you have my explanation as rapporteur for the Committee on Economic and Monetary Affairs. I have also been asked to speak on behalf of the Christian-Democratic Group. My Group shares the views expressed in this report, especially the references to the small and medium-sized undertakings and fraud prevention. So I need also say no more on behalf of the Christian-Democratic Group.

President. — I call Mr Burke.

Mr Burke, Member of the Commission. — Mr President, I would first of all like to express the Commission's thanks to Mr Notenboom and the Committee on Economic and Monetary Affairs for the work which they did on this Eighth Directive. In relation to the point he raised about not having the information on the date of the holding of the committee meeting about the Council having accepted an amendment, I would point out that as far as I understand the situation such an agreement had been reached at the level of a working-group in the Council. However, I will undertake to see if our procedures cannot be improved so as to convey the information as quickly as possible in future to the committee concerned.

Now this proposal for an Eighth Council Directive on value-added tax, on which the House is asked to give an opinion today, constitutes a further step on the road to harmonizing tax laws, a road on which the adoption of the Sixth VAT Directive in May 1977 was a particular milestone. In proposing this directive, the Commission fulfilled the mandate given to it by the Council in the Sixth VAT Directive to present Community rules setting out arrangements for the refund of national VAT to foreign taxable persons, for example, VAT borne on expenses incurred by foreign exhibitors at a trade fair in a Member State, or borne by foreign hauliers when carrying out a haulage operation in a Member State. The importance of harmonization in this area, an area in which current national provisions display considerable differences, can be appreciated on two levels: on the fiscal level, because a Member State which refuses a VAT refund to a foreign taxable person creates the risk of double taxation in the sense that the taxable person, being unable to deduct the tax, may pass it on in the cost of the goods or services sold; and on the competition level, because the harmonization of refund arrangements will place all the Community's taxable persons on an equal footing in this regard, one Member State being unable to attach more or less restrictive conditions to refunds than another. For these reasons the Commission is convinced that this current proposal for an Eighth VAT Directive will make a real contribution towards furthering the free circulation of goods and services, and in so doing, furthering the integration of the Community.

Now the Commission is aware that a problem still exists in relation to taxable persons from third countries who are charged VAT in one of the Member States, and Mr Notenboom highlights this problem, both in his report and in his speech to the House this evening. In its proposals the Commission was limited to allowing Member States discretion in respect of refunds to these taxable persons. The Commission's opinion here is due to the wide variety and complexity of existing systems in third countries, which require further study by the taxation services. This is not to say that the Commission does not welcome the invitation of the Parliament's Committee on Economic and Monetary Affairs to present as soon as possible a draft directive setting up common rules for VAT refunds for third-country taxable persons.

As regards paragraph 6 of the motion for a resolution, I would like to assure the House that the Commission will make a proposal on the definition of non-deductible expenditure in accordance with Article 17 (6) of the Sixth VAT Directive. This article provides that VAT shall not be deductible on expenditure which is not strictly business expenditure.

I have mentioned third countries, and I would point out further that the situation is very complicated by the divergent practices in these countries. Some have VAT systems and some do not. Even those who have VAT systems operate a variety of procedures. Now, when we know exactly what the provisions of all the Member States' systems are, we can examine the best means of approaching the problem of third countries.

In conclusion, Mr President, I hope that Parliament, taking account of these undertakings to achieve common rules governing arrangements for refund in the case of third countries, will deliver a favourable opinion on the draft directive before it today, which will act in the interests of the taxable persons of the Community. I would like very much again to thank Mr Notenboom and the Committee on Economic and Monetary Affairs and its members who have helped us so much in this regard.

President. — I note that no one else wishes to speak. The motion for a resolution will be put to the vote, as it stands, at voting-time tomorrow.

The debate is closed.

17. Common transport policy

President. — The next item is the report by Mr Seefeld, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the present state and progress of the Common Transport Policy (Doc. 512/78).

I call Mr Seefeld.

Mr Seefeld, *rapporteur*. — (D) Mr President, ladies and gentlemen, time and time again this House has called for the establishment of a sensible and coherent transport policy in the European Community. Time and again this House has come down in favour of European solutions, only to have its voice fall on the deaf ears of the Council. For years now we, the Members of the European Parliament, have been asking the Council: Why is it that our efforts, which enjoy the support of all shades of political opinion, find so little response among the nine governments? What is it in fact which makes the Council so indecisive and reticent, precisely in the transport policy sector? Or, to put it differently and more plainly, why does the Council of Ministers always have its foot on the brake? May we be told who is in favour of a coherent transport policy for the European Community, and who is against? On behalf of the Committee on Regional Policy, Regional Planning and Transport, I call on the Council and the Ministers represented on it to tell us who the laggards are. Tell us who they are, so that we know who puts national interests before the overall interests of the citizens of Europe.

Ladies and gentlemen, it is depressing to be forced into the position of complaining constantly that so little progress is made in this important sector of European policy. Those who, like myself, have spent nearly a decade in the Transport Committee of this House, have seen the ministers come and go. The Transport Committee has regularly got together with the ministers, charming fellows all of them, with whom we thrashed out the whole thing, and who, as individuals, were invariably most cooperative and prepared to acknowledge the importance and sound sense of the policies being urged by Parliament. But there must be something, something which we in this committee have not been able to fathom, that invariably causes these same ministers, when they meet together, to fail to live up to the promise which they seemed to offer as individuals. And so, as we submit the report, we in this House ask the ministers of our nine countries: Why does the forcefulness which you demonstrate in private and informal talks with us desert you when you meet in the Council?

Mr President, there is perhaps a difference between the report before you today and the reports adopted earlier by the European Parliament, most of them unanimously. The difference is perhaps particularly notable at one point, namely in a chapter which I discussed at very great length with my colleagues in the committee, the chapter on 'proposals for improving the working methods of and cooperation between the Community's institutions as regards transport policy'. This chapter constitutes an important section of my report and I should therefore like to concentrate my attention on it.

At regular intervals over many years, the European Parliament has, in reports by Mr Kapteyn, Mr

Muller-Hermann, Mr Brunhes and, most recently, Mr Mursch, always spoken its mind on the fundamental questions underlying the common transport policy. As regards the substance, very little has in fact changed. The later rapporteurs, like myself today, could do little more than repeat what Paul Kapteyn said to this House already in 1957 and 1961. And since our transport policy has in the meantime made little progress, I can now, almost twenty-two years later, only repeat, as regards substance, what has been said already.

In its 1973 communication the Commission, too, was obliged to say more or less the same things that it said in 1961. Confronted with such stagnation, we have to turn our minds away from the familiar and accepted objectives of the transport policy, which are of course restated in the report and which I commend to your attention, and think about working methods and the institutions that apply them. That is what I have done in the chapter I spoke of a moment ago and I put my proposals to you. I realize fully that many of the proposals would entail substantial reorganization in the institutions. However, all my proposals have the advantage that they can be implemented without any amendment to the Treaties. I also realize that some of the proposals may be regarded as very far-reaching. However, we shall not get anywhere with half-measures. In support of my ideas I would mention the fact that some of the honourable Members of this House who have worked in other domains think along the same lines. Mr Corrie and Lord Reay, for example, have put forward ideas which we restate in our report. The fact that in a plenary debate on 10 May 1978 the Council rejected all of Mr Corrie's proposals demonstrates merely that such proposals should not be discussed in the context of an oral question, but that a more weighty instrument, namely a report, is called for.

Lord Reay, as rapporteur for the Political Affairs Committee, pursues the idea of instituting proceedings against the Council for failure to act in various fields. On behalf of those concerned with transport policy, I want to follow up this idea, especially in the light of the excellent and positive opinion of the Legal Affairs Committee drawn up in connection with a motion for a resolution by Mr Mursch and others. The excellent legal work done on that occasion by Mr Riz must not be allowed to fall into oblivion, and I have therefore appended the opinion to the report.

It is my belief that the very possibility of calling attention to the fact that proceedings would be entirely warranted could have — or, more accurately, already has had — a certain salutary effect on the ministers. I cannot provide documentary proof, but I have strong grounds for suspicion that, for example, the unusual activity of the Council of Ministers in the second half of 1977 was partially due to the threat of proceedings that had been uttered in this House. At any rate, I know from the staff of our secretariat that the Belgian Presidency of the day inquired repeatedly and insistently

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in the course of 1977 about the state of deliberations on the possibility of proceedings being brought by Parliament against the Council.

In institutional affairs it is very often something apparently trivial which can have a great effect. When I propose, for example, that it should be possible for a member of Parliament's staff to explain our reports to the Permanent Representatives Committee it is not my intention to add to the toings and froings of officials. My idea is that such a tiny change in the Community's procedures might lead to a huge increase in Parliament's powers, since the Council would be compelled to take note of Parliament's reports at an earlier stage. What is the situation at present? We talk with the Commission, the Commission talks with us, the Commission talks with the Council and then tells us which of our proposals the Council has accepted. However, I often have the impression, and forgive me if I spell it out so plainly, that the Council takes no notice whatever of our reports. That, I suspect, is the sad reality. In my view, ladies and gentlemen, this is not something that we should tolerate any longer. The Council cannot go on treating representatives of the European Parliament in this way. In many cases, if not in most, it seems to me, all that they do at the Council is to record formally whether or not an opinion has been delivered by Parliament. That is not how it should be. And I suggest to you that we should use this report to make our feelings clear.

Ladies and gentlemen, I should like now just to refer to a few other points in this report, which I cannot of course go into in detail within the time available to me. I put forward proposals for the improvement of working methods and I make perfectly clear that the Commission just does not have the staff to meet all the demands which we, as representatives of the people, deem to be essential. Are you aware that the Commission's staff in the transport sector is inadequate? Do you know that only just over 50 Category A officials are employed in the Directorate-General for transport? Do you not agree that it is intolerable that there should be times when only one single official is dealing with maritime transport and harbours, despite the importance of this sector to European transport policy? And what do you think of the fact that two or three officials — I repeat, two or three — are working at the Commission on the major problems connected with railways, and this at a time when there is growing concern in every country over the huge railways deficit and when we are repeatedly demanding a policy for the railways.

There are sectors on which no work can be done at the Commission owing to lack of staff, sectors where work has had to be stopped, such as transport safety, environmental aspects of transport, transport and regional policy, research; vital are all, but ones on which the Commission is able to do nothing. And I speak as a member of a committee that on the whole

has good relations with the Commission. Mr President, forgive me if I concentrate on these few points and omit the major questions, on which some of my colleagues will perhaps have something to say, but, as I mentioned, we want on this occasion to examine in this report the working methods of the institutions. That is where I have placed the emphasis.

My colleagues and I are obviously aware that topical questions will constantly arise. They have to be dealt with. We are not so mesmerized by matters of principle as to neglect questions of topical importance. In paragraph 8 of the resolution we urge that priority be given to certain policy objectives of importance to European transport. I refer to the financial situation of the railways, to improvement of the situation of transit traffic through Austria and Switzerland. I ask the Commission to say what progress it has made in its efforts to improve air transport safety, regularize the Community's foreign relations in the inland waterway transport sector, and in other areas. And we must say once again, with every possible emphasis, what is the use of moving forward little by little if we don't know where we are going, if we don't know how the fundamental issues of European transport policy are to be resolved? What, moreover, is the use of ministers meeting only when they have solutions? They must meet in order to help their officials to find the solutions, and that they can do by taking the decisions of principle.

I see that my time is very nearly up. Let me therefore say this. European transport policy must no longer remain the stepchild of the European Community. It is precisely in this sector that Community citizens notice whether something is happening. Everyone is something of an expert in this field, because we are all confronted daily with transport problems. It is therefore not without justification that in paragraph 12 of our resolution we impress urgently on the Council, the Commission and the public that unless the Community succeeds in the very near future in establishing an intra-Community common transport system and makes itself capable of effective action in the field of transport policy vis-à-vis the outside world, it will be beset by grave dangers that will undermine its entire economic position.

I would therefore urge you all to take a critical look at this report. I may mention that, apart from two abstentions, all my colleagues on the committee approved the report. I would ask you again to forgive me for concentrating exclusively on one of the areas covered in the report. However, the report is before you, and you have an opportunity to study the individual points. I should be most grateful if you will help to maintain this Parliament's traditional single-mindedness when it comes to transport policy by casting your vote tomorrow in favour of the report of the Committee on Regional Policy, Regional Planning and Transport.

President. — I call Lord Bruce to speak on behalf of the Socialist Group.

Lord Bruce of Donington. — Mr President, I have the honour of addressing the house tonight, not as chairman of the Committee on Regional Planning, Regional Policy and Transport, but officially on behalf of the Socialist Group. And I would straight away like to say, on behalf of my group, that we fully support the report drawn up by Mr Seefeld on behalf of the Committee on Regional Policy, Regional Planning and Transport, and that we thoroughly endorse the resolutions which he has ventured to lay before the House.

It is now some 22 years since the original treaty was signed, and perhaps the House will forgive me if I read to it — since I believe it is thoroughly relevant to our discussions here tonight — the principal article, which should animate and which, I devoutly hope, still animates all Community activities. Article 2 provides that

the Community shall have as its task, by establishing a common market and progressively approximating the economic policies of Member States, to promote throughout the Community a harmonious development of economic activities, a continuous and balanced expansion, an increase in stability, an accelerated raising of the standard of living and closer relations between the states belonging to it.

And Article 74, which together with the succeeding articles provides for the setting up of a common transport policy, says this:

The objectives of this Treaty shall, in matters governed by this Title, be pursued by Member States within the framework of a common transport policy.

So one question that must immediately occur to all Members of this House, and possibly to a wider public outside, must be: under what common transport policy have the objectives of the Community been pursued over the past 22 years? And the short answer must be — with isolated nibbles at the problem — no common transport policy at all.

Quite clearly, the blame for this cannot be laid on Parliament. In 1957, there was a report submitted by a Mr Kapteyn on behalf of the committee to Parliament. This was an excellent report; it received wide support from Parliament at the time, and very little happened about it. But in 1961, some four years later, undaunted by the dull thud with which the report was dumped upon Council's table, he produced a second report (Doc. 161/61), which was supplemented by a report from Mr Müller-Hermann (Doc. 18/62-63) and another by Mr Battistini (Doc. 21/62-63). Still nothing happened. And so in 1974 we had Mr Mursch's report (Doc. 215/74), which, the House will recall, indicated that the conclusions reached by the Kapteyn report so many years earlier still remained just as valid as they were then. And now we have this monumental work, if

I may say so, by Mr Seefeld, which has been considered in very great detail by the Committee on Regional Policy, Regional Planning and Transport and which had, with two abstentions, its unanimous endorsement, and the question must immediately arise as to what is going to happen to this one. Because very little has happened at all.

The main difficulties seem to have stemmed from the fact that although we have had proposals from the Commission, these have been rather diminishing in incisiveness over the past few years, because even the Commission must by now have got so despairing of any action whatsoever being taken by the Council that perhaps they have no heart left. Mr President, I would not say that about the present Commissioner, Mr Burke, with whom my committee has a most harmonious relationship and who has given us many indications that he intends to tackle the whole question anew and with the vigour which we have become accustomed from him. So, on the face of it, with a Parliament that has gone into detailed documentation and made numerous proposals on this, and with a Commission that has certainly, so far as my committee is concerned, given every indication of being prepared to stir the matter up again, surely we should be entitled to some response from the Council, who, I see, somewhat characteristically, are not represented on their front bench this evening while this is being discussed.

This is typical of the Council, because if one goes back through the history of their interest in the matter one finds that the Council of Transport Ministers met on one occasion in 1973 — and I hope the coffee was hot not for them — they met twice in 1974, twice in 1975, twice in 1976, and they had a hiccough in 1977 because they met three times, for which we should be grateful, and then relapsed exhausted in 1978 to meet on two occasions only. Is it therefore surprising, Mr President, that we have so little action out of them? Because on transport questions, apart from one or two quite forthright statements from Presidents-in-Office from time to time, we have had very little at all. Now, either Article 74 of the Treaty or Rome is to be taken seriously or it is not. Article 74 says that the basic objectives of the Treaty are to be pursued within the context of a common transport policy, and yet there is no transport policy.

It is quite clear, too, I think, to most impartial observers that the Council has a novel way of dealing with matters of this kind. These may need a little diligent study and research on their part, but whenever the Council gets into difficulties — and I have touched upon this in connection with other matters when addressing this House — it invites us to contemplate distant vistas, theoretical concepts of the latest descent of the tablets from the top of Mount Sinai such as the European Monetary System; whenever it comes to practical matters within the Community on which the

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future of the Community must be built — I talk in terms of transport policy, in terms of regional policy, in terms of social policy, in terms of investment policy within the Community — whenever these matters are clamant for the attention of Parliament and for the attention of Council, they invite us to contemplate distant horizons.

I think the time has come when Parliament seriously has to contemplate demanding that the legislative processes of Council be conducted in public, because then we could see and hear exactly what happens on these occasions. At the moment, in the case of transport policy as indeed with other policies, we are left with no statement as to what happened at Council meetings except for leaked reports, to which some Member States' representatives are singularly prone and which appear to have as their objective the desire to pass the blame on to some other Member States than themselves. It is not as though the Council has not got a body which can work out the detail — it has. It has the Committee of Permanent Representatives precisely to do all the negotiating and all the harring as between the Member States which it is quite proper should be conducted under private conditions. There is no reason why they should not use that machinery for that purpose. However, the time is fast approaching when the Council will be forced to conduct its own proceedings in public and then the people of Europe will know how the Member States argue among themselves and present their various points of view. That will possibly help us to make up our minds, because quite clearly they have not made up their minds yet as to what they propose to do about the European railway. It is quite obvious and desirable for the purposes of having the proper degree of competition between Member States forming part of the European Economic Community that there should be a standard degree of subsidization of the railways. For example, the Federal Republic of Germany takes the view that its railways perform a conspicuous public service in addition to a commercial one and consequently in Germany about four times as much per annum is provided by way of subsidy to the German Federal Railways as, for example, in the United Kingdom, where the railways are not regarded as a public service, or tend not to be so regarded, but as something that can compete, unfairly, with road haulage.

Now these are matters which require harmonization. If the Council had its meetings in public we could know roughly what their attitude was concerning road infrastructures, the degree to which the cost of maintaining the infrastructures should be borne by the State and the degree to which they should be borne by the hauliers. If we had these deliberations in public we should know a little better what the pricing policy was, a pricing policy which for many years was held up for any solution by our French colleagues' absenting themselves from the Council seat when the matter was being discussed. These are things that the public of

Europe should know about. In the case of railways we are now getting gradually to the point where there is going to be a standardized accounting procedure. Very good indeed. This will provide the Commission with much information. The whole trouble is that while the Council has agreed to that, it has not agreed to the additional staff that the Commission require to enable it to deal with the data. There are so many other things.

We rejoice that the Council, after some 20 years, has now decided to refer to an expert committee the priorities that it is going to set in the whole matter of air transport. Well, it will be a long way behind, because the Committee on Regional Policy, Regional Planning and Transport will have considered the whole question of air-traffic fares and indeed air-traffic control and safety in the air a long time before it even reads its documents. This is an example of how Parliament keeps well in advance of Council.

Mr President, I do not want to go on criticizing Council, lest it become assumed that for me it is a matter of habit. And so far, I have been very temperate and I will conclude on that basis. I hope that eventually the penny will drop, and that the Council or its members will devote that amount of interest to this problem, one of the most fundamental problems of the Community, which its importance certainly merits. They are so keen on looking at the pimples on the body that they do not even bother to examine the arteries, and transport is the artery of Europe. If there is no proper transport and unified transport system, there can be no common market. And the quicker that the Council wakes up to this, the better.

One word finally for the Commission — and I know their difficulties in being driven by the Council's inactivity to take other steps. They have endeavoured to produce a lot of harmonizing legislation going right down to minutiae. I suggest that possibly they would have a little greater success in obtaining the cooperation of the Member States if they drafted rather broader directives enshrining their objectives and then let Member States work them out individually. That might reduce the log-jam that has evidently accumulated at Council level.

Finally, Mr President, I would like once again on behalf of my group to thank Mr Seefeld for his report and to express the hope, I trust on behalf of the whole of Parliament, that the Council will at some time in the future be shaken out of the semi-comatose condition into which it has now sunk in connection with this entire subject.

President. — I call Mr Fuchs to speak on behalf of the Christian-Democratic Group (EPP).

Mr Fuchs. — (D) Mr President, ladies and gentlemen, Mr Seefeld is making a renewed and resolute attempt to instil some life into the common transport policy, which

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at the moment, to put it mildly, is drifting aimlessly. The report is a worthy successor to those by Mr Kapteyn, Mr Muller-Hermann and Mr Mursch, and I should like, on behalf of the CD Group, to thank Mr Seefeld for the insight, thoroughness and commitment with which he has tackled the subject, and particularly also for the fact that he is not afraid to deal with sensitive issues. We agree with the motion for a resolution and with most of what is said in the explanatory statement.

There are of course — and I suppose it is both inevitable and healthy that it should be so — some points on which one might take a different view. I shall come to them in a moment.

The report might be likened to an X-ray of the transport policy. Diagnostic examination reveals serious deficiencies, numerous weak points and pronounced anaemia. Indeed, in the light of such a diagnosis it is remarkable that the patient has been kept alive at all. One can only note with satisfaction that when it comes to a contest with all man's political skills nature still manages to come out on top.

Analysis of the situation rightly results in a complaint being made and a charge brought. And as the committee chairman has just made clear, it is above all the Council that is the dock. Wishing to put it politely, one might say that the Council has assumed the role of a sage, a philosopher, who finds comfort in the thought that time alone solves many problems. Unfortunately this does not apply to transport policy. On the contrary, the longer decisions are put off, the more difficult will be the solution and the more costly and painful the measures that will eventually have to be taken. It is in the light of this realization that the Council's delays are seen to be politically utterly irresponsible.

But frankly it is not enough just to make a complaint or bring a charge. As Members of the European Parliament we have a duty to consider what difficulties there are which constantly stand in the way of the development of the common transport policy called for by the Treaty of Rome. It would of course be somewhat unfair to the Council not to ask oneself this question. Another reason for looking into the causes is that in doing so we may uncover some ways out of the problem, and it is on this point, Mr Seefeld, that I am sorry to find the report having little or nothing to say.

I shall mention only a few points. The transport problem is obviously incredibly complex. Take just competition policy, social policy, structural policy, regional policy and fiscal policy — they are all almost inextricably tangled up in this problem. Then you have competition between the modes of transport themselves, which gives rise to so many difficulties, not only at Community level, but also in each individual country. You have the interaction between transport policy and overall economic policy and external trade policy. You

have the failure to achieve a clear and convincing solution to the transport problem at national level. We simply cannot afford to lose sight of any of these things. And all this naturally has implications for the Community's transport policy. I am thinking also, for example, of the extremely rapid technical progress often made in various sectors, which opens up new transport possibilities and, in turn, alters the premises on which one attacks the problem.

Nevertheless, the fact that all these difficulties exist should never be used as an alibi for doing nothing. On the contrary, it is because difficulties exist that it is necessary to pursue energetically our goal of a common transport policy. For without it — and this point has been made before — we can have no Economic and Monetary Union.

I am glad to see — and this too is pointed out in the report — that as far as the objectives are concerned there is a wide measure of agreement. This is worth emphasizing, for if there is no agreement on the objectives, then it is impossible to utilize the appropriate political instruments and the whole thing goes wrong already at this level.

I see these objectives more or less as they are presented in the report: create conditions akin to those on an internal market; ensure a large measure of freedom of movement in the transport sector; permit no discrimination either internally or externally; assign top priority to competition, the instrument through which an efficient and dynamic transport system can best be developed; finally, ensure that any measures which the Member States are obliged to take, for example for reasons of short-term economic policy, regional policy, energy policy or environmental policy, do not distort competition, for this is essential if we are ever to arrive at comparable situations in the individual Member States.

Once we have an overall objective, we must naturally have a common overall plan and Mr Seefeld quite rightly lays particular stress on this point. It is regrettable that the Commission, having made at least two major efforts to get things moving, seems now to accept with a certain resignation the fact that the Council has failed to respond. It seems to be playing a waiting game, justifying this course by the assertion that at least tacit agreement has already been secured. Unfortunately, a tacit agreement can have quite undesirable consequences. For example, it can lead to total misunderstanding if things are not spelled out clearly. Moreover, in such a situation, it is difficult to ascertain whether the individual measures can be reconciled with the overall plan. And the Treaty does, after all, provide for a common transport policy.

Ladies and gentlemen, a great deal of weight is attached in the report to the relative merits of the overall plan and the policy of small steps. Personally, I have to

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confess that I am not too keen on these disputes, which frequently assume something of an ideological character. Mr Seefeld does in fact say at the end, having established that an overall plan is essential, that this overall plan must be achieved step by step, possibly in a series of small steps, and there I think we are again in full agreement. At the same time I must say that, if there were grounds for suspecting within the Council, or indeed within this House, that preference was being given to the small steps policy as a way of preventing the achievement of the overall plan, then I would have no time for such an attitude, which would in any case be in direct conflict with the Treaty.

But at this point I should like to add a word of warning: There is a lot of talk about plans, about the network plan, and so on. All this will of course be necessary, but a plan must not have the effect of a strait-jacket. Adaptability must be maintained at all costs. Every plan must have sufficient flexibility to allow new challenges to be met in the right way. And it must be realized that time is running out, for, as I have already said, the longer we wait, the more difficult will the operation become. But there are also immediate reasons why action should be taken now, for example the completion of the Main-Danube canal in the early 1980's. That will be a great challenge for the Community's inland waterways, for it is then that the pressure from shipping operated by the East European state-trading countries will become immense, pressure associated with charges manipulated by the state and made possible by the greatly inferior social conditions of the crew. There is reason to fear that the very existence of German — forgive me, I should have said Community — shipping will be threatened. It is of course German shipping that will be affected most, so what I was about to say was in fact not a mistake, but plain reality. I am aware that both the Commission and the Council are making preparations for that moment. They must not underestimate this danger, and in my view it would be wrong to think that the answer to the problem might lie in legal formulae. The greatest danger, as I see it, will come from freedom of establishment in the Rhine basin for these shipping companies from the state-trading countries. If this were to happen, the situation would become hopeless. It is my belief that here legal protection alone would not be enough and that undoubtedly very firm political protection, if I may put it that way, will also be required.

I would point out that in the road haulage sector we are already witnessing as far as the state-trading countries are concerned some aspects of the situation that exists in the shipping sector. There we have at least taken the first step of making statistical surveys. Whether that works or not is another matter. A decisive and really effective step will definitely be needed soon. How quickly one needs to respond is illustrated by the difficulties over the transit tax levied by Austria. There can be no doubt, and the Commissioner in fact

confirmed this, that this tax was contrary to the spirit, if not the letter, of the Agreement with Austria, and it is a fact that action by the Commission clearly served to alleviate this distortion of competition. Nevertheless, some discrimination remains and some way will have to be found of eliminating it.

It seems to me that here we have a very convincing illustration of the urgency of this whole matter, and I think Mr Seefeld is right to lay so much emphasis in his report on the question as to the methods that might be employed if progress is to be made, given that the objectives have now been defined often enough. We therefore also endorse the proposed improvements in the working methods of the institutions with a view to making them more efficient. I think it is right to place the main stress on this point. I do not want to go into points of detail that have been covered already often enough. But, with all due allowance for the restraint that Parliament obviously has to demonstrate with regard to demands for staff, I find it quite inconceivable that there should be certain essential sectors, for example the environment, or research, or coordination of transport and regional policy, or competition, which are no longer covered for lack of staff.

That, I find, is a fundamental defect and we must work together to bring about an improvement. The same applies to smoother cooperation between the institutions, and above all to an improvement in the working methods of the permanent representatives. For we have seen that the Council in fact meets only when it has before it proposals that are by and large ready for signature. This implies that substantial improvements need to be made in the working procedures at the previous level, and it is precisely here that this proposal by Parliament and its Committee on Regional Policy, Regional Planning and Transport can do something to get the common transport policy moving again.

In conclusion, may I express the hope that we shall succeed in this endeavour, and above all that the Council will at last take all this to heart and will act now, and not at some vague point of time in the future, for I think I have shown that the decisions will become more difficult, not easier, as time goes by. So we should not give up hope. As I see it, the day a politician gives up hope, he might as well resign, and none of us wants to do that.

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

Mr Jung. — (D) Mr President, ladies and gentlemen, the Liberal and Democratic Group welcomes the report presented by Mr Seefeld on the state and development of the common transport policy. It is of course our hope, Mr Seefeld, that your report should not only mark a continuation of the series of fundamental reports on the transport policy, but that it should also and at long last signal a breakthrough in our efforts

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towards the European transport policy that is so essential. For, as the previous speakers have pointed out, the European Parliament has tried for many years in its opinions on Commission proposals and in a long series of far-reaching, own-initiative reports at that, to overcome the inertia in the common transport policy. My group has always given its full backing to these efforts, realizing that the absence of a common transport policy could undermine the integration that has been achieved in the Community and would block its onward progress to Economic and Monetary Union. My group supported the Commission when it submitted its 1961 memorandum, its 1962 action programme, its 1973 communication to the Council and its 1977 work programme. Unfortunately, and here I am obliged to echo the accusations that have already been made, every six months the outgoing Presidency of the Council of Ministers bequeathed to its successor the problems it had been handed at the beginning of its term of office. Already today, as has constantly been pointed out, the absence of a common transport policy is leading to misdirection of capital and labour, to an unsatisfactory regional distribution of economic activities and to structural imbalance in the European economy. These are the reasons why we have for so long now pressed for the introduction without delay of a coherent common transport policy for the roads, railways and inland waterways. We have always argued that Article 84 (2) of the EEC Treaty should be used to ensure the incorporation, as far as is necessary, of sea and air transport in this coherent common transport policy, without which such a policy must inevitably remain a patchwork of measures, at any rate since the enlargement of the Community by the accession of the United Kingdom, Denmark and Ireland. Disasters at sea and in the air will have convinced all citizens of Europe of the need to include these two sectors in the transport policy, but apparently the Council remains unconvinced. All the Commission proposals, all the work programmes and all the reports have so far failed to persuade the Council to take the decisive step towards a common transport policy.

Perhaps we ought to consider whether we should not take action in this matter in our capacity as members of our national parliaments. It is there, possibly on the occasion of the budget debates, that we must call attention to this unbelievable neglect, to this failure on the part of the ministers in question to take action. I say this because I am concerned at the development here of grey areas in which it is not so much the European bureaucracy, about which there is so much talk, as the national ministerial bureaucracy that has a chance to expand, protected from the supervision not only of this Parliament but also of the national parliaments. I do in fact regard this as a threat to parliamentary democracy. And so it is my belief that we must be even more energetic in attacking this question in the national parliaments.

It is of course no easy thing for a transport politician to take decisions with very far-reaching implications, but these decisions have to be taken if we are not to gamble our future away. Planning on a large scale is essential to a transport policy of the future, which must be designed not merely on a national, but on a truly European basis, and which must therefore extend beyond the framework of the Nine and include the EFTA countries. Mr Seefeld today drew special attention to the importance of reaching agreement with Austria and Switzerland. The transport policy must therefore embrace the whole of Europe, it must be planned on a long-term, and not short-term, basis, and it must be determined not by the technical possibilities of today, but by the technical horizons of tomorrow and beyond. This cannot, of course, be achieved without a little imagination, and that commodity is unfortunately in very short supply in the Council.

We have in this House discussed and condemned the Council's failure in the transport sector so often, at such length and in such detail that there is no point in going into everything all over again. I may say that we fully support the priorities set out by Mr Seefeld in paragraph 8 and the recommendations for the improvement in working methods given in paragraph 9.

In conclusion I should just like to summarize the thinking behind the Liberal and Democratic Group's ideas in the transport policy sector. For Liberals, transport is not merely part of economic and structural policy, it forms also part of social policy. It serves society since it affects the conditions under which everyone of us lives. It serves Europe since it has an integrating function. It serves the economy since it increases its productivity. My group is convinced that all planning and action in the transport sector must be aimed at only one objective, namely the creation of a modern, healthy and efficient transport system that meets the needs of European transport users as a whole in the best possible way and that extends their freedom. The Council must finally realize that transport is not something that can be confined any longer to national frontiers. By its nature it has to be designed on a large scale and, conversely, it constitutes the cornerstone for the division of labour in modern, forward-looking economies on a European level.

The Commission has submitted its proposals. The European Parliament has not only supported the Commission, but has gone even further in its reports and opinions. We shall always do what we can to shake the Commission out of its state of resignation and persuade it to fall in with the more far-reaching ideas of this Parliament and keep putting them before the Council. The responsibility for the success or otherwise of a common transport policy and for its positive or negative effects on the Community's state of integration lies entirely with the Council. The Council must accept the responsibility which it bears for the European Community and act now, rather than wait until the

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European Parliament, as a last resort, brings proceedings for failure to act, as proposed by Mr Seefeld. On behalf of my group I must make it very plain that we would be prepared to support such proceedings. I hope, however, that the urgent appeal we are making today will reach the ears of the ministers and that they will act in time, before we are forced to adopt this course. I consider that Mr Seefeld's report forms a sound basis for the Council's work and we hope that it will use it as a foundation on which to build the common European transport policy.

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

Mr Osborn. — Mr President, first of all I would like to congratulate Mr Seefeld on producing an interesting, if controversial, document to be debated here today. I congratulate him on the work he has done, and I particularly recollect the hearing we had with experts in Brussels. I felt — and I admire him for this, and Mr Seefeld knows it — that he is striving after the impossible. But more should be possible than has been the case, and whatever may have been said so far, I have listened to very interesting points of view in this debate. Therefore we must all thank Mr Seefeld for putting his thoughts together and expressing, perhaps a German point of view, perhaps a Socialist point of view — but this is part of the mix that we have to resolve in the Community. He did refer to abstentions, and on behalf of those who abstained in committee, I would say that my group is going to be very interested in Mr Burke's reply to this debate. I can assure Mr Seefeld we will not vote against this, because he has tried, in his own interest, to look after the common interest of us all. I hate using an English expression, but his report is rather like the curate's egg — good in parts — and for that reason we thank him for his contribution.

I well remember the debates we have had under Mr Mursch — reference has been made to his report, Doc. 215/74 — when the Committee on Regional Policy, Regional Planning and Transport listed the draft directives that we hoped COREPER would sort out and put before the Council, and Council would agree to. Now, it is difficult to blame the Commission, certainly Commissioner Burke, for putting forward draft directives, which this Parliament had agreed in years gone by, without achieving an adequate compromise between the interests of the member countries — and by that I do not mean governments, but the interests of the various operators. To get a consensus is indeed difficult. In a sense it is easier to take a swipe at the Council, as many have in this Chamber. I greatly admired the contribution that the President of the Council of Transport Ministers made when he came to the hearing in the Committee on Regional Policy, Regional Planning and Transport. He has obviously worked with Ministers of Transport throughout Europe, and has a definite philosophy which I hope he can get many others to accept.

But Parliament here has to accept that if we looked at all the debates on the draft directives put forward by the Commission and supported by this Parliament, we should find different points of emphasis in our own national parliaments. I am very sensitive, for instance, about the line we have taken over the tachograph. Perhaps the most useful conversations I have had were with German representatives and German trade-union representatives in the Economic and Social Committee, pointing out the value to the road hauliers in Germany of a traditional use of a tachograph, and I have also encountered the trade-union objection in Britain. I take the personal view that if a tachograph makes it easier to manage road haulage, if a tachograph helps the driver, then it should go forward, but of course the Commission in its wisdom has decided to take this matter to the European Court of Justice, and I think it is probably premature to ask the Commissioner to comment on this. An even more controversial issue, going back over the years, is the size and weight of lorries, on which there have been various pronouncements in the Council recently, and differing views. Individuals wonder whether the Community, the Parliament and COREPER, are tackling this in the right way. But I have met, within a matter of days, my opposite number under the Conservative Secretary of State for the Environment, who was chairman of the Environment Committee — I was chairman of the Transport Committee — and I find that the various trusts, including the Civic Trust in Britain, are determined that large lorries shall not go on thundering through small, old villages, and this is an aspect that comes out in my own country.

Returning to this very excellent report, I would like to concentrate on paragraph 213 of the explanatory statement. Some of the proposals can be agreed with. One is that staff of the Commission's Directorate-General for Transport should be increased. Fine. I would add a rider: I don't mind seeing the Commissioner have more transport officials, but I'd like to see a consequent reduction in the transport ministries of our national governments, then the Conservatives could go along with that. The second one is that the Commission should take more collective action on transport questions. It is easy to ask Commissioner Burke to do that. Another one is that when new political developments occur, the Commission should take greater care than hitherto to ensure that Parliament is informed before the press. Excellent. Every parliamentarian asks this of governments, and I very much hope the Commission can follow. The Council is called on to take more careful note of Parliament's opinions. Well, I very much hope the Commission will back Mr Seefeld on this.

Much of the resolution we can agree with, but paragraphs 10 and 11 raise these controversial issues:

Reserves the right to reconsider ... instituting proceedings against the Council before the Court of Justice ...

Osborn

and

Calls on the appropriate bodies of the parties, political groups and governments to ensure that a sufficient number of transport specialists are Members of the European Parliament ...

Now Britain, or certainly my party, is going through the selection of possible candidates for Euro-constituencies. This is very good advice for Euroconstituencies, but I can assure Mr Seefeld that it will be one of their lowest priorities, because they have many other priorities. These are excellent in a way, but they can be criticized.

Mr Seefeld has made a number of very wide-ranging institutional proposals, such as extending the period of the Council Presidency from 6 months to one year. We can agree with this, but I think it would have to apply to all Presidents-in-Office. I have tried to suggest that I prefer a common transport strategy, common guidelines, perhaps signposts, to sticking too rigidly to a policy.

What would the Conservatives and myself like to see in the field of Community transport? Any proposal that promotes a rapid movement of goods and persons at reasonable price: yes. Any proposals which can be proved to be necessary in relation to safety, wiser energy use, the protection of the environment: yes. And, of course, at the present time the best use of energy is all-important. Reference has been made to competition between different transport modes. Reference will have to be made to those fields in which one type of transport is preferable to another, and of course anything that will encourage infrastructural projects, referred to in paragraph 8 of the resolution, for example as regards railways or traffic through Austria and Switzerland. Mr Burke shows that there are many in Britain — and I am one — who would like to see a direct rail link from London to Paris, Brussels or further. I have been very much impressed by the proposal that, perhaps to start off with, there should be a simple link, at minimum cost, so that it was possible to travel from London to Brussels or Paris in a time comparable to that between Brussels and Paris, and I welcome the fact that Mr Burke has been over to London and been at conferences organized in Britain. He knows, too, that there are many in the centre of the United Kingdom who would like to see a much greater use of inland waterways for bulk transport, and in relation to the question which I was unable to ask him before, I very much hope that Mr Burke will be seeing some of the infrastructure problems of transport in the centre of Britain.

Those are the positive things. I welcome the fact that the Commission is involved in air transport and very much hope they will be represented at the hearing Lord Bruce has referred to, and this Parliament is arranging, to ensure more efficient traffic control, but I well accept that this specific issue is a European rather than a Community issue and presents many problems. Therefore I progress gingerly on this.

Mr President, we have to thank Mr Seefeld for giving all of us an opportunity of putting forward our ideas and, of course, we very much want to hear Mr Burke's assessment of where we can go forward together easily, and where there are difficulties. There are many who will be voting in direct elections who want to see a common transport strategy, even if we can't use the words 'Common Transport Policy'. But proposals which cannot be fully justified in the light of these considerations — in other words, proposals motivated by essentially theoretical considerations — must somehow or other be eliminated from the work of the Commission. Because they are the considerations which cause evasiveness, if not opposition, by various transport interests — trade unions and hauliers in our various countries — and also governments of our various countries. To reach a consensus is difficult. Mr Seefeld has tried. I am quite certain a Conservative in my position, from Britain, if he tried, would take a different route to try and achieve the same object. The fact is, Mr Seefeld has worked hard on this, and I shall listen with interest to the Commissioner's reply.

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

Mr Nyborg. — (DK) Mr President, honourable Members, unfortunately, once again we are getting nowhere. Transport policy has almost become a dirty word: each time we discuss transport we get the Council to take a few steps but we still haven't reached our goal. Mr Seefeld's report is a follow-up to previous reports, Mr Mursch's being the most recent. The fact that the Committee on Regional Policy and Parliament have to draw up such reports at yearly intervals is proof that nothing is being done, but it is also proof that we in Parliament are willing to do something to spur the Council into action. It would be very fortunate if the Council could see its way to adopting some general principles or common objective so that we could get out of the present situation where each country develops its own transport policy which is often in direct opposition to that of its neighbour, also a member of the Community. It is an unfortunate situation, as Mr Fuchs said, and it makes it more and more difficult to reach any result because we are working against each other instead of with each other. When we have no common objective, when we cannot agree on ideas and principles, we must each do the best we can.

As Lord Bruce and others have said, it is strange that the Committee on Regional Policy is visited by two different Transport Ministers each year and that we have not yet met a Transport Minister that has not said that as President of the Council he would do everything he could to ensure that something was done, some progress made. Yes, but why does nothing happen when they all say the same thing, one after the other? Why can't they agree when all nine of them are together? It is weird, to say the least.

Nyborg

There are many areas in which the Council is holding up progress. It happens almost every year, in the case of quotas of Community road haulage permits. We are not even keeping up with developments in the transport market; we are falling behind. It is a deplorable situation: Parliament's objective is complete liberalization, but we cannot even get the Council to keep pace with developments. But I must add that the Commission was perhaps not completely blameless when this happened last time the matter was discussed in the Council. In maritime, inland waterway and road transport and other areas we are increasingly being forced out by the COMECON countries. Why is that? It is not a pleasant thing to say, but it is because we are sleeping and not doing anything to work out a common policy or to check this unfortunate trend.

It is said that more staff are needed in the Commission to handle transport problems. Perhaps that is true, I cannot rightly judge, but will a staff increase in the Commission increase the Council's determination to take decisions? I doubt it, and I would certainly be against any staff increase unless it served a practical purpose. There is no point in merely increasing our bureaucracy.

Although customs restrictions have been abolished there are still many distortions of competition because there is no common transport policy. That is almost as serious a problem as customs duties were before.

As mentioned in paragraph 10 of Mr Seefeld's motion for a resolution the Group of European Progressive Democrats — and I personally — believe it is right to wait for the directly elected Parliament's decision on the question of instituting proceedings against the Council before the Court of Justice of the European Communities for failure to take action in the transport sector, but it is no secret that we have discussed it very seriously more than once because it is a disgraceful state of affairs.

Mr Seefeld's updating of previous reports is a very valuable piece of work that outlines the general trends and problems of the whole transport sector. It also emphasizes the need for the Council to do something constructive immediately. We will get no further in many areas until the Council realizes that a coordinated transport policy is urgently needed.

President. — I call Mr Albers.

Mr Albers. — (NL) Mr President, I should like to associate myself with Lord Bruce's remarks on the excellence of Mr Seefeld's report. It lucidly summarizes the course of events over a number of years and clearly demonstrates that it has been the European Parliament which has called most consistently for a common transport policy. The Commission has not exerted enough pressure and the Council frequently failed to take decisions as a whole. The result of this is that there

are all kinds of tensions within the Community. There are no uniform conditions of competition, and there are all kinds of tensions caused by the authorizations system. But externally, too, the Community has lost credibility in the eyes of third countries such as Austria and Switzerland, and even in negotiations with the East European countries the Member States are having recourse to bilateral agreements because the Community lacks external credibility.

Recently we saw how serious problems could arise in the inland waterways sector among the bargees; the year kicked off with a strike. I must say that what the Commission did in response to the resolution Parliament adopted in December did not come up to my expectations. I had thought it would be much more active because in this instance these particular bargees were requesting specifically European solutions. Yet it is noticeable that the industry is calling for more measures. Now we see that there are suggestions in the report for improvements in the functioning of the institutions. But time is getting short. Negotiations are in progress with new Member States and we must reckon on further complications on the accession of new Member States. So measures must be taken rapidly to improve the functioning of the institutions. I expect, however, that Parliament will have to do more than it has done in the past. The directly elected Parliament will be able to make good use of Mr Seefeld's report, but this Parliament will have to develop initiatives.

The small steps taken so far have led to deadlock, and therefore a global approach must be made.

My Group, Mr President, feels that the initiatives which are being developed are being revalued and reassessed. More than in the past, account must be taken of the environmental aspects of transport, especially in respect of the transport of dangerous substances, safe routes and the safety of the material. More account will have to be taken of public transport, especially passenger transport, and the quality of life in our towns and villages will have to be protected. With a view to the threatening energy crisis, special attention will have to be paid to energy saving in the transport sector. But what concerns our group most of all is the lack of social progress which we must note over the last few years in the transport sector. The working hours are far too long, the risks facing those working in transport too great. And that applies not only to the employees, it also applies to the small self-employed people. And all this stems from the lack or the failure of a policy.

Mr President, in our economy transport acts like a hinge. The various strikes we are seeing prove what an important role transport plays. The whole economy is threatened by these strikes.

In this sphere the European Community can play an important role, also in respect of the requests from the industry. It will not matter immediately whether or not

Albers

the Court of Justice finds that the Council has failed to act in this policy sphere; the electors will be able to pass judgment on that matter, and I hope that they will not do so by refusing to vote. The directly elected Parliament will have to expose the Council's failure to act and by their own initiatives attempt to refloat this vessel which has run aground.

President. — I call Sir Brandon Rhys Williams.

Sir Brandon Rhys Williams. — Mr President, I am sorry that I was not able to hear the whole of this debate, because I particularly wished to endorse Mr Osborn's remarks, as I understood that he intended to speak about the aspect of the Burke plan which has attracted a great deal of attention in Great Britain, namely sponsorship of the idea of a Channel link. I do not want to go over the same ground as Mr Osborn, but I would like to touch on a project of this kind as an aspect of investment and employment policy in the Community as a whole.

We have seen comments on the Burke plan to the effect that it is too ambitious to be carried out while our economic difficulties in the Community make it necessary to scrutinize big projects from the point of view of their likely inflationary impact. Experts have different views as to what the causes of inflation are. I believe that inflation arises from high expectations linked to a background of low productivity. So if we are going to embrace an important long-term project like the Burke plan, and like the Channel Tunnel in particular, then we have to see how our investment intentions fit in to the general economic framework. I think that in this Parliament we must stress the need for the Community to become ambitious again in committing funds to really long-term investment projects, and the Channel Tunnel in particular is one which qualifies in the fight against inflation, firstly because it is the type of project which would use resources of manpower and materials of which there is a surplus at the present time, and secondly because it would also provide direct measureable savings in costs in the current account which would be of inestimable benefit not only to Britain but to everybody who is interested in the cross-Channel trade.

In our discussions about the European Monetary System we have given a good deal of thought to the rôle of the European Fund for Monetary Cooperation, which, of course, is responsible for the current account, as one might say, in relationships between the European currencies. But there has also been much emphasis on the rôle of the European Investment Bank, which is responsible for the capital account. I welcomed the evidence that the possible role of the European Investment Bank in the financing of major projects with a regional impact and an employment-creating impact has been a feature of the negotiations in the last weeks of last year with a view to setting up the European Monetary System. I believe that British opinion, which was

rather hesitant about the advantages of the monetary system, would be far more favourable if concrete and tangible results were seen to accompany the plans for a revision of our currency system.

That is why I wanted to emphasize the visionary and important Burke plan with particular reference to the Channel Tunnel, which could mean so much for Britain and in particular so much for London, which I have the honour to represent.

President. — I call Mr Burke.

Mr Burke, Member of the Commission. — I have studied the Seefeld report, which we are now discussing, and the motion for a resolution with very great interest, and I should like to join with the other speakers this evening in expressing my appreciation of his excellent work.

Many speakers this evening have placed this report in the line of reports which appeared from the fifties onwards: the Kapteyn report, the Müller-Hermann report and the Mursch report. All of these, as has been emphasized, have made an important contribution to the work of the European Community.

Now the report which is being discussed here may in fact be the last major occasion on which transport is the subject of discussion in this present parliament, but I would hope that it would not be, and I am quite sure in fact that it will not be, the last will and testament of your committee. On the contrary, I believe that it will form the basis of the directly elected Parliament's new approach after June of this year, which may then continue the excellent work which has been done by the committee and by Parliament up to this point.

I can agree with the greater part of the draft resolution. I would just point out a few details. I take first of all the question of the railways. I feel that the Commission is putting the accent on making these more healthy and I put it to the parliamentarians present that our proposals for combined rail-road transport form an important part of that drive.

Now we are initiating proposals in the maritime and aviation spheres, and we look forward to significant progress in these areas during the coming year. I would like to place some emphasis on this, because in the course of the last year progress has been made on the basis of our Commission proposals in these areas. Regarding sea transport, the Council adopted in 1977 a consultation procedure concerning relations between Member States and third countries as well as activities within international organizations. Last year, the Council approved two proposals from the Commission regarding activities of state-trading countries in sea transport. No less than 6 decisions have been taken by the Council in the field of maritime safety, all of them on the basis of Commission proposals.

Burke

There are two other proposals on which the Council has not yet taken decisions. One concerns the Commission proposal on the code of conduct, and the other would render mandatory the procedures for ship inspection forming the subject of resolutions of IMCO. Further proposals concerning maritime safety and also the application of competition rules for sea transport are being prepared.

Now, regarding air transport, I would recall the Spénale report of some years ago. The Council, on the basis of a Commission proposal, adopted at the end of last year a directive on noise emission. In 1978, the Council decided also to create a special working-group to handle air-transport problems. A priority programme prepared by the working-group was approved by the Council last year.

Although the Commission did not make any formal proposal, it worked in close contact with the Member States and with the members of the working-group and has made essential contributions. We are presently examining what might be a Community approach to the market structure in civil aviation, and I hope to be able to bring this matter before the Council during this year. Members of Parliament will remember that I made an important speech in this area in November in Washington.

Taking these points together, I would feel that in the area of sea and air transport the Commission cannot fairly be blamed for lack of courage in the field to which I refer. These activities, of course, are only in part of the totality of our actions in the area of transport. But I would like to join with the many Members who have spoken in emphasizing very strongly the constraints which lack of manpower imposes on our capacity to pursue these activities. I agree wholeheartedly with the statements set out in paragraph 9 of the draft resolution, where it is stressed that the staff of the Commission's Directorate-General for Transport—DG VII—must be increased. The Directorate-General has already overstepped the limits within which all its activities and tasks can be handled in a convenient way. I therefore make no secret of the fact that the understaffing of this Directorate-General worries me very much. I wish to express the hope that the efforts of Parliament will help us get the situation changed very soon.

Now, I understand the wish expressed by Parliament that the Commission should take more collective action on transport questions, in such a way that transport issues receive greater attention and play a more important part in the Commission's activities. It underlines that in the Community the contribution of transport to the GNP is even bigger than that of agriculture, and I am in full agreement with this view. However, when I compare the number of staff working directly in my division with that working in the division responsible to my colleague for agriculture, I am afraid to draw certain conclusions, which I will leave you to guess.

Any initiative towards more rapid progress in the evolution and implementation of the common transport policy merits our support and I would hesitate, with respect, to accept the criticism of the Commission for not following up the 1977 communication on the common transport policy along the lines suggested in the Mursch resolution of 1974. I, frankly, do not think that that criticism is well founded. On the contrary, we have followed up the suggestions made by Parliament to a considerable extent, as for example, is evidenced by the draft resolution setting out a working programme for 1978—1980 which we sent to the Council. One can only regret that the Council was unable to act on that resolution.

I believe that an initiative which seeks to accelerate the progress of the common transport policy must stress practical work. This idea underlay the priority programme which I mentioned a moment ago and which was intended to create a practical framework in which things would get done. I think that the next step along these lines should be to work towards something comparable for, say, the three ensuing years, 1981—83, with a view to getting the Council to address itself to it during 1980 and resolve to organize its work to achieve what is outlined. I hope that the combined encouragement of the Commission and the Parliament could then bring the Council to take the further step — adoption of a resolution — which it did not take the last time. I feel, however, that the 'back to basics' approach might tend to hinder rather than to further an advance, and I likewise believe that were we to establish some sort of metrics table of all that needs to be done, we should risk provoking a negative chain-effect rather than a positive cascade.

So, to have a planned programme that works and pushes forward progress, I believe we should, in the Commission, with the help of Parliament, try to get the Council to follow on with what is in our programme up to the end of 1980, and to follow it by a further priority programme list, to be adopted in 1980, for, say, the next three years. This would help us maintain the necessary flexibility, power of initiative and ability to keep abreast of developments.

There are one or two other points I would like to make, having heard the discussion here this evening. Referring to Mr Seefeld's request that there should be a representation of Parliament in some of the working instances of the Council, I would express a general sympathy with that view, and say that it is in fact for the Council and Parliament so to arrange. I would say to him, though, that in the meanwhile the propositions finally discussed by the Council have in some cases already been modified by the Commission to take account of Parliament's view.

I would agree with him that the question which he posed as to who is putting a brake on the further evolution of the common transport policy needs to be

Burke

faced up to and answered. However, I do not think that I shall be asked this evening to deal with that very important question. I will leave it to discussions, which I am sure will be very important, during the direct election campaign. And the more references made to it, by him and by other Members of Parliament and by other candidates, the better I shall like it.

I would thank very much the chairman of the Committee on Regional Policy, Regional Planning and Transport for his kind personal references to myself. I do not pretend for a moment that everything is blooming rosily in the garden of the common transport policy, but in the speech which I made in the Netherlands in October, I did point that in the 9% of the time for which I had responsibility for this portfolio, we had in fact legislated for about 20% of the items, when one takes the whole perspective of the twenty years' evolution of the Community. I do not pronounce on the actual incisiveness or depth of these proposals; nevertheless, I think it is a point which is fairly made.

I have already indicated in a letter to the committee that I shall be very pleased to attend the meeting in Paris on 19 March where questions of aviation and in particular air safety will be discussed, and I hope to make a contribution to the discussions on that occasion. Lord Bruce's general point about the desirability of having general harmonization proposals leading Member States to realize the objectives has in fact guided the Commission's approach to matters ever since the communication of October 1973. I would say also that I agree that there is a fairly general consensus about the objectives of the transport policy, and to Mr Broeksz I would say that this is a good step forward. I would not agree with him that there is necessarily any reason for censure of the Commission in our policy of small steps. I do not think that in the present evolution of the transport policy we have any other possibility than to try small but practical steps forward. May I also say, in relation to the point he raised about the Rhine-Main-Danube canal, that the decision has already been taken by the Council to modify the Act of Mannheim, and the Council now is examining the possibilities of admission by the European Community to the Act of Mannheim. We will pursue these matters with all the vigour at our command.

A number of Members, in particular Mr Jung, mentioned the desirability that national members of Parliament, or rather the Members of the European Parliament in their national parliaments, might draw the attention of Ministers to the state of the Common Transport Policy. I have already made this point in private and in public and I can only say that if such steps are taken they will receive my full support.

To Mr Osborn, may I say that on the tachograph question, which I know has caused a great deal of difficulty in his country, there did not seem to be very much chance — given that the legislation was on the

books of the Community — to do other than try to achieve the measure of progress which we have achieved. I can assure him that we had regard to all the economic and other factors relating not only to his own country but to other countries, in trying to modify the arrangements to take account of the existing situation. If we did not achieve further progress it was not for lack of trying: I would ask him, as I know and think he will, to accept that. As to the points made by him about the better use of England's waterways, I have expressed and publicly now repeat my acceptance of his invitations to visit his particular region to see matters there for myself, and I hope to do that in the not-too-distant future.

May I say that Mr Nyborg's criticisms of the Commission were noted, but I would hesitate to accept his criticism that we are sleeping on matters, particularly in relation to the one which he mentioned. As I have already pointed out, it was the Commission which put forward the document concerning the problems of East-West competition in the maritime area, and such progress as has been made has in fact been made on the basis of those propositions. We had set up a monitoring system and we would have liked to have gone further, but the Council of Ministers was not at that stage able to follow us any further at this point.

To Sir Brandon Rhys Williams, may I say that I have noted his kind references to the infrastructure plan, which I regard as a very important part not only of the transport policy but also of the future development of a more coherent and integrated European Community. As I have said in London and on other occasions, I will give it every possible encouragement from the point of view of investment, not only in regard to the particular links that he has mentioned — while reminding him, of course, that these propositions must come through our consultation committee from the Member States in question — but also other links which no doubt will improve the cohesion of the European Community and open up those arteries to which an honourable Member referred earlier. I have already pointed out that at our insistence last September in Comblain a green paper is now being elaborated which will try to bring about some cohesion in our approach to infrastructure policy generally, and this should be available in the next few months.

Mr President, I want to thank Members of the European Parliament, Mr Seefeld, and the members of the committee responsible, for the encouragement which they have given me over the last two years in trying to bring this very difficult transport portfolio forward. May I say that I need some encouragement, given the magnitude of the difficulties, and for that reason I must thank them most sincerely for the continuing help which they give both in private and in public.

President. — I note that no one else wishes to speak. The motion for a resolution will be put to the vote, as it stands, at voting-time tomorrow.

President

The debate is closed.

18. *Statement by the President on the organization of part-session work*

President. — At its meeting today, the enlarged Bureau has discussed a series of proposals drawn up by the College of Quaestors for improving the organization of the European Parliament's part-sessions. These proposals have been discussed with, and accepted by, the Staff Committee and approved by the Bureau, and I have been asked to submit them for your approval:

- a) there shall be a break of two hours after the morning sitting. This may be shortened if necessary, but shall not be less than one-and-a-half hours.
No meetings may be held during this break.
- b) Monday and Tuesday sittings shall be closed by 8 p.m.
- c) The afternoon sitting on Wednesdays shall be closed at 8 p.m., but may be continued until 9 p.m., in particular if members of the Council are present.
- d) If necessary, a night sitting may be scheduled for Thursdays. If so, the proceedings will be suspended at 8 p.m. and resumed at 9 p.m.
- e) If these proposals are adopted, the first item on Tuesday's agenda will be: 'Possibly, continuation of Monday's agenda.'
The first items on Thursday's agenda will be the items that have not been taken on Tuesday afternoon.

Are there any objections?

That is agreed.

19. *Agenda for the next sitting*

President. — The next sitting will be held tomorrow, Tuesday, 16 January 1979, at 10 a.m. and 3 p.m., with the following agenda:

- Decision on the urgency of four motions for resolutions;
- Oral question, without debate, to the Commission on the Bantry Bay disaster (this item has been postponed from this evening's sitting in accordance with the new provisions adopted by Parliament);
- Answer report on the situation in the iron-and-steel industry;
- Dinesen report on the protection of workers in the event of their employer's insolvency;
- Oral questions, with debate, to the Commission, on the special rights of Community citizens;
- Oral question, with debate, to the Commission, on the shipbuilding industry;
- Krieg report on the amendment of the Treaties establishing the European Communities;
- Dalyell report on solar energy;

3 p.m.:

- Question Time (questions to the Commission);

3.45 p.m.:

- Voting time.

The sitting is closed.

The sitting was closed at 8 p.m.

ANNEX

Commission action on opinions adopted by the European Parliament at the December 1978 part-session

1. At its December part-session, the European Parliament adopted 19 opinions on Commission proposals to the Council.
2. In the following 11 cases, the Parliament approved the Commission proposals:
 - report by Mr Croze on the accession of the Solomon Islands, Tuvalu and Dominica to the ACP—EEC Convention;
 - report by Mr Früh on the implications of the European Monetary System for the common agricultural policy;
 - report by Mr Joxe on a regulation concerning the funding of the Guidance Section of the EAGGF;
 - report by Mr Joxe on a regulation concerning EAGGF assistance grants for 1978 and 1979;
 - report by Lord Bethell on a directive on the dangers of ionizing radiation;
 - report by Mr Lemp on the Convention on future multilateral cooperation on Atlantic fishing;
 - report by Mr Pisoni on a directive on the drainage of catchment areas common to Ireland and Northern Ireland;

report by Lord Reay on a table of generalized preferences for developing countries;

report by Lord Reay on how the generalized preferences were to operate in 1979;

no-report procedure

proposal concerning preservatives approved for use in foodstuffs intended for human consumption;

proposal extending the arrangements for reduced import charges on beef and veal products originating in ACP States.

3. In 8 cases, the European Parliament proposed amendments to Commission proposals.

The Commission accepted the amendments proposed in 7 of the parliamentary reports. Naturally, the amended proposals are being, or will be, sent to the Parliament at the same time as to the Council.

(a) *Report by Mr Inchauspé on textile imports from third countries* (Doc. 467/78)

The Commission accepted all the amendments proposed by Parliament. It introduced them immediately into the negotiations at the Council, which has taken them fully into account.

(b) *Report by Mr Pisoni on the action programme to bring the wine market progressively into balance* (Doc. 496/78)

The Commission defended the substance of its proposal, but accepted some amendments relating to budgetary matters. As for the changes in drafting, these have been included by the Commission in the various texts under discussion at the Council.

(c) *Report by Mr Flämig on the Commission proposal for a decision adopting a programme concerning the decommissioning of nuclear power plants* (Doc. 473/78)

An amended proposal has been sent to the Council.

(d) *Report by Mr Veronesi on a proposal for a decision adopting a research programme for the European Atomic Energy Community on codes and standards for fast breeder reactors* (Doc. 493/78)

An amended proposal has been sent to the Council.

(e) *Report by Mr Holst on a proposal for a decision adopting an EEC multiannual research programme in the field of climatology (indirect action — 1979-83)* (Doc. 478/78)

An amended proposal has been sent to the Council.

(f) *Report by Mr Krieg on a decision adopting a research and development programme for the EEC in the field of reference materials and methods and applied metrology* (Doc. 477/78)

An amended proposal incorporating the parliamentary amendments has been sent to the Council.

(g) *Report by Mr Ibrugger on the proposal for a decision adopting an EEC multiannual research and development programme on the recycling of urban and industrial waste (secondary raw materials) (indirect action — 1979-82)* (Doc. 494/78)

The Commission departments are preparing an amended proposal. In view of the complexity of the matter it will not be possible formally to adopt this proposal before the end of the week.

In one case the Commission explained why it wanted to keep its proposal for a *regulation amending a regulation on the funding of the Guidance Section of the EAGGF*, on which Mr Früh had presented a report (Doc. 507/78).

SITTING OF TUESDAY, 16 JANUARY 1979

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IN THE CHAIR: MR COLOMBO

President

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

President. — The sitting is open.

1. *Approval of Minutes*

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

Are there any comments?

The minutes are approved.

2. *Decision on urgency*

President. — I consult the Assembly on the urgency of the motion for a resolution by Mr Hughes, on behalf of the Committee on Agriculture, on a *common fisheries policy* (Doc. 554/78).

The justification of the request is contained in the document.

Urgent procedure is adopted.

I propose that the motion for a resolution be placed on the agenda of Thursday, 18 January to be debated jointly with two reports by Mr Klinker on the same topic (Doc. 441/78 and Doc. 442/78).

Are there any objections?

That is agreed.

I now consult Parliament on the urgency of the motion for a resolution by Mr Pintat, on behalf of the Liberal and Democratic Group, on the *energy situation in the Community* (Doc. 569/78).

I call Mr Yeats.

Mr Yeats. — Mr President, I am not at all clear about the nature of the urgency of this report. It is not incorporated in the document. Can we be told precisely why it has to be debated today or this week rather than, say, next month? I suspect the oil crisis will still be with us many months from now.

President. — Mr Yeats, you are not raising a point of order; you are putting forward an argument. Nonetheless the fact that you are opposed to urgent procedure has been noted and you will have the opportunity of expressing your views when the request is put to the vote.

Mr Yeats. — No, Mr President, the revised form of Rule 14 is quite clear that all requests for urgent debate

must be accompanied by written reasons explaining the nature of the urgency and I think it is vital that, before we vote on a matter of this kind, we should be told precisely why it is urgent, why it must be taken this week rather than next month or the month after.

This is a vital point and it is very recently that we agreed to these amendments and I think it is important that we should adhere to them.

President. — The reason for the urgency is set out in Annex II of the minutes of yesterday's sitting. You may or may not agree with it, but at least it is in the minutes.

Mr Yeats. — Mr President, may I suggest . . .

President. — Mr Yeats, a long discussion on procedure will not help us to get on with our agenda.

Are you insisting on your point of order?

Mr Yeats. — No, I shall raise the matter of it in the Bureau.

President. — I put the request for urgent procedure to the vote.

Urgent procedure is adopted.

I propose that this motion for a resolution be entered on the agenda for Friday, 19 January 1979 before the oral questions without debate, since three items have been removed from the agenda of the sitting.

As there are no objections, that is agreed.

I put to the vote the request for urgent debate of the motion for a resolution by Mr Cifarelli, on behalf of the Liberal and Democratic Group, on the *refugees from Cambodia, Laos and Vietnam* (Doc. 570/78).

The reasons supporting the request are set out in Annex II of yesterday's minutes.

Urgent procedure is adopted.

I propose that this motion for a resolution be entered as the last item on Wednesday's agenda.

As there are no objections, that is agreed.

I put to the vote the request for urgent debate of the motion for a resolution by Mr Liogier, on behalf of the Group of European Progressive Democrats, on the *natural disasters in the Ardèche region* (Doc. 571/78).

The reasons supporting the request are set out in the Annex to Monday's minutes.

Urgent procedure is adopted.

I propose that this motion for a resolution be entered on the agenda for Friday, 19 January before the oral questions without debate.

Are there any objections?

I call Mr Liogier.

Mr Liogier. — (F) Mr President, ladies and gentlemen, the Ardèche as you know is an essentially agricultural, poor and underprivileged département. To keep in check the fires which broke out in the lower areas mainly because of the exceptional drought — 700 outbreaks were counted affecting an area of 7 250 hectares — not only did it have to mobilize all its own resources but it also had to call on outside help. This is why I would be particularly grateful, Mr President, if this proposal could be included in the agenda for tomorrow, Wednesday, or if that is absolutely impossible, in the agenda for Thursday morning because I have, unfortunately and unavoidably, to leave.

President. — The only alternative would be to enter the debate as the last item on Thursday's agenda in view of the fact that provision has been made for a night sitting on that date. Do you agree to that arrangement, Mr Liogier?

Mr Liogier. — If there is no other alternative, I agree.

President. — Are there any other objections?

That is agreed.

3. *Bantry Bay disaster*

President. — The next item is the oral question without debate (Doc. 568/78) by Mr Brosnan, Mr Brugha, Mr Herbert, Mr Nolan, Mr Power and Mr Yeats, on behalf of the Group of European Progressive Democrats, to the Commission of the European Communities

Subject: Bantry Bay disaster

Following the explosions and fire on the oil tanker 'Betelgeuse' at the Bantry Bay oil terminal, fifty persons lost their lives, the terminal jetty was wrecked, and there was a serious threat of pollution to a high amenity area.

1. What facilities, financial and otherwise, has the European Community at its disposal to assist this disaster area?
2. What efforts have been made at a Community level to prevent disasters like this taking place?
3. In the light of other major disasters involving oil tankers, what progress has the Commission made in proposing strict regulations at a Community and international level governing shipping and, in particular, oil tankers?

I call Mr Power.

Mr Power. — Mr President, may I begin by expressing my deepest sympathy and that of my group to the relatives of those people who died in the disaster at the oil terminal in Bantry Bay last week. I am quite sure that the Commission and the Members of the House are

familiar with what happened, but I would like briefly to recapitulate some of the major details.

Late on the Sunday night and early on the Monday morning of 7 and 8 January, fire broke out on the oil tanker 'Betelgeuse' which led to a series of explosions. The oil tanker was ripped in two and began to sink, leaking oil at the same time. The fire and the blast of the explosion wrecked the terminal jetty and the storage area, which, with a capacity of a million tonnes of fuel, was seriously threatened. Fifty-one people lost their lives.

The most serious aspect of this whole affair is the cause of the fire which led to the explosion and the question why the fire outbreak could not be brought under control. This raises serious questions as to the safety of oil tankers operating in Community waters and indeed throughout the world. The ship in question, the 'Betelgeuse', is a Community ship: it was built in a Community shipyard, it was owned by a Community oil company and its crew were citizens of a Community Member State. It has been widely mentioned in the media that this oil tanker did not have the most modern safety features required of large oil tankers: in particular, it did not have the inert gas system which is considered necessary to avoid the type of accident that has taken place in Bantry Bay. Indeed, the general condition of the oil tanker has been questioned. I do not wish to be the one to judge any book by its cover, but the fact that an accident like this can take place must give rise to serious concern. I think we can all be grateful that the accident took place in an isolated place like Bantry Bay and that the loss of life was probably minimal. If such an accident had taken place in a port like Rotterdam or Le Havre or Milford Haven or at any other built-up port in the Community, I am sure that the catastrophe would have been far more serious. This is not to say that it has not been a catastrophe for the people of Whiddy Island and Bantry Bay whose lives have been so seriously disturbed. What these people need now, the people of Whiddy and the people of Rotterdam and Milford Haven and Le Havre, is a clear statement from the Commission to the European Community as to what is being done at EEC level and at international level to prevent these particular type of accidents, and these people require immediate assurances that the Commission is doing something about it.

This accident is another in a line of serious accidents involving oil tankers in the last 12 months. On New Year's Eve, the 'Andreas Patria' was holed by an explosion off the northwest coast of Spain and spilled about 50 000 tonnes of crude oil into the sea. Last October, the 'Christos Bitos' ran aground off the west coast of Wales and had eventually to be sunk in the Atlantic Ocean. Last May, the 'Eleni V' was sliced in two off the English coast, and finally last March the 'Amoco Cadiz' ran aground off the coast of Brittany and devastated its coastline with pollution. Indeed, so

Power

bad was the 'Amoco Cadiz' disaster that its repercussions are still being felt and the European Community has taken a series of measures. In fact this House is still discussing the affair and a number of reports are being discussed in committee.

When we add the 'Betelgeuse' disaster to this list of serious accidents, we must seriously question the measures taken in the last few months and the proposals under discussion and ask ourselves whether these are adequate. The 'Betelgeuse' disaster is singled out from the others because of the high loss of human life, and I think that everybody will agree that our primary aim must be to prevent loss of life in such accidents in the future.

This disaster poses very serious problems for the Bantry Bay region. The terminal is now out of action because of the destruction of the jetty and the interference from the wreck in the Bay. The terminal provided one of the few sources of industrial employment for what is a very disadvantaged region. Despite the serious loss of life, the people in this particular region are committed to maintaining this source of employment. Thus, it is essential that the terminal be reopened as soon as possible. This requires the salvaging of the wreck the rebuilding of the terminal jetty and indeed the maintenance of the whole complex as a viable proposition. There is, of course, a serious problem caused by oil pollution, and despite the facilities for handling oil pollution in the Bay, serious damage has already taken place to what is a high amenity area. Bantry Bay cannot afford such losses, because it depends very much on tourism for a seasonal income. Already birds are dying from the pollution and the shores off the Bay have been seriously polluted. In addition, the sealife has been threatened once again.

In the light of all these circumstances, Mr President, I think the people of Bantry Bay would appreciate an assurance from the Commission that the European Community is sympathetic to the situation and that measures are under way which will prevent a repetition of this type of accident. In addition, they would appreciate whatever assistance is available from the Community is sympathetic to the situation and that exist. Economic losses to the region from this catastrophe must be avoided, and I would appreciate it if the Commission would state what financial assistance can be made available at this time.

Mr President, may I conclude by thanking you on behalf of my group for your courtesy in allowing me to raise this particular subject. It is very sad and very serious.

(Applause)

President. — I call Mr Prescott

Mr Prescott. — Just one small point, Mr President. I welcome the speech that has just been made, but I think

that the Parliament as such would like to express its own sympathy to the relatives and not just leave it to my colleague to make the point on behalf of his group. I think we should, for the record, clearly state that the whole Parliament endorses the sympathy expressed by my colleague to the people who have suffered such a tragic loss as a result of this incident.

(Applause)

President. — Mr Prescott, I am sure we all share the sentiments you have just expressed.

I call Mr Burke.

Mr Burke, Member of the Commission. — Mr President, I would like first of all to express the Commission's concern and to join with the honourable Members in their expression of concern and shock at this tragic accident and of deep sympathy with the families and friends of all who have lost their lives. I have already done so in my personal capacity last Monday week.

This is the second major maritime disaster to happen in Community waters within a year. The 'Amoco Cadiz' accident occurred only in March of last year, and since then a number of other incidents in and near our waters have also caused great concern. I am thinking here of the 'Eleni V', the 'Christos Bitos' and the 'Andreas Patria' mentioned by the honourable Member in his speech.

Now the Commission budget for aid to victims of natural disasters of all kinds in the Community for 1979 is 5 m EUA. The same amount was available in 1978. The fund is not, however, normally intended for the relief of victims of industrial accidents. An exception was made in the case of the 'Amoco Cadiz' disaster because of the considerable long-term damage to the environment and of the economic losses suffered by a large proportion of the population. The 'Amoco Cadiz' disaster lead the Community to decide that it could, and must, play a significant role in shipping safety and pollution prevention.

The central role in these matters is in fact played by a world-wide organization, the United Nations agency IMCO, and this is as it should be since shipping is a world-wide activity. The Community can make a valuable contribution of its own in several ways: by early ratification of IMCO Conventions by Member States; by strict enforcement by Member States of the terms of these conventions in respect of their own ships and of other ships using their ports; by acting as a pressure-group within IMCO and by taking action at Community level on matters such as pilotage which are not being dealt with in IMCO.

Since the 'Amoco Cadiz' disaster, the Council has adopted a number of concrete measures falling into one or other of these categories. Three of these measures

Burke

are, in the Commission's view, calculated to help reduce to the minimum the risk of serious accidents, including those in ports.

I must emphasize that we do not yet know the precise cause of the accident and that official enquiries are being held by the Irish and French Governments. Until we have the results of these enquiries, it will be impossible to access the action required to avoid further accidents of this kind.

Firstly, the Council adopted last July a recommendation that the Member States should ratify as soon as possible a number of IMCO safety and pollution prevention instruments. These include the 1978 protocol to the 1974 Convention on Safety of Life at Sea, and the 1973 Convention on Marine Pollution.

Secondly, the Council adopted last December a directive on the conditions to be met by tankers — oil tankers and other tankers — approaching and leaving our ports. This is designed to guard against the entry of substandard tankers and to ensure that any problems which may exist are known to port authorities in good time.

Thirdly, the Council adopted a recommendation on the rapid ratification by Member States of the recent IMCO Convention on the training and certification of seafarers. This measure is aimed at reducing the incidence of marine accidents resulting from human error.

As regards the enforcement in our ports of the provisions of IMCO Conventions, the Commission has proposed a decision that two important IMCO resolutions on port state control procedures should be observed in Member State ports as an obligatory requirement. This proposal, I understand, will be discussed in this House on Friday next, and I very much hope that you will approve it. We could then hope to have a Council decision on the matter in February.

Finally, the Commission is preparing a further proposal directed to introducing Community rules for the frequency of, and criteria for, port state control activities in the Community and to increasing the personnel resources available for this in Member States.

At the end of May last year, the Council adopted an action programme concerning the control and reduction of pollution caused by the discharge of oil at sea. In December last, the Council took a series of decisions on Community participation in international agreements concerning anti-pollution measures.

Mr President, marine casualties and marine oil pollution cannot be entirely eliminated by legislative measures — not even by the best possible practical enforcement of international standards and the best possible training of everyone involved. But risks can be substantially

reduced, and the Community has recognized that it has a definite role to play here. A measure of progress has already been made, but the Bantry Bay disaster tragically underlines the need for further action. The Commission will continue to put forward realistic proposals and I hope — indeed I am sure — we can count on Parliament's continued support.

(Applause)

President. — I call Mr Power.

Mr Power. — Mr President, I would like to thank the Commissioner for his words and his interest in the particular subject, but am I to understand from his remarks that there is no intention to introduce a stricter code of rules for Community ships, or ships throughout the world, on the unloading of dangerous substances? I think this is a matter that should concern us, and he did indicate that until such time as the results of the enquiry are known no action can be taken. Would he give us any indication as to how long the enquiry might take, because experience has shown that if it takes very long there will be further accidents? If we are to have as many maritime accidents this year as last year, we would want to conclude our enquiries very quickly. Finally, am I to gather from his remarks that financial assistance for Bantry Bay is ruled out?

President. — I call Mr Burke.

Mr Burke, Member of the Commission. — Very briefly, I would point out to Mr Power that it is in fact up to the Member States to apply the procedures which are contained in the conventions to which I made reference. With regard to the possibility of aid, I gave the Commission's general position in regard to the situation when I pointed out that the budget of the Commission is not normally intended for the relief of victims of industrial accidents. In saying that, I do not wish in any sense to foreclose on any further discussion that may take place on this matter: It is in fact for the Commission further to discuss anything that may arise from the enquiries which are being held, or from its own investigations.

4. *Speaking time*

President. — I would remind you, that yesterday the House decided, on a proposal from the Bureau that, in the interests of better coordination of our work and the general organization of Parliament as well as the work of officials, the sittings of Monday and Tuesday should end at 8 p.m. and that provision should be made for a night sitting on Thursday. It was also decided that, if the agenda is not completed, items not taken would be added to the agenda of the following sitting, except in the case of Wednesday's sitting which could, where necessary, continue on to 9 p.m. to take account of the presence of the Members of the Council of the Community.

President

Consequently, everyone should make an effort to keep their speeches as short as possible so as to enable all items to be dealt with.

I therefore propose to reduce the speaking time for rapporteurs and the spokesmen of political groups to ten minutes so as to comply with the undertaking made yesterday in the Bureau and approved by the House.

As there are no objections, that is agreed.

5. *Situation in the iron and steel industry*

President.— The next item is the report by Mr Ansquer (Doc. 567/78), on behalf of the Committee on Economic and Monetary Affairs on the situation in the Community iron and steel industry.

I call Mr Ansquer.

Mr Ansquer, rapporteur. — (F) Mr President, ladies and gentlemen, the profound and serious crisis through which the Community's steel industries are now passing was already the subject of a number of debates in the European Assembly in 1977 and 1978. After its recent consideration and approval of the system of aids recommended by the Commission, our Parliament included the discussion of the report which I have the honour to present to you in the agenda for our present part-session. Keenly concerned with developments in the situation of the steel industry, your Committee on Economic and Monetary Affairs devoted the larger part of its last three meetings to analysing and finally adopting this report. In this connection I would thank Mr Pisani, chairman of our Committee, who stressed the great importance we attach to this discussion.

The point is — and you no doubt share my opinion, ladies and gentlemen — that the Committee on Economic and Monetary Affairs considers the steel industry to be a key sector of the economic life of the European Community. The reasons are obvious. For one thing, the steel industry is one of the foundations of Europe's independence. Next, supplies from the steel industry are vital to the expansion of such important sectors as the motor industry, shipbuilding, mechanical and electrical engineering, machine tools and building, to mention only a few. Lastly, and above all, the number of workpeople and families concerned is vast. The men and women of many different areas are affected as regards their livelihood and above all their reasons for living. The future of many municipalities and certain countries is threatened. This is why, after the launching of the Commission's anti-crisis policy, it was necessary for our Parliament — which public opinion will not fail to judge on so important a question — should state its position clearly. It was right that it should do this immediately after the Council of Ministers' renewal of the programme for 1979 and at a time when the social and regional effects of the restructuring measures that

have been taken emerge in all their breadth and gravity. It was right that this should be done for the Commission, the Council, the governments of the Member States and the social forces as a whole. It is therefore up to us to specify lines of action. It is our duty to outline the objectives to be aimed at and to specify what resources should be applied to Community steel industry policy. Above all, we should restate emphatically that the purpose of Community policy must be to sustain the steel industry, which is an essential industry for economic development and employment. This paramount consideration comes at the head of our motion for a resolution.

I shall centre what I have to say, Mr President, on four dominant ideas which were in the forefront of our discussions and which are written boldly into the motion for a resolution that is put before you.

Firstly, the essential continuance of the anti-crisis economic policy into 1979; secondly, restructuring and its conditions; thirdly, the implementation, at the same time, of accompanying social and regional measures; and lastly the obtaining of adequate financial resources.

In obedience to your recommendation, Mr President, I shall not dwell at length on the situation of the steel industry. We have, in any case, already had wide-ranging discussions on it. We have analysed the causes of the crisis: the fall in demand, overcapacity and the advent of new producers on the market.

In addition, Mr Davignon has reported to us on several occasions and I am happy, in that connection, to thank him for his full cooperation in our work. I would just like to refer to a few figures relating to the Community steel industry: overcapacity estimated at 40 million tonnes a year, utilization of capacity running at about 65 %, average productivity of 8 hours/tonne, compared with 6 hours/tonne in Japan, a high level of indebtedness about which the Commission gave us some figures during our last debate on the situation in the steel industry and, above all, the prospect of layoffs estimated at 140 000 people by 1980.

Allow me to add a few other facts which we should bear in mind in our discussions and decisions. Between 1974 and 1978, steel production fell in all the Community countries except Italy. Over the same period, production also fell in the United States and in Japan but increased in the USSR, China, Eastern Europe and Brazil. In 1978 production in the Community and world production went up by 6 % compared with 1977. Since the crisis began, there has been a slowdown in the rate at which wages have increased and this was accentuated in 1977. Investment in the steel industry fell from 3 300 million u.a. in 1976 to 2 400 m in 1977. Lastly we are witnessing a slower rate of growth in the integrated coastal steelworks and we can see that, in many of the Community steelmaking plants, the size of the production units is still smaller than the technical

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optimum. A further point that has to be stressed — and it is not insignificant — is that protectionism is tending to gain ground in the United States.

In spite of this very serious situation, it would be wrong to underestimate the positive effect of the anti-crisis measures applied by the Commission. The application of these short-term measures contained in the anti-crisis plan, relating to quantities produced, the fixing of minimal or guide prices, and limitations on imports, has made it possible to prevent prices from collapsing. The rate at which production increased in the Community in 1978 was the same as that for the increase in world production.

As stated in paragraph 4 of our motion for a resolution, the anti-crisis plan has helped to improve the situation on the steel market and therefore we approve its continuance for as long as is necessary. Nevertheless its continuance should not be allowed to cause further distortions of competition. The motion for a resolution calls on the Commission to keep vigilant watch on this aspect in applying the short-term measures both inside the Community — as regards the firms who must be required to comply with the provisions of the anti-crisis plan — and outside — because the continuance of the bilateral agreements can be envisaged, of course, only if these agreements are not violated (and in this connection I would refer to the case of Spain which did not, unfortunately, respect its undertakings during the past year).

Lastly, your Committee felt that it was necessary to enjoin the Member States and the Commission to make efforts to find ways and means of promoting a recovery in steel demand both inside and outside the Community and to put them into effect. These short-term measures are justified only to the extent that they permit the gradual restructuring of the Community steel industry, for this restructuring is the primary goal of policy with regard to the steel industry and the first need is for this industry to regain its competitiveness. At the same time, the pattern of production must be adjusted to changes in internal demand and to that for petroleum products in the developing and the industrialized countries. In 1st working paper on the general 'steel' targets, the Commission makes it very clear that, given the large gap between production capacity as it stood in 1978 and foreseeable production, neither the scale of the closures currently planned nor the slowdown in capacity expansion will be enough. This means that the Community's steel industries will be faced in the next few years with extremely difficult choices to be made calling for the broadest possible concertation, respect for human rights and effective resources.

Quite obviously, the restructuring process cannot be conducted in uncoordinated fashion. It is definitely a Community task. To that end, it will be the Commission's responsibility to provide for effective coordination between national plans and restructuring

projects. This point is made in paragraphs 8, 9 and 10 of our motion for a resolution because coordination has to take place at two levels — that of guiding principles and that of application. The Commission is invited to intensify — and we know that it is striving so to do — its vigilance in this field in every way possible.

As regards the application of the case-by-case restructuring plans and the use of assistance, we adopted — as you will remember — the proposal for a decision which the Commission was good enough to take up. Unfortunately Mr President — and this is a very important point that we would like to stress — the Council failed to reach agreement on this subject at its meeting on 17 and 18 December last. It postponed its decision to 1 April next. This attitude is very regrettable and we hope that the Council will agree to put this instrument for organizing assistance rapidly into effect. Without it there can be no hope for a return to free competition and for the steel industry to become competitive again.

Lastly, it is essential that the restructuring should not proceed on a cost what it may basis. Accompanying measures must therefore

President. — Mr Ansquer, I would ask you to conclude your speech!

Mr Ansquer. — (F) . . . This is an extremely serious subject but I shall endeavour to compress my statement to meet your wishes, Mr President.

To resume, I would like to stress the importance of the accompanying social and regional measures. I shall not quote any figures, which are in the minds of many Members in terms, alas, of the number of lost jobs in this or that country. It is therefore necessary for the Community to fit itself out with extremely substantial resources to cope with these social situations. The fact is that restructuring will not be applicable and bearable unless we can make up for the envisaged loss of 100 000 to 140 000 jobs by 1980 not merely by creating jobs but also by appropriate measures such as reducing retirement age, new developments in shift work, organizing a shorter working week and restricting overtime.

In addition industrial redeployment on an extremely large scale has to be planned. If it is not to lose its credibility in the eyes of public opinion, the Community cannot let whole regions bleed to death, particularly the single-industry regions so badly affected by the crisis. We therefore have to have a political will bearing witness of the need for European construction in this field and this redeployment will need to be based on the development of small and medium-sized firms, sub-contracting, the tertiary sector and the advanced technology sectors.

As regards financial resources — and this will be my last point Mr President — it is clear that the success of

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this policy will depend on the resources applied by the Commission. We were gravely disappointed, in this connection, when we heard that the Council had been unable to reach agreement last December on transferring the ECSC customs duties to the budget of that institution. We also ask whether the Commission has additional resources by way of the European Investment Bank, the Regional Fund, the new Community financial instrument or calls on Community loans?

Finally, you will have noted, ladies and gentlemen, that the motion for a resolution concludes with a twofold appeal. This appeal is addressed firstly to the Commission asking it to use all the resources at its disposal since it is only the Commission that can ensure that the best solution in the Community's interest prevails whereas the governments, too often involved in the course of events, can appear only as judge and jury. Lastly an appeal is made to the broadest possible consensus on the part of the employers, trade unions and governments in the Member States. Without this consensus, the Community must inevitably fail in its difficult task of putting the Community steel industry back on its feet. But it is clear that there will be no consensus if the restructuring programme is applied without firmness and coherence and if some of these features are amputated from it — here I am thinking in particular about the accompanying social and regional measures — because all of these measures form an inseparable whole and everything needs to be done, ladies and gentlemen, to help the workers and their families, the small towns and the regions. Our duty is to put hope in the place of doubt, and to give men and industry the means to survive an ordeal which should instead, thanks to our firm determination, be the dawn of a new era of prosperity.

(Applause)

President. — Mr Hoffmann, it would help us to complete our business if you could keep your speech short. However I shall inform you when the ten minutes are up and I shall do the same for the other speakers.

I call Mr Prescott on a point of order.

Mr Prescott. — I have no desire to prolong the discussion, Mr President, but to assist you. If you are prepared to say that at the end of ten minutes you would then call on them — even the spokesmen of the political groups — to cease speaking, then I think you will be protecting those who, like my group spokesmen, may adhere to your request but then find themselves outflanked by those that ignore it. So I hope that if this arrangement is followed and the precedent is set you and those that follow you in the chair, Mr President, will be firm in seeing that others abide by it.

President. — The Chair will remind the speaker when the ten minutes are up.

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

Mr Hoffmann. — *(D)* As you so persuasively request, Mr President, I shall set a good example for others to follow, namely be brief.

Allow me to begin with a short quotation: 'We simply cannot talk about the violation of individual human rights if, at the same time, we have to countenance the fact that 6 million workless in the European Community are not in a position to exercise their human right to the independent shaping of their lives because they are denied the opportunity to work.' These words are those of Mayor Koschnick of Bremen. I began with this quotation because it is my view that hypocrisy often creeps into the discussion on human rights and that we do not understand that one of the fundamental human rights is precisely the possibility of self-development in one's work. The situation in the European Community that we have at the moment is that over 6 million people do not enjoy this right and the field in which this is particularly blatant is the steel industry and the steel areas — the single-sector areas. We have talked about this enough and I do not need to put detailed figures before you. But it is quite clear that what is happening today in Lorraine, for example, and what has already happened or possibly is still to come at other levels in a number of other areas quite certainly has nothing to do with certain democratic basic principles. If today the Lorraine has to fight for survival as a region and is experiencing what is really a very cynical kind of crisis management then, in my view we have not discussed this problem seriously enough at the national level.

I would like to say immediately at the outset that these criticisms cannot be directed simply at the Commission. The Commission does not have the responsibility or the powers to deal with these fundamental problems on its own. However, I feel that we should simply make the point that, in a period in which steel production is increasing steeply (after all in 1978 the steel workers produced over 5.6% more steel, the figures ranging from a 2% increase in France to a 12% increase in Belgium although in the United Kingdom production fell by 2%) it is only now that we are having to bear the catastrophic social consequences. Here the fundamental problem is not so much that of how this social damage can be made good or how the modernization of these industrial sectors can be accelerated, the basic problem is this: are we in a position to make alternative jobs available in place of those that are to be lost, and if you face facts then you will very quickly find that the answer has to be no.

For one thing, the national governments are not generally in a position to create these jobs through their national policy. For another, what we can do at the European level is either implemented to too slight an extent — and this I will explain in a moment — or else

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it founders on the basic question of whether these new jobs can be created in industry through unilateral incentives. In the last debate on this problem, Mr Davignon gave us a few figures about what the Commission has been giving out by way of assistance. I would like to repeat that even if this money is paid out the chances of success are in practice minimal. You can check that from the statistics. There are practically no specific, outstanding indicators showing what results have been obtained, instead we are left with nothing more than some statistical juggling in which it is simply said that so much money has been paid out at national and international level. In the normal way such and such an amount is necessary to create a new job and because we have paid out so much money then we have provided support for so many jobs. This is plain Simple Simon logic that is wrong on every count.

This aside, if I now look at the proposals that the Commission has produced in order to do something about this problem, I would say that it was a very good thing for the Commission to say that 60 m u.a. should be earmarked in anticipation of the ECSC duties. It would have been a logical step to make these resources available at all, but what are the facts? In late December, the Council of Ministers said that there could be no question of 60 m but, if anything, perhaps 30 m. This knocks out a fairly substantial part of the programme that the Commission proposed. To my mind we also need an answer to the question: what conclusions does the Commission draw from this failure to follow its recommendation that an appropriate proportion of these duties be made Community resources.

There is another problem which there is only time just to mention and that is that we have still not found an answer to the question of how national aids can provide an effective supplement to Community aids. I have already said that I cannot hold the Commission responsible for the basic problems but it is of course right to say that the Commission has some responsibility — the conceptual responsibility, for instance, for the ideas it proposes. I would therefore just like to ask: is it reasonable that with the present changes taking place in the steel industry we should clearly be aiming at a very high level of concentration? Is it really reasonable that, with more or less the tacit agreement of all those concerned, we should develop new forms of cartels and organizations growing so great that the smaller units fall into such competition difficulties that they can no longer exist? I have the impression that with the help of a few examples it would be possible to show that these giant units are definitely not always useful. I shall not produce any detailed evidence for this but it would be a point that we ought to discuss with our Spanish friends, quoting the expansion of their steel production on the Mediterranean as an example.

A further issue in which nothing has been achieved — though it was certainly a good proposal by the Commission that has produced no results — is the drawing up of a common code for aid. This too, unfortunately, failed to materialize for policy reasons and on that score I would like to say that one of the biggest mistakes of the month of December was that the Council of Ministers failed to establish agreed orders of magnitude in this connection.

The first conclusion that we in the Socialist Group have drawn is that the proposals that the Commission has so far produced for the anti-crisis plan should naturally be carried over into 1979 with the minor restriction that parts of this plan — if growth in steel production continues as it is — may become unnecessary. In particular assistance in the social field and the creation of alternative jobs must of course be further discussed. I welcome the fact that paragraph 3 of the motion for a resolution presents a list of priorities. The first priority must go to accompanying social measures followed by the creation of jobs and thirdly restructuring in the iron and steel industry.

Ladies and gentlemen, I have been asked to be brief and I will therefore keep within my ten minutes. As a basic conclusion it may be said that the powers of the Commission and of this European Parliament are certainly not sufficient to enable the steel industry problem to be mastered in its entirety and off its own bat. For this reason, our clear conviction must be made known that we can solve this problem only by framing an industry policy. As long as the steel problem is seen solely from the standpoint of the fight for market shares and its social side is limited, so to speak, to looking after the casualties, then permit me to say that this policy is, in principle, purely a capitalistic reform and bypasses the requirements of the people concerned and their regions.

(Applause)

IN THE CHAIR: Sir Geoffrey de FREITAS

Vice-President

President. — I call Mr Schwörer to speak on behalf of the Christian-Democratic Group (EPP).

Mr Schwörer. — *(D)* Mr President, ladies and gentlemen, on behalf of the Christian Democratic Group I would like to thank Mr Ansquer for his report and, above all, Mr Davignon for the energy and enterprise with which he has tackled this subject in the Community. The Commission's reports that we received before the Christmas holiday sounded somewhat more optimistic again. We are especially pleased at the results that will lead to a long-term improvement in production structures, better organization and a higher level of

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economic viability in steel enterprises. We welcome the fact that the Commission has been concerned to see that these developments proceed without social hardship.

On the other hand we do not forget, in the presence of these positive results, that these are crisis measures that do not fit in with the market economy principle and take place to some extent at the cost of other sectors. They are emergency measures that must be dismantled again as quickly as possible. Unfortunately, however, their extension into 1979 was unavoidable but we have the word of the Commissioner that, if higher minimum prices materialize in 1979 through an improvement in the economic situation then the Commission will react by lifting the import restrictions without delay and freeing imports from third countries again. This is also in the interests of the Community which, after all, still regards stability policy as one of the main pillars of its economic policy, is struggling with inflation and, in the long term, sees price stability as a major goal in its economic activity.

The Commission must also — and in fact does — give thought to the problems of steel users whose prices are vitally affected by raw material costs. These steel-users are exposed to competition with countries which can buy steel at more favourable terms — here I am thinking in particular of the shipyards, the mechanical engineering industry and, in the long term too, the motor industry. The mechanical engineering industry in particular is a sector with millions of jobs, predominantly in small and medium firms. It is strongly export-oriented and has only just begun to feel the effect of these vastly increased steel prices.

This week we shall again be discussing shipbuilding in this House. It will be very difficult for this industry to cope with higher steel prices particularly since the share of steel in the price of the product is particularly high in its case. I therefore repeat that in view of the acute difficulties of the steel-using industries we must make sure that steel prices do not continue to increase and that the situation of the steel-using firms does not suffer any further decline through higher raw material costs because, apart from this, these undertakings have already got into serious difficulties through mounting wage costs in this predominantly labour-intensive sector.

Although, therefore, we accept the extension of minimum prices for 1979 I would like to say, on behalf of my Group, that we could not support any extension beyond that year and we would therefore like to say to the steel producers that they must make efforts to solve their problems during the course of this year and under the umbrella of this protective policy so that it is not necessary to have a fresh edition of this anti-crisis programme the next year. We agree with the three pillars of the anti-crisis plan: firstly the creation of new jobs, secondly restructuring with accompanying social and regional policy measures and thirdly an increase in steel

consumption as the economic feature of the programme.

Firstly, as regards increasing steel consumption, in other words the economic feature, there has been some improvement but I feel that still more can be done. Here I am thinking particularly of support for private investment which would benefit the steel producer as much as the steel-user and therefore the economy as a whole. This, we know, is a task for the Member States. In particular they ought to improve conditions for private investment by fiscal measures. Improved depreciation conditions, higher investment premiums, better terms for borrowing, and support for research and development are all measures that are part of structural policy and would help to promote productive private investment.

I must however say that it is naturally not our view that the Commission should bring all this about. We would like a programme to be drawn up together with the Member States which would give individual firms opportunities to embark on productive investment on their own on more favourable terms and thus to contribute to greater steel consumption. As regards improving production structures I would like to say that here, too, the profitable production units should be the first to be helped. Steel prices must not be kept up artificially, instead improvements should be aimed at by appropriate production methods and structures. Even if the profitability situation improves, therefore, these efforts should not be relaxed but continued. What we have is not just a cyclical crisis but a structural crisis that, in the long term, can only be solved by this reorganization and here, above all, the creation of new jobs is a paramount issue. I was very glad that, in paragraph 13 of his motion for a resolution, Mr Ansquer made the point that it is mainly the small and medium-sized firms that should be approached and assisted so that the additional jobs that are necessary may be created. The innovation issue is particularly relevant here too. It is precisely in the small and medium-sized firms that the innovation rate is particularly high and for this reason I feel that it is by assisting this sector of industry that the most can be done — as regards jobs as well as everything else.

Next, money. Mr Hoffmann said something about this and gave some figures. We are always talking about providing extra resources for these tasks. I agree that we should create the necessary financial conditions for these measures to be put through successfully but this should in no case result in competition between the various countries in the subsidies they grant. This is why we very much regret that this new directive could not be adopted at the beginning of the year which would ensure transparency in state support. I hope that it will soon be passed.

To sum up, allow me to say in conclusion on behalf of my Group that the Christian Democratic Group is

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firstly in favour of continued support for the efforts of the steel firms to improve their production and market structure so that they can, in the long term, stand on their own feet and pull through without emergency measures. Secondly, to improve the sales situation, steel consumption must, in the view of the Group, be stepped up by improving the investment potential of industry as a whole. Thirdly, public aid should be given as support for self-help for which transparency is an indispensable requirement. Fourthly, restructuring measures should be taken without causing social hardship and in this context regional conditions should also be considered. Fifthly, in order to ensure these measures have their effect in the long term, we agree to the extension to 1979. We invite the Commission to do all it can to urge that the necessary restructuring measures are put into effect and to present a report on the results of this policy to Parliament before the elections. We are confident that the Commission will at that time be able to present a positive and successful record.

(Applause)

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

Mr Cifarelli. — (I) Mr President, ladies and gentlemen, we approve the Ansquer report. We realize that, in this discussion — particularly since the life of this Parliament is always a *lutte contre la montre* — the problem to be tackled is extremely complex, extremely momentous and far from being solved but none the less I shall confine myself to stressing a few points. First and foremost, support for the work of the Commission, and particularly Commissioner Davignon whose lot it is to be in charge of a certain sector of Community activity precisely when industrial problems are all or mainly problems of restructuring, conversion and the momentous transformation of Europe's economy in the face of the demands and still uncontrollable movements of the world in which we live. The thought in my mind is that whilst we are talking about the problem of how to increase steel consumption, that consumption — it is already high — is in reality consumption for armaments and that whilst we are talking about the problem of controlling and stimulating steel consumption the world is experiencing immense problems of hunger. Clearly these basic considerations should not cause us to lose sight of concrete problems. We are talking about a programme for 1979 and we agree that in that year — as has been discussed and stressed so many times in this House — there should be a beginning to this task of restructuring and conversion about whose objectives Parliament has given sound guidance. However, there is still a need to maintain these measures and I would draw the Commissioner's attention to a criterion that is particularly dear to Italians and that is the need to prevent certain control measures being interpreted as penalties for higher productivity. However this may be it is, in the meantime, important that those agreements that were made with other countries in 1978 should not

be discarded *sic et simpliciter* and that others be concluded wherever possible in order that the restructuring process should develop organically and in an atmosphere that is as favourable as possible to the achievement of the objectives we are pursuing.

Mr President, we confirm that we agree with the basic objectives that have been described and are listed in paragraph 3 of the motion for a resolution. We believe that, with regard to restructuring and the better utilization of loans granted for that purpose and the measures designed to achieve these objectives, control by the Community — and therefore by the Commission — needs to be carried out with adequate means. We regret that, up to now, the Commission has not had full support within the Community on this problem of means of control and we hope that this objective will be attained. Parliament has already expressed itself in those terms.

Next we want to stress that, although the importance of accompanying social measures is unquestionable, it is equally or even more important to consider economic measures to create alternative jobs. A hundred thousand new jobs — so reads the report — are foreseen for 1983. I hope this comes true. We all hope so. But how? Perhaps by promoting State intervention and gigantism in all the countries of the Community? It is increasingly clear that State intervention in the productive systems and gigantism ultimately lead to wastage of energy and the creation of situations which prevent realization of the objectives set. In Italy, for example, the IRI complex — which also includes some private participation — is now passing through a major crisis. We do not think that this mixed system of public and private capital, private in style but public in management, should be abandoned but it is clear that this solution too is not perfect and does not represent a panacea for all our problems.

We in the Liberal and Democratic Group want to stress the importance of private initiative and not just with the old ritual of small and medium-sized firms. Social justice must be upheld and furthered without profit being considered a crime provided — as is logical — the relevant taxes are paid. Private initiative must be the force that won so many triumphs for the economy of the West in the past and whose last hour has certainly not yet struck.

This, it seems to me, is illustrated by many examples. I am a senator for Ravenna. Although the vast majority of municipal and provincial governments in Emilia-Romagna are controlled by communist and socialist parties — in other words with Marxist loyalties and interventionist in style — growth in small and medium-scale industry has been such that the crisis has either not come at all or else has arrived much later and is always far less serious than in other regions where State intervention and gigantism are the rule.

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Mr President, I feel that, in view of the short time available, the groups should confine themselves to what is essential and that includes the fact that this view of the national programmes that we take with regard to coordination must be directed towards the future. We could just say: let us protect what is most modern in the Community industry, the steels made in the coastal steelworks, for example, as opposed to those in backward and more difficult situations. We could just say: let us concentrate on the best specialities, in other words the production of steels in which there is maximum value added. But it is essential that the restructuring programme should also take into account the possibility of selling what is produced, in other words the utilization of the steel and the possibility of expanding these economic programmes because to produce the steel without planning its use means setting a goal without knowing what road to take to reach it. This is why we say: 'full support for the suggestions designed to prevent the impact of the negative social consequences making it impossible to govern democratically', whilst at the same time maintaining a firm, intelligent and — I would say — courageous vision of the requirements behind the words. Mention coordination and everyone agrees but when it comes to serious and rigorous scrutiny and wielding the surgeon's knife, this agreement obviously has to be transformed into political will.

We have faith in the work of the Commission but we feel that, precisely because of the political connotations attaching to it, it needs the consistent support of the Council. When we have a Parliament elected by direct universal suffrage these problems will be put in terms more appropriate to the vision of Europe as a unit, but already each of us in our national parliaments and in our discussions with our own ministers should now provide arguments in that direction, showing our sense of political responsibility in our efforts to find a way out of this distressing situation.

We therefore support this way of thinking and in that sense wish the Commission every success in its initiatives whilst bearing in mind the points made in the Ansquer report which we hope will meet with the approval of the European Parliament.

(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 congratulate Mr Inchauspé on the comprehensiveness of his report, but I would enter at the outset the caveat that the iron and steel industry is not the only essential basic industry on whose continuous prosperity the economic prosperity and future of Europe as a whole depends. Twenty years ago it was said, and is still being said in some quarters, that if world trade is to expand — and expand it must, and to that objective this House

and this Community will, I hope, remain firmly committed — we are bound to transfer certain manufacturing processes to developing parts of the world and that Europe and the United States, advanced industrial economies, must concentrate on highly sophisticated manufacturing products and processes. This is arrant nonsense whether we talk of textiles or of iron and steel, and I hope this House will stand firmly behind that concept.

An iron and steel industry is an essential element in Europe's industrial economy, and Commissioner Davignon is unreservedly entitled to be congratulated by this House for his courage in the face of many critics, for the clarity of his analysis of the problem itself, and for his resolution and determination in dealing with what is the first major commitment by the Commission to grapple with a major sectoral problem.

The problem is really how to establish this industry's competitive capability in a highly competitive world, where trade in steel is being distorted increasingly by devices and subterfuges and by national interventionism throughout the world. We all know that Europe cannot, under any circumstances or by any means, order the abolition of such practices in third countries. But we can, and I believe we must, identify them, expose them and take appropriate countervailing action. The Commission can, on the other hand, and equally well must, take action under this particular heading within the Community to bring to an end the growing practice by Member States of subsidizing, by all sorts of devious means, their own steel industry. This process inevitably means that the economies of the weaker members of the Community are doomed to lose out to those economies or those sectors of the Community which are the stronger.

It is a snare and a delusion to try base the future of any industry solely or substantially on national aids. Aids for restructuring yes, aids for production, no. And restructuring must recognize — and Mr Cifarelli referred to this briefly — is not and must not be seen as a once-and-for-all operation. It is and must be in all sectors of industry an on-going continuous, evolutionary activity, and the decision on the ways and means of doing this must, in my judgement, be a matter for the industry as such. It is not for the Community's central authority to do the planning for and on behalf of the industry.

But the Commission has a role, and quite a number of roles, to play, and all of them are important. Firstly, to act as the motivator, to urge and impress upon industry the need to take its own initiative and not wait for the Commission or others to do it for them. Secondly, it should act as a convener or coordinator of the development of future planning by the industry for its own future. Thirdly, it should act upon the basis that the situation with which the Commission is courageously grappling is an emergency situation, a

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crisis situation, and not a normal situation. Extraordinary situations call for extraordinary measures. Fourthly, its guiding principle for restructuring must be the ultimate objective of establishing a competitive, efficient industry for the Community as such. And lastly, after the crisis, and we should all recognize that this is a world crisis. I hope the Commission will publicly commit itself to withdraw from actions which many people regard as interventionism or aspirations to interventionism, a concept to which I and my group certainly object strongly.

I said the iron and steel industry is but one of a number of key areas which are facing acute difficulties throughout the world. I hope the Commission will not deal with the iron and steel industry in isolation from other sectors, and one must single out the shipbuilding sector which is normally a major outlet for the products of the iron and steel sector. All of these sectors have problems in common. They all call for restructuring and re-development on a Community basis. There is a need for the industries to be competitive, to be technologically ahead of the field — that means the world field — and, I repeat, it must do so on a Community not on a Member States basis. The duty of the Commission, however difficult politically, must be to keep these objectives constantly in the forefront of its thinking and concentrate the minds of the industrial sectors themselves on this basic concept.

Mr President, my last point relates to the importance for the Community of eschewing at all costs the acceptance of the academic attraction of pursuing the goal of bigness for the sake of bigness: the concentration of industrial operations into fewer and fewer and bigger and bigger plants, purely for academic and technological reasons. There is, and always should be, room for the small and medium-sized companies, and that is a point referred to by Mr Schwörer, and one which, on behalf of my group, I would strongly and repeatedly endorse. There is and should be room for smaller undertakings, not only in iron and steel but in every single sector of the economy. The Commission should assure the House and the industry that they recognize this and reflect it in the policies which they are so courageously presenting and trying to implement on a Community basis.

The European Conservative Group will support the adoption of the Ansquer report, and do so very willingly.

(Applause)

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

Mr Porcu. — *(F)* Mr President, ladies and gentlemen, I have read the new general 'Steel' targets very carefully which the Brussels Commission under the direction of M. le Vicomte Davignon drew up in June 1978. It

emerges from this document that the objective of the iron and steel monopolies, in complete agreement with the governments concerned, is to find an optimum utilization factor for their production capacity. In reality, it seems, more than anything, that the monopolies want to reduce these capacities considerably. Although it admits that the data it has are uncertain, the Commission nevertheless came to the conclusion in June that production capacities should be reduced by 15 to 20 million tonnes between 1980 and 1985. The Commission felt that overcapacity was even worse in the rolling-mill field than in that of crude steel production.

The Commission therefore felt that, for long products, further capacity reductions were necessary as a matter of urgency. In other words the Commission was recommending shutting down at least 20 million tonnes of steel rolling capacity between 1978 and 1985, or perhaps earlier.

It is in the long products field where there would be the biggest capacity reductions and it so happens that France produces a higher proportion of long products than its competitors do. The number of rolling mills likely to be shut down in France may therefore be estimated at 10 including at least 2 coldheading wire mills and 2 or 3 section mills. Most of these are located in Lorraine where long products account for 60% of rolling mill output.

But Mr Davignon was very careful in his estimates. He had so little confidence in his forecasts that he was careful to point out, in order to avoid the risk of what happened during the first half of 1978, that future production figures should be revised every month. Thus it was that the Commission found itself having to work out a second plan, called NOGA, dated 20 July 1978 in other words just one month after its predecessor. Well now, in one month, the Commission lowered all its targets. The intention emerging from the June document was that a number of rolling mills should be shut down with a production capacity of the order of 20 to 21 million tonnes. In the second document, the shutdowns were worked out in more detail and totalled 24.5 million tonnes. Can Mr Davignon tell us what the shutdowns would total if a new programme were worked out in February 1979?

This is too irresponsible. It shows that these programmes are worked out solely to suit the short-term interests of the steel companies for whom profit is the only motive. You are striking a heavy blow at the Community's productive capacity. Suppose, for argument's sake, the economic situation picks up more quickly than you anticipate with increased demand for steel. Your policy, if followed to the end, would not allow the Member States to meet that demand. In fact, your policy will increase our dependence on third countries which will then be able to charge maximum prices in the knowledge of having no European

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competition to face. Yes, your responsibility is heavy but it does not, for all that, lessen the responsibility of the Member States and particularly that of the French Government which not only subscribes to it but takes an active part in implementing this misguided policy. There is also the responsibility of the political parties which think that there can be no other solution to the steel industry crisis in our country than a European solution.

Yet it is quite evident that the biggest blow to the steel industry comes from the application of the plans devised in Brussels. Your first new steel targets were tabled in July 1978. Echoing them, the board of the Neuves-Maisons trust decided in the same month to put off building the Neuves-Maisons steelworks. In July 1978 you published your corrected targets. In October, the French Government through its RPR/UDF majority pushed through an Act writing off all the debts of the French iron and steel companies with the government becoming the majority shareholder in this sector but leaving the capitalists the responsibility for deciding industrial policy. In December 1978, the Sacilor and Usinor companies made their two reports with ominous consequences for workers in regions like the North and Lorraine. Although tens of thousands of jobs had been lost during the last few years a further 20 000 dismissals were threatened. Whole areas like the Valenciennes and the Longwy basin have now been sentenced to economic death because of your policy. Here we can see the very close link between the Brussels decisions and the writing off of a large part of the French steel industry. This policy is not the work of chance nor the effect of the crisis or the present economic situation, it is the implementation of a scheme carefully weighed and planned in the boards of the financial and industrial companies in which profit is the only parameter that counts.

The workers will never accept decisions taken by a few cold-blooded men who, in the luxury of their boardrooms, decide amongst themselves the lives of tens of thousands of people and agree to wipe industrial areas off the map without even knowing where they are located. What a parody of democracy! What a disregard for the human rights so often raised in this Assembly, admittedly, when it is a question of other countries.

As an example — because it is, unfortunately, not an isolated case — I would like to talk about the Longwy region for which I am the elected representative. In the words of a financial journal that you cannot accuse of subversion, Longwy has been sacrificed on the altar of Europe. What is the issue? On the false pretext that the right decision to finish building the Neuves-Maisons steelworks had been taken, the Usinor trust decided against building a steelworks at Longwy although it had been on the programme for over ten years and although money had already been provided to the company for the purpose. If maintained, this decision would result in the shut-down of a plant that is currently employing over 7 000 workers despite the fact that it has modern

ore sintering facilities, a cokeworks which, admittedly, needs replacing, and some of the most modern blast furnaces there are, the three of them producing as much as the six Neuves-Maisons and Cockerill-Rehon blast furnaces put together. There is a completely automated and computerized plate mill. A universal mill in perfect working order is capable of producing 44 000 tonnes of merchant steel a month and, if the finishing line were doubled up, this capacity could be increased to 80 000 tonnes a month. There is a rod mill with a capacity of 60 000 tonnes a month which could be increased to 80 000/90 000 with an investment which the engineers in that company put at 70 to 80 million. All that this complex is lacking is an oxygen steel plant to supplement the existing OBM facility and to replace the old Thomas steel plant. The workers at all levels including management grades, technicians and engineers are firmly resolved to fight to have this built. It is, in any case, what was initially intended by Usinor before the new general steel targets were formulated.

It is this harmonious, productive and competitive complex that the policy of European integration is consigning to ruin. According to the same financial journal — and the information it published has not been denied — the Longwy works has been used as payment in return for Belgium's joining the European monetary system. This is something that the people in the steel industry in the North and in Lorraine, and with them every class of the population, cannot accept. They are determined to fight to have these malign plans brought to a halt.

For a month now, in spite of the festive period and in spite of the rigours of winter, not a day has gone by without some action in the fight within the firms and the municipalities. Last Friday, thousands of Lorraine people took part in a demonstration at Metz in response to the call from the CGT unions, the Confédération française démocratique du travail, the white-collar unions, Force Ouvrière and the Fédération de l'Éducation Nationale. They all roared their determination to block the European plans for running down the iron and steel industry and their determination to work and to live.

The motion of the associated trade unions was approved unanimously. Here is a large section of what it said: 'The regional day of action of 12 January is a stage in the united and resolute struggle waged by the Lorraine workers to obtain the right to work in our region and the satisfaction of their legitimate claims. The stake in this struggle is vital to Lorraine. Employers, government and the European institutions all seek to deal a fatal blow to the economy of the whole region. The Davignon plan aims to run down the iron and steel industry and the coal mines. In other fields, the same policy of abandonment is being followed in textiles, coal and the heavy chemical industry. This means that all the activities in the region are threatened in the industrial sector.' The people in the North like those in

Porcu

Lorraine are courageous workpeople. They love their trade and their region. They will not allow it to be sacrificed on the altar of capitalist profits even if it is bedecked with European banners. This is why the French Communists respectfully request the Assembly to take a decision on the motion for a resolution No 525/78 which was tabled on 15 December last and which has not yet been discussed by the Committee for Economic Affairs or by the Committee for Social Affairs. This resolution expressly asks that all layoffs and all shutdowns be stopped. The document is clear and has the merit of saying a plain no to layoffs and no to the writing off of factories. It is the complete opposite to the motion for a resolution tabled by the majority in the Committee on Economic Affairs — all parties lumped together except the Communists — and for which we shall not vote because its adoption would mean that the Brussels Commission would have a free hand to continue with its destructive policy and bring the regions to ruin.

(Applause)

President. — I call Mr Notenboom.

Mr Notenboom. — *(NL)* Mr President, I feel that the speech we have just heard calls for a forcible protest. I myself am pleased that Mr Ansquer has produced this excellent report on the initiative of the Christian Democrats in the person of Mr Müller-Hermann and others and that today it is a subject of discussion — and a subject of misguidance and fallacy, too, for what is it really that Mr Porcu has just said? Simply that it is the intention of the Commission, and of this Commissioner in particular, to increase the profits of firms and monopolies, that to this end production must be cut back and that firms in difficulties precisely because of that policy have to go to the wall.

Mr President, this reasoning is wrong and calls for immediate refutation. If no policy is followed, if the harsh forces of capitalism, as it is called, are allowed to have their effect without any corrective measures, with no pull on the reins, it is precisely then that the weaker firms will go under — or would have gone under, because in that situation there would be no regard for the regions in difficulties, the strongest would win regardless of where they were located. The fact is, after all, that there is overcapacity. It is not the Commission's fault, it is due to circumstances bound up with investment and also with the world economic situation. It is not cyclical but structural. Applying purely capitalist principles would mean that only the strongest would survive and it is precisely through the policy that is now in force that productive capacity and utilization factor is roughly the same for the strong and the weak.

I shall speak very briefly and play my part in keeping our business short. I would, however, like to quote a few expressions from the Ansquer report: minimum prices and guide prices — paragraph 5; extension of bilateral

agreements and coordination of national restructuring plans — paragraph 8; Community taxes — paragraph 9; social and regional measures — paragraph 11. Mr President, are these the expressions you find in the vocabulary of capitalism? No, Mr President, these are expressions you find in a policy that, as we hope, will produce a timely effect on the harsh forces of the market because, precisely, they act against the interests of the people.

I have the utmost sympathy for the suffering that is obviously caused to people losing a job they have had for years and which their fathers may have been doing before them. This is deeply distressing but it is not right to say that the policy that is being followed is aimed precisely at worsening that plight. On the contrary, the policy that is in force is aimed at mitigating the harm. It is just because we want to maintain an iron and steel industry in Europe — but an iron and steel industry that counts in the world — and just because human beings are a higher priority than profit, that this interim policy, this temporary policy is being followed and which we therefore support.

Mr President, it absolutely escapes me what political bargaining with regard to the economic and monetary system has to do with the iron and steel policy in Lorraine.

Profit is not the objective but profits are certainly necessary to safeguard the continuity of employment. What does Mr Porcu hope to achieve if losses stay at as high a level as that referred to by Mr Ansquer last year in his excellent report? Surely nothing.

Mr President, for the sake of brevity, I will leave it at that. I have not said what I wanted to say at the outset but have concerned myself with what has just been said and what, in my view, required refutation.

(Applause)

President. — I call Mr Laurain.

Mr Laurain. — *(F)* Mr President, ladies and gentlemen, I would like to speak again on the subject of the situation of the steel industry in Lorraine. Since the last part-session, some very grave — and unfortunately foreseeable — events have taken place in that region with the announcement of fresh mass layoffs. To quote one eloquent figure, in the four years between 1977 and 1981 there will have been 30 000 jobs lost in Lorraine — just in Lorraine. There are figures showing that this is the worst affected region of Europe in terms of layoffs and staff reductions in the steel industry. In everybody's view there is a direct connection between the anti-crisis plan as it is called, more commonly known as the Davignon plan, and these mass layoffs in a single-industry area like Lorraine. The Davignon plan in its present form spells death for the Lorraine region and would fairly quickly lead to its complete depopulation. The Davignon plan is harmful for three main reasons.

Laurain

First of all it is Malthusian. Let me explain. On the pretext of reorganizing the market, it organizes limits on steel production. Admittedly, there was a need to reorganize the European steel market; Europe had to be protected against the uncontrolled competition of third countries, but the counterpart to this reorganization is restrictions on production quotas which inevitably means staff reductions.

Now it has by no means been proved that steel consumption inside the Community and elsewhere, in other words in the world as a whole, should not be and could not be increased considerably. There are immense social requirements and in most of the world — particularly in the developing countries — there is a lack of elementary infrastructures for which steel is necessary. Has the Commission even evaluated these potential requirements? This is the first question I ask.

In addition, this Davignon plan does not as it stands have any industrial aspect, it does not really put forward a policy of industrial diversification capable of creating new jobs. In my view, therefore, the plan needs a complete overhaul as regards the limitation of steel production. This notion of overcapacity or overproduction needs to be reconsidered and the communal social requirements in the Community and throughout the world put to objective scrutiny.

The second reason for which the plan is harmful to a region like Lorraine is that it ratifies an existing balance of power situation in the Community. Let me explain. Lorraine is a region with a single heavy industry that has not adapted and diversified in time.

We are, for example, about five years behind West Germany in replacing Thomas steelworks by oxygen steel-making plant. This is a considerable leeway and if the Davignon plan is applied to the letter, it merely ratifies this existing balance of power whereas, instead, everything should be done in Europe to enable countries in arrears to catch up so that equality of opportunity may be established in the European Community as one of the factors favouring the construction of Europa.

Thirdly, the Davignon plan is purely — or rather coldbloodedly — economic in terms of liberal, that is to say purely capitalistic, economics. It has no social component, for that is not just providing unemployment benefit but making an effective attempt to combat unemployment. It is wrong to claim that social progress comes spontaneously from economic development. That is a capitalistic and wholly false theory. On the contrary, economic life must be given a social objective. We have to have the political will to make this social objective the goal of economic progress in general. This is what is called the right to work, the right to work which appears in the universal declaration of human rights. It is an absolutely fundamental right that we must strive to respect, cost what it may. It is absolutely vital to plan effective social measures to improve and

reduce working hours, with particular reference to the thirty-five hour week, the fifth shift and bringing forward the age of retirement. This would at the same time, incidentally, help to improve working conditions.

Calculations have been made and I shall shortly be able to let you have them because I am the rapporteur for the social component of European steel industry policy. These figures prove that reducing working hours costs no more than unemployment. The improvement of working hours, therefore, needs to be tackled as quickly as possible; it is one effective social measure for combating unemployment. Lorraine has now rallied all its forces to defend itself and survive. It cannot accept the Davignon plan in its present form. This is why, to conclude, I wish to inform the Assembly that I am tabling an amendment to the report before us today. My amendment proposes that paragraph 4 of the motion for a resolution: 'notes that the anti-crisis plan introduced by the Commission has helped to improve the market situation and approves that it be carried forward into 1979', be replaced by the following text: 'notes that the anti-crisis plan implemented by the Commission has helped to improve the market situation, but cannot accept its mere renewal for 1979 and therefore asks the Commission to submit within three months a new plan comprising more ambitious economic and industrial objectives and more effective social measures to combat unemployment.'

(Applause)

President. — I call Mr Leonardi.

Mr Leonardi. — *(I)* Mr President, in this grave situation of crisis with thousands of people laid off or to be laid off, I shall not hark back to the many Italian cases like Bagnoli, Gioia Tauro and so on. Remembering the discussions we had over many years particularly when we had to consider the ECSC budget, I would ask Commissioner Davignon for his assessment, in this grave situation, of the performance of the ECSC Commission and of the efforts made by that institution to forecast what instruments needed to be provided to those whose duty it was to make the necessary provision at national level or via private initiative. In the thirty years the ECSC has been in existence, vast changes have taken place in our steel industry. Originally based on internal raw materials it now depends on external raw materials with the constraints that that implies. From a position of leading world exporters we have fallen to one of far more modest exporters because steel is being produced elsewhere. In these thirty years, tremendous technical progress has taken place changing both production and consumption.

If we had to review the general 'steel' targets that were intended as a guide to investment for all those years, what conclusions would have to be drawn? The answer to this question could be very important in terms of

Leonardi

providing the necessary data to pass judgement on the Community instrument which certainly needs to be strengthened and improved. This would be a useful study that might perhaps be of interest to Commissioner Davignon as well, so that we may understand what we have done and what we can do today.

We do not accept that the crisis in our steel industry can be explained by a general world crisis. Between 1974 and now world steel production has increased whereas Community steel production has decreased because the Community — in the new world context — has found itself in a very different position compared with days gone by.

We have no objection to the Commission intervening with various measures and instruments to alleviate the crisis but we cannot accept that these instruments and measures be used to put us into a competitive position on a reduced basis in terms of production and employment.

Neither do we object to an increase in the Commission's powers to allow better management of national plans and coordination of support but we must point out that the Commission ought to have been able to carry out this activity of forecasting and guidance, etc. with the measures and instruments already at its disposal.

If we are not to slip back into crisis, I feel that it is vital in the present circumstances to have a very clear notion of the potential for our steel industry in a world steel industry structure that is changing, or rather that has already changed radically, but which will continue to change in the future with the relocation of production centres and the development of new technologies and applications.

Failing this basic strategic picture, short-term measures will not serve any great purpose. By alleviating the present crisis, in fact, we shall be sowing the seed for worse crises in the future. We therefore ask that the Commission should present a long-range programme giving the clearest possible idea of what the future of the Community steel industry might be in the long term so that the short-term measures might be better organized. We are convinced that the Community, whilst continuing to possess a large-scale steel industry, can no longer rely on big exports or steel products but on engineering products calling in their turn for steel inputs. It will need to make efforts to improve quality and to intensify R&D. In this connection I would remind Commissioner Davignon of all the criticism made to him every year from this side of the House for the inadequate level of Community research in the iron and steel sector.

Lastly, we believe that a great effort should be made (and here we recall what has already been said about Lorraine ore) to increase the possibilities of supplying the iron and steel industry from our own internal

sources of raw materials and to make better use of the resources at our disposal.

(Applause)

President. — I call Mr Ripamonti.

Mr Ripamonti. — *(I)* Mr President, ladies and gentlemen, in the steel sector the inherent effectiveness of Community action has been proved in this particular area of industrial policy, in respect both of the promotion of further development in this strategic sector and of the counteracting of a conjunctural crisis which does, however, clearly have structural origins and causes.

A constructive critical examination of past action might perhaps show that the present crisis stems from the fact that earlier measures to develop this sector were not supported by a more binding programme for the steelworks.

The action taken by Commissioner Davignon on the basis of the instruments laid down in the Treaties confirms the validity of the ECSC as a model for cooperation in the definition of industrial policy. However, in the same concept of cooperation and with the instruments made available by the Treaty, what we now need is a joint decision on further measures.

The favourable results obtained in 1978 with the application of the anti-crisis measures and the initiatives taken by the Commissioner at the level of international cooperation, enable us to give our agreement to the pursuit of these measures, although we must prevent the minimum prices from becoming in reality a penalty on the technologically more advanced companies and avoid any measures which fail to encourage restructuring and reconversion of obsolete plants. An examination of the by no means favourable results achieved by the big concentrations in the steel sector highlights the need to strengthen and support the small and medium-sized undertakings which can play a decisive role in our future steel industry.

Consideration of the Community's role in the restructuring of the development of the steel industry makes it necessary to define — as the Commissioner has rightly indicated — the general objectives which from mere guidelines must become binding factors in the decisions of the undertakings if we are to achieve an orderly functioning of the common market.

In my opinion, decisions of this importance must nonetheless include detailed attention by the Council of Ministers to the links existing between binding general objectives in the steel sector and decisions relating to industrial policy in general.

In assigning greater resources to the European Coal and Steel Community, I view with favour the allocation to that Community of the proceeds of the ECSC customs

Ripamonti

levies, provided that the purposes for which these new funds are to be used are made perfectly clear; they must be earmarked for new processes of restructuring and reconversion and to new or wider functions and general objectives.

As regards the procedures for aids and the control of national aids made available within the plan for restructuring and reconversion in this sector, I consider that the procedures laid down in Article 56 of the ECSC Treaty in respect of reconversion and financing in sectors auxiliary to the steel industry must be carefully examined and assessed by the Council which must give its approval in advance.

Ladies and gentlemen, this process of restructuring is also bound up with important social and political factors.

I believe that, given the scale of the social problems which will be generated by the restructuring processes with large-scale redundancies and hence conjunctural unemployment that will be added to the existing unemployment, it will be essential to make available greater resources that cannot come solely from more effective coordination of the existing funds, i.e. the Regional Fund, the Social Fund and the funds provided for in the ECSC Treaty.

I think the time is ripe to consider the need for exceptional intervention measures. I cannot therefore agree when reference is made to the Regional Fund as a means of solving the social problems posed by the restructuring of the steel industry; I think that in this case we must have the courage to take exceptional measures and earmark new resources for the Social and Regional Funds — certainly there should be no question of a reduction in the Regional Fund, as seemed to be the view of the Council of Ministers when it discussed the 1979 budget.

Finally, Commissioner, I think that times of crisis draw particular attention to the need for more intensive applied scientific research and development.

This is the time for new programmes for the development of technological research relating to new production processes designed to ensure greater safety for the workers concerned and also to increase productivity; overall measures are needed to increase the demand for steel in the context of the development of our Community.

I believe that if we were provided with precise details of the processes which are to be developed, none of us would be opposed to a much more far-reaching interpretation of the instruments provided for in the ECSC Treaty, and I also believe that the national governments would be willing to cooperate closely with the Commission on the implementation of a strategic plan for the restructuring and development of the Community's steel industry.

One last remark on the problem of the form taken by the steel companies. I stressed this aspect already in our last debate: national aids must be looked at to the extent that they are intended for restructuring and reconversion measures; on the other hand the provision of fresh capital for publicly owned undertakings must not be treated as a form of aid liable to distort competition in the sector. When public companies require capital, the intervention of the State as a shareholder cannot be treated as a form of aid which distorts competition but as a technical requirement which needs close scrutiny.

(Applause)

President. — I call Mr Osborne.

Mr Osborn. — Mr President, first of all I wish to support the views of my colleague. Mr Normanton. As he has dealt with the strategical situation, perhaps I can be forgiven if I deal with some of the tactical implications that affect me as a citizen of my city and someone who has been involved in the industry. I welcome the fact that we have the original objectives of last July, — Commission document SEC (78) 3205 — before us, and congratulate Mr Ansquer on his appreciation of the situation. I would like to deal with three issues specifically, discipline and the impact of cut prices, restructuring, and social conditions.

Firstly, however, the iron and steel industry in the Community countries, not to speak of elsewhere throughout the world, is still in the depths of recession and we have heard about some of the additional problems of newer countries having newer plant, cheaper and richer iron ore reserves and cheaper power. But secondly I must speak as a listener of the problems of the British steel industry in general, that is bulk steel, the British Steel Corporation, and in particular of the steel industry of my city, Sheffield, as many others have done, because the value of this debate is that it has been possible to look at the problems facing different areas and different types of industry. Commissioner Davignon has listened to the views with patience, and if I say that the anti-crisis plan is far from perfect, I say it because that is the impression I have had from those who manage the industry. But I would also reiterate that it is better to have such a plan than no plan at all, and I would like Commissioner Davignon's views on what changes he would like to see in it.

But coming to the question of discipline, such a plan must include cooperation between producers within one country and within the Community countries, through Europa perhaps, through pricing policy and price discipline, and I would like Commissioner Davignon's impressions on how the discipline today, which is imposed with his backing, is being observed, as against the lessons we learnt in the 1020s and 1930s. Is this discipline in fact being adequately observed, and has the Commission collectively, including Mr Virou of the Competitions Directorate, now accepted that discipline

Osborn

amongst producers is essential to secure jobs? I was not too happy about Mr Ansquer's reservations because a dislike of cartels may undermine the discipline which is so essential.

It is essential that there should be adequate action at Community level, and there should be resistance of subsidized imports. This was raised in July and again in November. In November I outlined a problem that had been raised in Sheffield. I accept that within the ECSC Treaty of Paris the public and private sectors in Britain have been working closely together, but in the steel field it is well known—and I have known this from my own experience of 20-30 years ago—there are some producers in the Community who produce the stock. When there are full order books, they naturally raise prices, and I have heard consumers, including consumers in Britain, squeal. When they have lower order books their practice is to lower prices. This can lead to price indiscipline. This was a subject of debate in the House of Commons raised by Sheffield's MPs when I was in Brussels. Undoubtedly steel from other Community countries, not to speak of third countries, is being stocked at well below normal special steel prices in Sheffield. I expressed the view last November that the fact that the British Steel Corporation was subsidized, according to Mr Ansquer's report, by £ 443 million a year was causing concern to competitors in other Community countries, and that they may have been retaliating in general, but specifically hitting the private sector of the steel industry. This has obviously been raised by the local chambers of commerce, it has been raised with the Secretary-of-State for Industry, Mr Eric Varley, and I understand that Commissioner Davignon has had a full report on this. I would like his views as to whether discipline is or is not being maintained.

Now, turning to restructuring, I welcome the fact that we have had a debate on this, but there is no point in ensuring that investment plans for future steel-making capacity go ahead, unless they can match consumption levels. I would ask Commissioner Davignon to tell us the reaction he has had to his productivity assessment of the fact that British Steel's productivity was so low compared with others.

Finally I want to touch on the social implications and the use of shift work. This involves DGIV and Mr Vredeling. The restructuring of European steel is having effects on employment and obviously cash benefits to ameliorate personal hardship and encourage retraining schemes, particularly in other industries, are vital. I would value an appreciation of the consultations that are in progress here. But it is equally important that crisis measures taken at this time should not be regarded as permanent social improvements. I respect the views of Mr Normanton on this. There is concern that job protection measures at a national, or Community level may result in serious economic changes to smaller and private sector companies. Work sharing is a theme in many Commission documents.

This may be fine as a macro-economic concept involving a reduction in State unemployment, but not for individual companies which depend on profits for their survival. There is a conflict between the Commission's desire to foster an efficient industry on the one hand, and its tendency to intervene far too closely in employment matters on the other. I think the restrictions on shift work in general and its attack on night work may be damaging.

I remember when I ran a melting shop—and it involved an electric arc furnace and high frequency furnaces—that they could be shut down at night. But the cost of operating them on one or two shifts was very much higher than running this plant on three shifts. And if we are dealing with productivity, this is the factor that must be looked into and dealt with. Therefore, I ask Mr Davignon to comment on the Social Affairs Directorate's views. What is proposed could be damaging to the private sector and smaller companies. It could increase the amount of paperwork without any practical benefits to employees and introduce further statutory interference in company business. This might also add another lever to trade union power.

These are all problems concerning which the Commission was to decide on a global scale where it should and should not intervene. There is a crisis plan, and I would very much value a comment, based on the reaction which Mr Davignon has received from the industry, on how that crisis plan is working.

(Applause)

President. — I call Mr Müller.

Mr Hans-Werner Müller. — *(D)* Mr President, ladies and gentlemen, the steel crisis and the problems arising from the close links between the steel industry and the economy as a whole, have very often been the subject of debates in this House. I feel obliged to speak because Mr Laurain thought fit to direct massive criticism at the Commission. He said that the crisis plan lacked both an industrial and a social component—a 'volet industriel' and a 'volet social'.

I strongly reject his statements which are far from the truth. It was precisely because of the social problems that the Commission began to act and is still taking action today. The Ansquer report which we are now debating makes a detailed analysis of these problems and previous speakers, in particular Mr Schwörer, have drawn attention to that fact.

The industrial component has also been the subject of frequent debate here and I want simply to highlight once again two aspects of the problem, as I had in effect already done in previous debates.

Paragraph 17 of today's resolution intentionally refers once again to the small and medium-sized undertakings.

Hans-Werner Müller

In steelmaking regions, those undertakings have a wide variety of links with the steel industry proper. The steel crisis has led throughout Europe to a series of bankruptcies in the supplier industries which are not covered by any accurate statistics. Secondly, substitute jobs will have to be created in the area of the small and medium-sized concerns, a point which is also made in paragraph 13. Mr Cifarelli gave examples just now from his own region which does have a sound structure and is therefore able to alleviate to a great extent these difficult practical problems; the small and medium-sized concerns must therefore be assisted in such a way that these difficult social problems can be alleviated.

Mr Hoffmann said, and I shall make his point again in my own words, that the allocation of funds from Community or national budgets cannot in itself do anything to create new jobs. It is a pity that he does not say this in due form to his own government because it seems to me that really concrete measures in this sector are still lacking.

Mr President, ladies and gentlemen, there is no lack of verbal declarations regarding the small and medium-sized companies in the context of the steel crisis. I want to use this opportunity to ask the Commission most urgently to give detailed consideration to ways and means of providing practical, rational, effective and short-term aid to the small and medium-sized companies in the steel-producing regions going beyond the measures which already exist.

(Applause)

President. — I call Mr Ellis.

Mr Ellis. — Mr President, I should like to take just five minutes simply to emphasize one of the points that Mr Osborn made, and in doing so perhaps to provide some kind of answer to my friend Mr Laurain. I sympathize with, and appreciate his problems in Lorraine. Also I should like to provide a kind of answer to points made by Mr Porcu and others.

I think I would start off by saying that I will take a worm's-eye view of the steel industry: that is to say, from the individual steelworks. Mr Osborn spoke about the micro-economic and the macro-economic, and the Commission inevitably, of course, is bound to be concerned more especially with the macro-economic, or at least the macro-economics of the steel industry. I think I am untypically well-suited to speak on this, as a Member of Parliament who has thousands of his constituents employed in two steelworks—one a very large publicly-owned steelworks employing some 12 000 people and making a loss, or at least I am not sure if the individual works is making a loss, but the British Steel Corporation, which is as it were the major part of that works, is certainly making a loss—and the other a small or medium-sized steelworks employing some 2 500 employees, not only making a profit, and a

very handsome profit, but also at this very moment investing some £ 49 million in order to improve its productivity even further. So I speak from the point of view of two companies, one publicly owned, large, loss-making, one privately-owned, profitable and small. I am not making the point that it is profitable because it is privately-owned. There are many other important factors involved; indeed they are in different markets for a start: one is in special steels, the other is in general strip.

The point I wanted to make, emphasizing the point that Mr Osborn made, was this question of social provision. We have these items listed in Mr Ansquer's report, and I welcome very greatly his report: things like redundancy payments, lowering the retirement age, lowering overtime work, shorter working week and all the rest of it. Well, of course, if this is to be done at the small profitable private works in my constituency and the burden of doing it falls upon that works, it might well mean that the works would become unprofitable. I do not know, I have never worked it out, but one can conceive it happening, putting that works itself into jeopardy, so that the problem, instead of being resolved, to that extent would have been exacerbated.

I think this is a very important matter to bear in mind. This question of job creation as such, the point that Mr Laurain spoke about, is not a socialist thing. The creation of jobs in themselves is rather a reactionary thing. If I employ simply to create a job, I could put a man to dig a hole in the road so that he could fill it up again, but that is not socialist: that would demean the man, because there is no purpose to the job. We have got to create jobs which are in fact meaningful in an economic sense. Whether or not we are within a capitalist system, the fact of the matter is that Europe is competing with what we now call in English the NICs—the newly industrialized countries—of Taiwan, Brazil, India and all the rest. And that is a fact of life. Whatever our political ideologies might be, that is a fact of life. And it is incumbent upon anybody with a sense of responsibility for his constituents to ensure that in the long run, in this competitive world economy, his steelworks is going to be competitive. And simply to insist on creating jobs to dig holes in roads in order to fill them up again is doing nobody a service at all.

Therefore I come to this point about these social provisions. If the burden of the social provisions falls on the industry as such, it is not necessarily a good thing. If we are going to employ extra men by shortening the working week of others, you might not be doing a very useful thing. Indeed, the figure given in Britain, and I dare say the same kind of figure applies in other countries, for employing an additional man is this: if you employ a man on the staff of a works paying him, let us say, £ 7 500 a year, the actual cost to the employer is about 15 000. It is double. By the time he pays the holiday pay and the sickness pay and the

Ellis

insurances and all the various things, it is double. So it pays, purely from the profitability point of view of the industry, to ask one man to work a certain measure of overtime. Now, it may well be that this in the long-term is an unsocialist or an unsuitable kind of thing to do, but what Mr Davignon is trying to do is to buy time to put the industry right. We are working very much, as it were, in the short and medium-term, and therefore, whatever the social improvements, there remains, the point that Mr Osborne made, about when he ran his arc furnace, how this was capital-intensive, and how he wanted to work three shifts because you cannot switch a thing like that off at night. Well, I view with alarm certain directorates-general in the Commission who are trying to tout an idea that it is anti-social to work nights, and therefore you must not work nights. Because in a capital-intensive industry it is crucially important that those industries in fact work 24-hours a day, seven days a week, however anti-social this might be. It would be much more anti-social if they closed down.

I can just give, and I will finish on this, Mr President, one little example from the point of view of the individual works having to do business on a micro-economic scale inside this greater macro-economic scheme. I used to work in a coal-mine, and one of the things that we did at my coal-mine was to decide to wind coal—to produce coal—on three shifts, and at one stage, I think, we were probably the only colliery in Britain actually producing coal on three shifts. We did this for a very special reason, a reason confined to that one colliery. It so happened that the shaft capacity was not sufficient to cope with the capacity of the people working at the coal-faces. So, just for that one colliery it was appropriate that we went onto three-shift winding of coal. It is the only colliery left working in that particular coalfield, I might add. I take a little bit of pleasure and pride in saying that. I am not saying it was just because we went onto three-shift winding, but I can say this: had we not gone on to three-shift winding, however anti-social it might have been, that colliery would have closed, and I think that would have been an even more anti-social issue.

I am saying all this to my friend Mr Laurain, deeply sympathizing with his problems, and I am sure if I were a Member of Parliament for Lorraine I, too, would be up in arms trying to do something for Lorraine. But I think it is incumbent upon all of us who can keep some distance to look objectively, with some kind of lucidity and coolness, at this issue, and I am a little worried at a lot of the intellectual incoherence that, it seems to me, is attached to the whole thing, but I will not go into that—we have discussed it in committee and so on. I am very, very anxious that Members of Parliament take on their responsibilities to restructure the steel industry of the Community, because if we do not, then the industry is finished for good and for all.

(Applause)

President. — I call Sir Brandon Rhys Williams.

Sir Brandon Rhys Williams. — Mr President, I think that it is possibly true of this debate that we have concentrated on problems of reorganization of the steel industry rather than on finding ways of stimulating the demand world-wide. Steel is a major resource for capital projects, and it is the decline in investment within the Western economies which is the major cause of our steel crisis. I recognize and pay tribute to the work that Mr Davignon is trying to do to modernize the steel industry of the Community and to streamline it for modern conditions; but I do believe that, not perhaps he, but the whole Commission should be placing much more emphasis on the stimulation of the market. A similar problem arose within the steel industry of the Western European countries in the 1930's, and of course we know that the problem at that time was solved by rearmament. Now the European Community exists to solve economic problems by peaceful means. The deliberate stimulation of demand can be dangerously inflationary if it spills over into the overheating of industries which were already fully stretched, but we do have discretion as to how we create demand when selecting projects for capital spending through the Community's institutions. I believe that we are not using these institutions fully enough or with sufficient ambition and confidence.

Three particular instruments come to mind which, I believe, are under-utilized. Firstly, the Ortolí facility for recycling hot money from the world capital market, particularly our own money which flows out to the Middle East in the oil surpluses. This hot money should be recycled into selected Community projects.

Secondly, we are not making sufficient use of the European Investment Bank. This admirable and highly successful institution could be stimulated and enabled to do much more in reviving capital expenditure within the Community and outside. I have often drawn attention to the need for the Channel Tunnel: we had a debate yesterday on the Burke plan for modernizing the transport infrastructure of the Community—a tremendous opportunity for the sensible use of steel. We are dithering, we are not doing enough. I have often drawn attention to the need for the Severn barrage as one of the major energy substitution projects which are obviously needed all over the Community and which would also place a tremendous demand on our capacity to produce steel.

Thirdly, the Lomé Convention: why was the allocation of money for our associated countries overseas underspent so badly in the first years of the Convention? It is not only bad for our relations with the overseas countries, it is bad for our own industries, which could be supplying them with the goods they need. I consider that it is a crime against humanity for us in the capitalist countries to leave idle our capacity to produce the essential raw materials for capital

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investment and so to bury our talent for the creation of unlimited further wealth all over the world.

(Applause)

President. — I call Mr Davignon.

Mr Davignon, Member of the Commission. — *(F)* Mr President, I have listened very closely to this debate which Parliament has once again held on what must be one of the most difficult and, in human terms, most tragic problems to have faced the Community since its creation.

I think that the work done by the Committee on Economic and Monetary Affairs with Mr Ansquer's report has drawn attention to the real complexity of the subject enabling each of us to see where his particular responsibilities lie. The Commission, on whose behalf I am speaking now, will not shirk its responsibilities.

The only criticism which I find extremely hard and painful is that the Commission and the European institutions are examining this matter in a cold and indifferent manner, as though the Community were not first and foremost a Community of men — as though the responsibility of those whose task it is to guide the Community's destiny were not to take full account of human aspirations and legitimate rights and to seek ways of respecting those rights and aspirations.

If I were the mayor of Longwy or an elected representative for the Lorraine I should be deeply convinced that my first responsibility was to improve the situation. But that does not provide any justification for criticizing in the name of that objective, the intentions and motivations of those who are trying to develop a policy, even if they may perhaps sometimes be mistaken. I say this calmly and without recrimination to all those who have directed such criticism at the Commission and who are faced daily with the immediate problems of workers who lose their jobs and wonder what tomorrow will bring. I shall not return to this subject and hope never again to be confronted with such a caricature of our intentions.

Turning now to the substantive issue, the Commission will, I think, be greatly encouraged by the support given to it from most of the benches of this Assembly for the aims which we are pursuing and by the recognition of the need for this policy. When a policy has to take account of situations as contradictory and as varied as those now facing us, it is bound to encounter obstacles like all human endeavour. In answer to Mr Osborn I would say that my own impression of the workings of the anti-crisis plan is that not everything is perfect; nevertheless we are trying to bring about improvements. The basis question, however, is as follows: is our situation improved or on the contrary complicated by this European desire to work together? I shall try in a moment to reply specifically to the three points made by

Mr Laurain. I shall also try to answer Mr Porcu, but with less hope of convincing him, since he did not refer to all the explanations I had already given in committee and put questions to me as though I had not already answered them.

In my view the anti-crisis plan exists solely because the Member States of the Community thought it inconceivable, given the scale of the crisis, to allow the situation to deteriorate further without taking concerted action. Mr Leonardi asked me very politely how it is that this structural crisis, rendered still more complex by new conjunctural elements, has not been corrected. There have of course been errors of assessment by the Commission just as there have been mistakes by the Member States and economic operators; I have no intention of seeking refuge behind the fact that all this happened at a time when I did not hold European responsibilities. We should also look at what was said in the parliamentary committees to find out whether closer attention was in fact given to these problems — but I do not wish to make any accusations now. I found myself in a situation where action was called for and it seems to me to be a terribly weak reaction to know why one is in a particular situation without trying to find ways of escaping from it at the same time. Our present situation is indeed particularly difficult.

I listened to Mr Laurain with the greatest sympathy but also with no little astonishment. He claims that the Davignon plan is bad for the Lorraine because it provides for production to be limited which, he maintains, is mortgaging the region's future. But what is the real meaning of production cutbacks at undertaking level? They mean in fact that all the steelmaking concerns in the Community—including those that are the most competitive and have no reason to reduce their production because they can sell without difficulty—are being asked to reduce their production and sales by an identical amount to enable the companies which would otherwise find no outlets to remain in business as best they can so as to have an opportunity to restructure and move into the future. The underlying motivation is thus the opposite of what Mr Laurain suggests.

Had we been in the classical capitalist situation which Mr Porcu describes so well, what would have happened? The Commission, using the powers granted to it by the Treaty, would have had to prohibit all aids and subsidies, thus obliging those companies which cannot face up to the strength of the competition to cease their operations for the benefit of those that had already made the necessary adaptations. We in fact took the opposite decision: all the undertakings must have to support the crisis conditions to the same degree, thus deliberately restoring future prospects to those undertakings that would otherwise have had no future. That is the definition of solidarity. It cannot be claimed today that because we prevented those which held the strongest position on the market from taking advantage of their strength, this limitation on production is

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negative in relation to the undertakings which still have to adapt.

Of course, Mr Laurain, production has been limited, but why? Because, as Mr Porcu said, we want to cut back our steel industry, deprive Europe of the possibility of remaining independent and prevent people from finding jobs to which they are entitled? No, that is patently absurd. The suicidal situation which I found when I took over my duties at the Commission involved such an undisciplined market and a refusal of responsibilities in every sector that for each tonne of steel sold there was a loss of Bfrs 2 000 in relation to the most productive firms. That was an impossible situation because in trying to maintain its market share each undertaking had no regard to the future, no solidarity with the others and no awareness of the need to overcome the crisis together. We were able to bring demand more into line with supply and explain to external suppliers that they would have to join us in this action for the restructuring of the European steel industry by giving us a measure of protection until we are again strong enough to face up to the competition. In other words the limitation of production is simply a temporary measure which holds out prospects for the future.

A second consideration is the 'lack of measures of industrial policy and measures to create alternative employment.' Here I agree with Mr Hoffmann. I think that we must make a greater effort to create the conditions necessary to organize our diversification. While it is true that the financial instruments to encourage this policy are vital, it is also true that there is no justification in supposing that jobs can be created simply by the play of statistics. May I make a proposal: let us decide to look into this question of the creation of jobs in small and medium-sized undertakings until our major infrastructural actions can be organized and the responsibilities of those who create new jobs can be defined. Mr Laurain, if I had sole responsibility for the creation of jobs in the Community I should not be so worried. Unfortunately the Community is not alone: we must act together with the Member States and the undertakings. In the case of the Lorraine it must not be forgotten that the Commission has held detailed discussions with the French Government of ways of permitting industrial restructuring and diversification — that cannot be forgotten without insulting the Commission.

The anti-crisis programme has been characterized from the outset by two interlinked factors: the creation of a steel industry capable of withstanding inevitable changes (as Mr Leonardi said, we shall no longer be exporting reinforcing rods in future but processed products instead), and the necessary pursuit of measures of restructuring and diversification. I have every reason to suppose that the French Government will be announcing highly concrete and specific proposals for the Lorraine as a result of the dialogue between us. Let

us not indulge in caricature in an attempt to ease our own positions for a very short time. The creation of jobs is an integral part of our policy. As long as I hold responsibility in this sector, I shall never give a favourable opinion on a restructuring programme simply because it is industrially feasible, unless it is accompanied by social measures and measures of reconversion: otherwise we should be going against the objectives of the Community in the steel policy sector. I wanted to make this perfectly clear.

It has also been said that the Commission is not doing enough to stimulate employment and is not taking sufficient action in the social sector. But why is the discussion held only with the Commission? Why is there no discussion with the Council or Member States? Who will be responsible if I am unable to pursue tomorrow the type of job creation policy that we want for the Community simply because the Member States refuse to provide the funds? Should we increase the levy on undertakings that are already in difficulty in order to permit diversification? That would be quite absurd. Should we ask the companies that are laying off workers to lay off still more in order to enable us to pay for the creation of new jobs? What is needed is solidarity between the Community and the Member States. So why are these criticisms directed at the Commission? Let us ask the Member States. Why were 30 m EUA refused to us at a time when we are speaking in terms of hundreds of millions? And then we are even told that the Davignon plan is obstructing the creation of jobs and has no social component — when the reality is that we are not being given the resources we need. I do think we should put the record straight on this.

If I speak with some passion on this, it is because I am convinced of one thing only: if the Member States believe that they can overcome the steel crisis by taking isolated action they are labouring under an illusion. Look at the map of the steel industry — Mr Porcu and Mr Laurain are perfectly familiar with it; you will see that in some steel regions the plants work at only 50% of their full capacity because it was decided to build new ones which also only work at 50% of their capacity. I agree with Mr Hoffmann and other speakers who said that concentration is not the answer. That is quite clear. What is needed is a measure of cooperation. Is it desirable to embark on an extremely costly investment programme when a similar programme is being undertaken only 50 kilometres away? You then have an absurd situation of two brand-new plants close to each other and never used. It is a mistake to allow such things to happen and perhaps the Commission's action has been remiss here.

I should also like to ask Mr Porcu and Mr Laurain whether they are criticizing us for doing too much or too little? That is the fundamental question. It cannot be said at one and the same time 'We do not accept discipline in the matter of aids and subsidies to place

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everyone on the same footing in a spirit of solidarity' and 'Use the powers which we do not want you to have to tell people what to do and if they fail to comply they are behaving very badly!' A determined policy must clearly state two things: firstly, in face of the permanent recession which we have seen in the steel industry in recent years, we must cease splitting the steel industry up into separate sections. We must effect the necessary changes at a level where we are convinced that, given the rapidly changing world situation, we can face up to the situation by influencing demand.

There is another argument put forward by Mr Porcu that I want to reject: 'You, the Commission, are going to create a level of steel production such that if your forecasts are wrong (he was kind enough to say that we were pursuing a grossly mistaken plan) you will not be able to satisfy the demand.' My answer is that we would have to spend all our time issuing corrections to certain financial journals to which he refers, and most of the journals with which he is familiar would require more correction than the others!

In this situation, what concrete measures can be taken? We are working on the assumption that the steel industry must be able to face up to the situation by functioning not at 100% capacity, but at 80 to 85% of its full capacity. This means that the Community would have a 15% capacity reserve to meet possible additional demand. That is enough when you look at the conjunctural situation — but Mr Porcu knows better than I do what the future holds in store and I congratulate him on his knowledge. If agreement cannot be reached on this we shall produce the figures and not speak merely on the basis of unfounded affirmations.

I was particularly moved by Mr Laurain's remarks because the problem specific to the Lorraine is that it has experienced a constant declining curve with no upturn or stabilization. That is the situation which we must remedy. We need a new stability, a situation in which confidence can be regained and uncertainty and anguish are not the everyday lot. In these mono-industry regions plants which disappear must be replaced, otherwise all that I have said about solidarity — the pursuit of determined action — would be meaningless. Measures must therefore be taken. Are we to remain uncertain about the future because no readaptation is effected? Solidarity must be brought to bear, action taken and measures of readaptation pursued within the Community and in relations with third countries.

Mr President, I want now to say a final word on the meaning of 'arranging the general objectives.'

It is true that the objectives have been corrected, but as a result of what circumstances? As a result of discussions which we have held with the ECSC Consultative Committee. The steel industry employers, workers organizations and steel users are represented on

that Committee. In agreement with them we drew up this diagnosis which was approved by the Consultative Committee with just one dissenting vote. Does this mean that we are obeying the dictates of capitalism? Does it mean that all the representatives sitting on the Committee obey those dictates? I do not think anyone in this Chamber could claim that to be so.

To sum up, I realize that the anti-crisis plan is not perfect and that it must be constantly improved on the lines of the objectives that have been outlined and discussed by us in committee. It is a conjunctural plan designed to recreate as far as possible good conditions of operation for the steel industry.

Then again, if we are to act in conformity with our own declarations, when we say that the Community has a vital part to play in diversification — with, I hope, the assistance of the Chairman of the Committee on Economic and Monetary Affairs — we must look carefully at what we can all do together with the economic operators to create the conditions for diversification by influencing demand and recognizing the different types of action that can be pursued.

Let us begin the discussion at once and call in the experts' — but let Parliament approve the financial resources which we need to pursue this policy. Then we must hold joint discussions with the Council to ascertain why the Member States are not logical with the objectives that they themselves have fixed. Thirdly, we must continue detailed work on social policy measures which will not of course enable the present situation to be corrected but could make the necessary sacrifices more bearable and more equitably distributed. The measures we are already taking in this area, together with a series of direct interventions — thanks to Community solidarity — in favour of workers who lose their jobs or may be forced to take early retirement, must be backed up by bolder policies which we are at present examining in the Social Affairs Committee with my Colleague, Mr Vredeling.

In conclusion, Mr President, the only real mistake which we might make is to lapse into pessimism and suppose that, because in the space of one year, we have been unable to bring about the vital structural changes in the steel industry we should now revert to the situation which prevailed previously and was, beyond any shadow of doubt, worse than the situation today. The Commission for its part will not lapse into such pessimism.

(Applause)

President. — I call Mr Ansquer.

Mr Ansquer. — *(F)* I have some difficulty in speaking after the impassioned statement by Commissioner Davignon which did not merely argue his case but amounted to an act of faith in the future of the

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Community steel industry. I would just like to thank the political groups for giving their approval to the report submitted by me. I also want to thank the speakers on all the benches in this Chamber who made such interesting contributions to our debate. I noted carefully what they had to say.

While I fully understand the position taken up by Mr Laurain in view of the dramatic situation in the Lorraine. I do feel that his amendment is liable to introduce an element of undesirable confusion. The Davignon plan is in fact designed to counteract the crisis and consists essentially of conjunctural measures. It is easy to move on from conjunctural measures to medium and long term measures of restructuring. I should therefore like him to change the wording of his amendment so as not to confuse the issue, by adding the words 'going beyond the sphere of conjunctural action.' We would of course like the Commission to go further, but the anti-crisis plan which has been renewed for 1979 relates essentially to conjunctural measures. If we want to go further, we must move beyond such measures. As to the other observations, in particular those made by Mr Ellis, I would say quite simply that we do not want a lack of coherence. On the contrary we want Community and national actions to be coordinated. While we join the Commission in proposing appropriate social measures, those measures may be of a temporary nature only. Exceptional instruments are needed for an exceptional situation. We cannot leave workers, families and regions in a desperate situation. We are obliged to take account of that fact and everybody here realizes it.

Finally, as regards economic measures, we must, in parallel with efforts of modernization and capital investment to create jobs in other sectors, obviously call upon the steel companies in the Community to adopt new marketing policies. I am convinced of the need for this. But it is clearly not for the Commission to adopt a commercial policy: it can only make suggestions and formulate requests. The companies themselves must find new markets to face a new situation. I think that if all these economic, social and financial instruments are brought to bear on an adequate scale we shall be able to overcome the crisis and give fresh confidence to all those who want to see a strong European steel industry. At the same time we must also work towards convergence of the national economic policies and fight against monetary fluctuations because all these factors are closely linked; the steel industry can then become a highly dynamic sector, bringing hope and satisfaction to those who work in it and live by it.

President. — I note that there are no further requests to speak. The motion for a resolution, together with the amendment which has been tabled, will be put to the vote this afternoon during voting time.

The debate is closed.

The proceedings will now be suspended until 3 p.m. The House will rise.

(The sitting was suspended at 1.10 p.m. and resumed at 3.05 p.m.)

IN THE CHAIR: MR COLOMBO

President. — The sitting is resumed.

6. Question Time

President. — The next item is Question Time (Doc. 560/78). We shall begin with questions to the Commission. I call Question No 1, by Sir Geoffrey de Freitas:

Which governments in the Community have followed the example of the British Government and applied the directive designed to open up government contracts to companies from all Community countries and which governments not applying the directive have undertaken to do so within the next six months?

Mr Davignon, Member of the Commission. — (F) According to the information at our disposal, Denmark, Ireland, Italy, Luxembourg and the United Kingdom have applied measures concerning government contracts.

Following our action, Belgium, France, Germany and the Netherlands have confirmed that they will implement the directive, if not immediately, then certainly not later than June. The Commission is in contact with those countries pursuant to Article 169, for there would be no discipline in the Community if joint decisions were not implemented and if those who complied with the rules were at a disadvantage compared with those who did not.

Sir Geoffrey de Freitas. — What machinery is there inside the Commission for following up these directives and seeing whether some countries do not comply with them? Surely it is not necessary in every case to put down a question in Parliament. Is there not some automatic way of following it up?

Mr Davignon. — (F) It is extremely simple for us to follow the situation, because companies that would like to be able to participate in the contracts but do not consider there is discrimination and draw our attention to the fact. There is therefore no difficulty in obtaining information in this area. We have too much rather than too little.

The problem is how to provide information regularly on operations of this kind. It seems to me that we could certainly provide one of the parliamentary committees, selected by the President of Parliament, with information on developments every six months. It could

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perhaps be the Committee on Economic and Monetary Affairs or some other committee, at Parliament's discretion. I am quite willing to provide information in writing. That presents no difficulty.

Mr Brown. — Following that comment by the Commissioner, would he be prepared to set an example by ensuring that any new buildings that are built for this Parliament, and all the work therein, plus the equipment and the various other facilities, will be open to tender from all nine nations before any acceptable contracts are taken?

Mr Davignon. — (F) As the honourable Member knows, the directive does not cover all open tenders or all subjects. We will continue to supervise all open tenders, whether for a building for Parliament or not. I may add that we will be just as scrupulous over tenders for Parliament as for the others.

Mr Broeksz. (NL) — I understand that an investigation is being carried out by various Community directorates to ascertain how far directives adopted by the Council have actually been observed by the Community countries. Can the Commissioner now tell us what the result of some of these investigations was? I gather not all the directorates have completed their enquiries yet, but perhaps the Commissioner would be prepared to inform Parliament of what has already emerged.

Mr Davignon. — (F) As far as we are concerned, and as the President has already said, we use our discretionary powers to ensure that Council decisions are implemented. The honourable Member knows that in the last six months we have been prompted to initiate various infringement proceedings because some States did not implement provisions they had agreed to in the Council. I would like to confirm that this is the approach adopted by all the Commission for all directives. One of our reasons for requesting additional staff in the Commission was in fact to enable certain Directorates-General to carry out such controls, which shows that there is no question of its being the policy of certain Commissioners but rather the overall approach of the Commission itself.

President. — I call Question No 2, by Mr Normanton:

In view of the fact that only two Member States (France and Italy) appear to have failed to implement Directive 77/805 with regard to the fixing of rates of excise taxes that fall within the limits specified in that directive, will the Commission state:

what steps it has taken to ensure that the directive is implemented at the earliest opportunity and its intention to ensure that the implementation by France and Italy is by retroactive effect to 1 July 1978 so that compliance with Community law is respected uniformly by all Member States.

Mr Tugendhat, *Member of the Commission.* — In July 1978 the Commission wrote to those Member States which had not transmitted the texts of the national laws

implementing Directive 77/805 requesting them to do so. Since then France has in fact applied the necessary legislation. On the basis of the latest information available to us, it appears that Italy has not yet done so. The Commission is taking the appropriate action under Article 169 of the Treaty. As far as the second part of the honourable Member's question is concerned, the Commission is not able to ensure retroactivity, but of course, interested parties may apply to the courts for a ruling as to their rights in respect of any period between the actual application of the directive in the Member States concerned and the date of application specified in the directives. There is, therefore, recourse for the individual.

Mr Normanton. — I am delighted to hear from the Commission that France has now implemented the directive and that Italy is taking appropriate steps to follow suit. But I am far from delighted with the reply of the Commission as far as retroactive operation of the directive is concerned. Is the Commission aware of the very serious embarrassment and indeed the acute financial embarrassment and inconvenience which is being faced by those countries exporting their cigarettes to Italy and to France in the period prior to the application of the directive? Does he not feel that this is, despite his regrets, a matter which does call for Commission action, and what action will he take in view of this?

Mr Tugendhat. — The Commission is indeed aware of the problems to which the honourable Member referred. The difficulty, of course, lies in the extent of our own powers so far as retroactivity is concerned, but, as I said in my original answer the individual, the company, the aggrieved party, has recourse to the courts.

Mr Ellis. — Is the Commissioner not aware that late implementation of the directive in question and subsequent directives enables both France and Italy to continue the deplorable level of protection that is afforded to them by their excise tax systems. The directive established a step in the direction of a higher specific element of taxation for these countries, something that will enable goods to move more freely into these important markets. Does the Commissioner not therefore feel that an increased level of specific taxation is in itself a desirable thing, and that the implementation of this directive and subsequent directives should be treated as a matter of high priority by his department so that problems of retroaction for example will not arise in future?

Mr Tugendhat. — Certainly, Mr President, the Commission would very much wish to see a situation in all Member States in which the question of retroaction did not apply. In regard to Italy and France in this particular case — but those two countries are by no means the only ones who are sometimes a little tardy in acting on the basis of Community legislation; it is not a

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fault that is confined by any means to those two — as I said earlier, the Commission in this case is certainly doing what it can. As long ago as 1977 in fact the Commission opened proceedings under Article 169 against Italy for the breach of the first directive and we will do our best to try and ensure speedy implementation because, as the honourable Member says, the essential thing is to open up all markets for free and equal competition.

Mr Spicer. — Would the Commissioner not agree that we are being a little bit selfrighteous about this in many ways, because there are so many other areas we might look at. For example, if we are proceeding with great haste and speed against Italy and France should we not also be proceeding in the interests of people who drink wine in the United Kingdom?

Mr Tugendhat. — There are many areas in which the citizens of the Community are discriminated against, and I only wish that the proposal which the honourable Member has just made here was one which was better understood by our compatriots.

(Laughter)

President. — Since its author is absent, Question No 3, by Mrs Squarzialupi, will receive a written reply.¹ I call Question No 4, by Mr Osborn:

What is now the Commission's estimate of the car ownership per head of population in each of the nine Member States in the year 2000, and will they indicate what increase this represents on present levels and the implications for vehicle traffic and Community transport policy over the next two decades?

Mr Davignon, Member of the Commission. — *(F)* The Commission is involved in two vehicle traffic studies. One of them, 'COST 33', which we are conducting with the OECD and the European Transport Conference, has provided some figures for the year 2000. Rather than read out the figures I will forward them to the honourable Member. I find these figures somewhat disturbing; when I read that there will be one car for every 2.6 inhabitants of the Community I always wonder who will get into the car and who won't.

In any event, the figures show that some saturation is inevitable and that vehicle traffic will not increase as it has done in the past.

We are also participating in efforts to adjust and improve road traffic conditions, particularly a study of the use of electronics to adjust infrastructures, which will not only improve traffic conditions but also take account of safety and environmental requirements.

Mr Osborn. — Is the Commission satisfied that the current machinery working between the Commission

and members of national governments is sufficiently flexible to keep the situation under continuous review, because there have, for instance, been representatives of the British SMMT here this week, and all private car and lorry manufacturers, who are after all important customers of the steel and engineering industry referred to this morning, are reviewing the demand for road vehicles and the attitude of governments to them in the light, firstly, of the prospective rise in oil and petrol instituted by OPEC, and secondly, the availability of alternative sources of energy for the propulsion of road vehicles?

Mr Davignon. — *(F)* We are conducting a permanent dialogue with the industry and discuss these matters when together we try to imagine what the market trend will be or when there are radical changes in technology.

We have the feeling that with this study, in which the Member States are taking part, we have introduced a good instrument for following developments. I cannot at this stage give a final opinion as to whether it is enough or not. The first results seem good. If it is enough, we will continue to use it; if not, we will make supplementary proposals.

Mr Fitch. — Would not the Commissioner agree that his reply indicates the need for an integrated Community road transport policy?

Mr Davignon. — *(F)* There are many things that we have to integrate. I wonder whether Community citizens would not regard authoritarian Community intervention in the construction of roads, when there is a link between infrastructure and economy, as excessive and unnecessary interference until we have more clearly identified the difficulties that might arise as a result of failure to cooperate.

Quite frankly, responsibility lies mainly with the State and local authorities. However, if the State and local authorities do not succeed in formulating the required policy in the light of the studies we are discussing, it is the Commission's responsibility to warn them that they are falling behind the rest of the Community and, if necessary, to help them to catch up.

Mr Albers. — *(NL)* From the Commission's reply, I have the impression that the question of improving the infrastructure is only being considered with an eye to improving road traffic. But what measures does the Commission propose to take at Community level to improve public transport in the Member States, so that road traffic can be reduced?

Mr Davignon. — *(F)* I said that the Commission was involved in a study — a 'COST' project — on the improvement of road traffic conditions by means of electronics. We are trying to create a situation in which this new technology can be used, which will obviously have repercussions at industrial level, and to adapt

¹ See Annex.

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traffic conditions to requirements. But we are waiting for the results of the study before submitting specific proposals based on its conclusions.

We are in the first phase of implementation of this study, i.e. we are waiting for the results. We will then see what ought to be done.

Mr Noè — (I) On the question of alternative fuels, mentioned by Mr Osborn, and with a view to further reductions in pollution, referred to by the Commissioner, does not the Commission intend to follow closely in coming years the development of hydrogen technology, for use as fuel throughout the Community and, with particular reference to traffic in towns, battery power which for particular services seems quite promising?

Mr Davignon. — (F) We are following these matters very closely, particularly where road traffic is concerned, with the industry and within the framework of the various measures being taken in the scientific and technical field. We are following these developments not only in the Community but also outside it. As you will know, under the United States energy-saving programme, the entire American car industry is committed to an investment operation and to reorganizing car production conditions. So what is going on over there is rather different from what is happening here. In the United States the diesel has suddenly become a high priority, while in Europe there seems to be some hesitation over whether to continue in this direction on account of the risk of pollution. We are closely following all these technologies. I have already had an opportunity to inform Parliament of the measures which we took for the promotion of the electric vehicle.

Mr Lagorce. — (F) Mr Noè has somewhat pre-empted the question I wanted to put.

Mr Davignon has spoken of a dialogue with the industry. I was going to ask him whether this dialogue firstly covered the technical improvement of engines with a view to reducing consumption, which would have an impact on the Community's fuel supply, and secondly — but this question has been raised by Mr Noè — if these studies in conjunction with the industry also covered the methods of dealing with atmospheric pollution caused by exhaust gases.

Mr Davignon. — (F) The reply to both questions raised by the honourable Member is yes. We are trying to be as specific and practical as possible, bearing in mind the need for adaptation in the Community and also what is happening elsewhere, for otherwise we would cease to be able to compete with the other major car manufacturers.

Mr Brown. — In his consultations with the car industry do I understand from the Commissioner that he also

calls in the European Federation of Trade Unions so that he can get the view of the people that are involved very, very much at the sharp end of the transport business?

Mr Davignon. — (F) When we are trying to find out what the situation is in a given sector, we consult all those who may be able to help us gain a correct assessment of the situation. We keep the Federation of Trade Unions informed on our consultations, so that when they or their research departments have relevant information we can discuss this with them. There is thus a permanent dialogue going on.

President. — Question No 5 by Sir Brandon Rhys Williams, will not be taken since it is the subject of an oral question (Doc. 528/78) which will be debated during the sitting of Friday, 10 January 1979. The author will have priority to speak in the debate.

I call Sir Brandon Rhys Williams on a point of order.

Sir Brandon Rhys Williams. — Mr President, I am not able to be here on Friday. The Commissioner responsible for this question is here. I have had no warning until now that my question was to be passed over. May I ask you to reconsider your decision and to allow Question Time to proceed in accordance with the order paper?

President. — I call Mrs Kellett-Bowman.

Mrs Kellett-Bowman. — Mr President, there are many of us here who wish to put supplementary questions to this particular question. We would be most grateful if it could be taken.

President. — The rule we have always followed is that, when the subject of a question is also the topic of a debate, the author of the question has priority to speak in that debate.

I call Sir Brandon Rhys Williams.

Sir Brandon Rhys Williams. — The item on the order paper is wider than the debates scheduled for Friday, and raises the particular point in connection with a resolution of Parliament on which the Commission has taken no action in 2½ years. I do want to know from the Commissioner — and I think Parliament is entitled to insist on an answer now — why he has failed so completely to respond to Parliament's resolution in this respect.

President. — Pursuant to Rule 47a on the organization of Question Time:

Questions shall not be accepted for Question Time at any part-session if the agenda already provides for the subject to be discussed with the participation of the institution concerned.

President

I cannot therefore depart from this precise provision of the Rules of Procedure.

Sir Brandon Rhys Williams. — Mr President, naturally I accept your ruling, but I am very disappointed. I do hope that the Commissioner will take note of what has been said and will now act as Parliament has called on him to do.

President. — I call Lord Bruce.

Lord Bruce of Donington. — Mr President, may I draw your attention to the fact that Document 560/78 which lays down the order of oral questions indicates quite specifically with regard to Question No 5 that the item will not be called if Item 362 is kept on the agenda. Mr President, the agenda of the European Parliament approved yesterday includes Item 362. One would therefore normally expect that this question would be taken off the agenda and discussed, as you yourself suggest, on Friday under Item 362.

President. — The inclusion of a question on the agenda is subordinate to the general rule governing the organization of our work, which I have just quoted. I sympathize with Sir Brandon Rhys Williams, but I cannot do otherwise.

I call Mr Ryan.

Mr Ryan. — We must all, of course, Mr President be bound by the Rules of Procedure, but it has been the practice of the House to inform a Member in writing, before Question Time, if the application of the Rules means that his or her question will not be taken. And I would with the greatest respect express disappointment that this apparently was not done in this case. If it had been done this difficulty would not have arisen on the floor of the House, and I would suggest that this practice of informing the Member in writing beforehand should be observed whenever such case occur in future.

President. — A footnote in Document No 560/78 states that Sir Brandon Rhys Williams' question will not be called if Item 362 is kept on the agenda.

I therefore feel that the objections which have been raised are unfounded.

Mr Lagorce. — (F) Mr President, I should like respectfully to point out to Sir Brandon Rhys Williams that if he wants to insist on a reply to this question he can put it in writing. All he has to do is submit it in the form of a written question.

President. — I call Question No 6, by Mr Ryan:

With a view to reducing the human intake of noxious fumes, will the Commission take steps to require that all public service vehicles and all vehicles weighing one tonne or over have their exhausts meeting at a level of at least three metres above street level, and if not why not?

Mr Davignon, Member of the Commission. — (F) As the honourable Member knows, the Commission has adopted a whole series of decisions and directives concerning pollution by motor vehicles. As to the precise suggestion he is advancing, which is that in the case of vehicles of over one tonne the exhaust should be more than three metres from the ground, we have no scientific data enabling us to comment on this, as this would change the situation considerably. We should then face a number of technical problems simply by virtue of the fact that a great many types of vehicles weigh over one tonne, which would mean that we should have to totally rethink their design. So we are extremely receptive to anything which could be done to reduce the risks to public health posed by motor vehicle exhaust fumes. This is clear from the action we have been taking since 1969 and we intend to continue on the same lines.

Mr Ryan. — I trust the Commission will accept that epidemiological studies show that pollution in urban areas caused by the emission of noxious fumes from the exhausts of industrial combustion engines is as serious a cause of lung cancer as cigarette smoking. And bearing in mind the dedication of the Commission to discourage people from cigarette smoking, can we look forward to the day when they will apply themselves with similar dedication to the elimination of noxious fumes from the exhaust of internal combustion engines, having regard to the fact that the present position of most exhaust pipes ensures that human beings walking the streets or moving along them in any way must invariably absorb a considerable amount of the fumes which are pumped into their lungs at a level which prevents any possibility of avoiding inhaling them?

Mr Davignon. — (F) There are two different aspects to our approach. The first consists of knowing what must be done to continue to combat the consequences of vehicle exhaust emissions. I stated just now that the Community's activities in this area are continuing, and in the case of road vehicles and agricultural and forestry tractors we have, as you know, adopted a series of measures aiming to eliminate noxious exhaust fumes. The question is not whether the height of exhaust systems should be raised, but now to eliminate noxious fumes as soon as possible by changing the technology, and we shall continue our work in this direction. The only reservation which I made was as to whether the method proposed by the honourable Member, that is to say positioning the exhaust three metres above ground level rather than where it is normally situated on a car, was a really rational course of action. It is on this scientific point that we have our doubts and not on the fact that certain exhaust fumes are harmful. We must therefore step up our efforts to eliminate exhaust fumes, and that is why the studies I mentioned just now — which concern not only the European countries but other industrial countries as well, remain one of our priorities.

Mr Spicer. — I wonder if the Commission would accept that many people in this House welcomed his initial reply, because it seemed to me eminently sensible and took any idea of Community action away from areas which are not of any great importance. If there is a major problem in Ireland with fumes, and if they want to poke their exhaust pipes nine feet above street level, then I think they should be entitled to do so; but there are so many other areas that should be given priority: you have pointed them out. The lead content of petrol and other things like that are perfectly acceptable, but this comes down our list of priorities. As I say, if individual nation-States want to do something about it, then by all means let them get on with it.

Mr Davignon. — (F) I had the impression — perhaps it was wishful thinking — that there was no contradiction between my first and second replies. In the same way, therefore, I thank the honourable Member for endorsing my first reply — but I do not think it is contradicted by the second. We are working on the problem of pollution and it is clear that the measures taken to solve it should only be taken at European level when this is absolutely justified by the situation.

Mr Power. — I would like to point out to the Commissioner that I am sure Mr Ryan's question was not solely selfish. We were not solely thinking about Irish people. We have many welcome visitors to our country who are forced to inhale these fumes, and we have quite a number of British people who are in our country too — not by invitation — who are forced to inhale fumes that they might not like either.

(Laughter)

Lord Bruce of Donington. — Will the Commission bear in mind that the pollution of the atmosphere is a quite inevitable consequence of the use of petroleum products for the purpose of propelling mechanical vehicles, and will he give the House an assurance that all other means of propelling such vehicles, including those that have been suggested in a previous supplementary question to Question 2, will receive the active support of the Commission despite the representations of the very powerful oil-lobby, who are bent on ensuring the continued use of petrol regardless of its environmental consequences?

Mr Davignon. — (F) We are in favour of taking the necessary measures, and I will just mention the two reasons which justify action at Community level. The first is that the risk, wherever it may be, necessitates preventive action on our part. In this case the Commission takes action by indicating the nature of the risk. The second reason is that where we feel that it is only possible to answer a question or meet a need by Community action, we think such action should be taken. If not there would be distortion at production or marketing level. If that is the case, we do not just make recommendations but we put forward specific proposals, well aware — as the honourable Member

knows — that when we put forward a proposal we upset at least as many people as we please. And there is no reason to suppose that this case will be any different from the rest . . .

President. — Since the author is absent, Question No 7 by Mr McDonald, will receive a written reply. ¹

At the author's request, Question No 8, by Mrs Dunwoody has been postponed until the February part-session.

Since the author is absent, Question No 9, by Mr Brugger, will receive a written reply. ¹

I call Question No 10 by Mr Scott-Hopkins:

What is the Commission's view of the imbalance of trade in agricultural products between the USA and the Community, and does the Commission consider it takes sufficient account of international economic and political aspects of its management and planning for the future of the common agricultural policy?

Mr Tugendhat, Member of the Commission. — The Commission has frequently drawn attention to the serious trade imbalance in agricultural produce between the Community and the United States of America. Last year, for example, the Community imported close on 7 billion dollars' worth of American farm produce, which was in fact 6 times as much as the Community sold to the United States. The main reason for this imbalance is the huge import of animal feedstuffs. These enter the Community at a zero rate of duty and that duty is consolidated into the GATT agreement. Any change would necessitate compensation. The Commission does, of course, take account of these international relations in its management and planning for the common agricultural policy. In fact, it has frequently emphasized the link between internal dairy problems and duty-free imports of competing vegetable fats and proteins. In the current GATT talks, the Community is trying to reduce the farm-trade deficit with the United States.

Mr Scott-Hopkins. — I agree that it is really a very sorry state of affairs which has been revealed by this answer and there are two ways of attacking the problem. One is by dealing with the imports coming into the Community and the other one is by dealing with the exports from the Community to the United States and I assume that Vice-President Haferkamp in his negotiations over the GATT is indeed putting forward proposals for this. Can Mr Tugendhat give us any hope that we shall be able to achieve greater equilibrium in the near future either because of the negotiations or because of some bilateral act that he and his fellow Commissioners are taking to right this position, which affect us all, no matter what our industry may be?

¹ See Annex.

Mr Tugendhat. — As the honourable Member obviously realizes from his question, the GATT negotiations are now in progress, indeed at a vital phase, and I hope very much that we will be able to increase our exports to the United States. I am sure that increasing exports is the way to proceed, rather than trying to restrict imports.

Mr Patijn. — (NL) Could the Commissioner confirm that no attempt will be made, either within the GATT negotiations or anywhere else, to adjust the consolidated zero-rate of duty on feedingstuffs imported into the Community?

Mr Tugendhat. — The object of the GATT negotiations, and certainly the objective of the Community within the GATT negotiations, is the reduction of tariffs and the reduction of barriers and not their imposition.

Mr Cifarelli. — (I) I have one worry: do these questions perhaps conceal an intention to introduce protectionism or to extend protectionism to Community agriculture?

Mr Tugendhat. — It is obviously the questioner who would know the intentions behind this, but I took it that he wished to draw attention to an imbalance rather than to create new barriers to trade.

President. — The first part of Question Time is concluded.

I call Mr Cifarelli on a point of order.

Mr Cifarelli. — (I) Mr President, I do not wish to criticize the chair, but I would like to point out that we have taken up 47 minutes on five questions. I do not think this is the right way of dealing with questions and I would like to draw Members' attention to this.

President. — I share your view and hope that all the Members of the House will bear it in mind.

7. Votes

President. — The next item is the vote on the motions for resolutions contained in the reports on which the debate has been closed.

I put to the vote the motion for a resolution contained in the *Notenboom report* (Doc. 543/78): *Eighth Directive on turnover taxes.*

The resolution is adopted. ¹

President. — I put to the vote the motion for a resolution contained in the *Seefeld report* (Doc. 512/78): *Common Transport Policy.*

The resolution is adopted. ¹

President. — We shall now consider the motion for a resolution contained in the *Ansquer report* (Doc. 567/78): *Situation in the Community iron and steel industry.*

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

The preamble and paragraphs 1 to 3 are adopted.

On paragraph 4 I have Amendment No 1, by Mr Laurain, seeking to replace the paragraph by the following:

4. notes that the anti-crisis plan implemented by the Commission has helped to improve the market situation, *but cannot accept its mere renewal for 1979 and therefore asks the Commission to submit within three months a new plan comprising more ambitious economic and industrial objectives and more effective social measures to combat unemployment;*

What is Mr Ansquer's position.

Mr Ansquer, rapporteur. — (F) Mr President, I made my views known during this morning's sitting, but I am prepared to repeat to the House my opinion on Mr Laurain's amendment. I propose that Mr Laurain's amendment — which I fully understand in view of the situation in his region, Lorraine, which has been particularly hard hit by the crisis in the iron and steel industry — should be modified, although I am well aware of the need to do more. If we accept Mr Laurain's amendment as it stands it could mean that the Commission is left without funds for 1979 to deal with the short term situation. We would therefore have no market support measures. I therefore propose that Mr Laurain's amendment should be worded as follows:

approves its renewal for 1979 but asks that, within three months, the Commission should present a new plan wider in scope than short term interventions.

(Mixed reactions)

President. — Mr Ansquer we are dealing with the amendment before the House. Are you opposed to that amendment?

Mr Ansquer, rapporteur. — (F) Yes, Mr President.

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

Amendment No 1 is rejected.

I put to the vote paragraph 4.

Paragraph 4 is adopted.

I put to the vote paragraphs 5 to 17.

Paragraphs 5 to 17 are adopted.

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

The resolution is adopted.

¹ See OJ.

President

8. *Directive on the protection of employees in the event of their employer's insolvency*

President. — The next item is Mr Dinesen's report (Doc. 552/78), on behalf of the Committee on Social Affairs, Employment and Education, on

the proposal from the Commission to the Council for a directive on the protection of employees in the event of their employer's insolvency.

I would remind the House that this morning, it agreed to limit to ten minutes the speaking time for rapporteurs and group spokesmen. I would also ask other speakers not to speak for more than ten minutes on reports and five minutes on oral questions.

I call Mr Dinesen.

Mr Dinesen, rapporteur. — (DK) Mr President, the present draft directive from the Commission is aimed at safeguarding — to a greater extent than is generally the case at present — manual and non-manual employees — i.e. all wage and salary earners — against loss of earnings and other sums to which they might be entitled in the event of the firm by which they are employed going bankrupt or closing down for any other reason.

It is true that in the various countries there exists bankruptcy legislation that provides a certain measure of protection, but it is far from adequate, one reason for this being that the bankrupt estate does not always contain sufficient assets to cover the claims of creditors. Furthermore, a long period very often elapses before a bankrupt estate is wound up with the result that employees have to wait a very long time before receiving their money, even assuming there are any assets available; in my view, therefore, the present system is unacceptable. The situation at present is that Belgium, West Germany, France, the Netherlands and Denmark have introduced statutory guarantee schemes* that give wage and salary earners additional scope for obtaining satisfaction alongside the existing system provided for under bankruptcy law. These schemes share certain common features in that they are based on the principle that the necessary funds are derived from compulsory contributions by the employer, i.e. they are in fact a kind of collective insurance policy for employers.

Although the schemes are administered differently in the various countries, in practically all cases the two sides of industry have a major influence on how they are administered. These schemes go further than protecting employees merely against bankruptcy and ensure that other forms of insolvency proceedings may also result in payment being made. There are quite major differences between the kinds of insolvency proceedings giving rise to payment in the individual countries, but there is general agreement that the fact that mere refusal by the employer to pay wages, where insolvency has not been established, is insufficient grounds for putting the various schemes into operation.

It is plain that the economic crisis that we have experienced during the last 5 to 6 years has further increased the need to safeguard wage and salary earners, as thousands of firms have been forced to close their doors on account of the poor business climate and the structural changes entailed both by the crisis itself and by technological developments.

I should also point out that most of the guarantee schemes place a limit on the amount that can be required to be paid out under these schemes or by the guarantee institutions concerned. The sole exception, as far as I have been able to establish, is France, where the payment of any outstanding sum can be claimed. In the other countries claims depend to a greater or lesser degree on the preferential position enjoyed under bankruptcy law in the respective countries. I would also like to add that I agree with the view that the growing economic interdependence between Member States makes national laws inadequate and this is doubtless the reason why the Commission has submitted a proposal for a directive on the approximation of the Member States' legislation in this field. The aim of this proposal is therefore to require the individual Member States to set up special institutions to settle the outstanding sums to which the individual employee is entitled but which have not been paid to him owing to the insolvency of the employer.

I should also like to add that the proposal has been formulated in such a way as to permit the Member States already possessing appropriate institutions to continue to a large extent with these institutions while leaving it to those Member States not yet possessing such institutions to choose for themselves the form which best suits their individual countries, subject to the observance of a number of well-defined principles.

As far as it goes, we can welcome this draft directive, although there are grounds for criticisms in a number of areas. I feel that the criticisms we have made — they are contained in the report — are pertinent. We have accordingly taken up certain critical points and proposed various amendments which have been endorsed by the Committee on Social Affairs, Employment and Education. In addition, the Legal Affairs Committee has proposed certain legal and textual amendments, which we were able to endorse after discussion in committee. We have criticized the late appearance of the proposal in view of the fact that some countries have operated schemes of this nature for many years. We have also criticized the fact that the proposal lays down minimum rules, as we take the view that the Commission ought to have based its proposal on those national rules that provide employees with the widest measure of protection. We felt this would have harmonized well with the social policy objective of steady improvement, which is generally invoked when social matters are discussed.

I would also mention that the directive is intended to apply to both employment and training relationships —

Dinesen

all the Member States of the Community — and to everyone irrespective of nationality. Claims can therefore be made in respect of earnings, entitlements arising in connection with sickness, holidays and termination of employment and in respect of gratuities, bonuses or indemnities, irrespective of whether the legal basis for these claims is to be found in a contract of employment, in collective agreements or in a statutory provision.

The Commission has proposed — and this is one of the areas where we are dissatisfied — that claims may be made only in respect of entitlements arising prior to the employer's insolvency. I do not feel that this is acceptable. I feel that all claims to which employees are entitled must be included, and have tabled an amendment to this effect. It is distinctly possible that there might be other circumstances for which it would also be reasonable to provide compensation, e.g. interruption of employment relationship, questions concerning periods of notice and work after insolvency has been established, and we have therefore tabled an amendment rewording this passage.

It was also proposed to limit the liability towards employees, although to not less than 3 months for claims in respect of earnings and 12 months in respect of other claims. Here, too, I feel bound to say that I cannot see any reasonable justification for such a limitation, particularly where the liability and undertaking entered into by the employer are of a collective nature. However, for those member countries that do not yet operate such a guarantee scheme, this is the first initiative in this field. I am therefore ready to accept a reasonable time-limit to be fixed, say, at 6 months' earnings rather than 3 months', this having been endorsed by the Committee on Social Affairs, Employment and Education.

There is another point which we were unable to accept: Article 5 deals with the financing and running of the institutions concerned and contains the statement that the institutions must not be financed solely by contributions from employees, i.e. that employees should not be solely responsible for raising the funds to be used in the event of an employer no longer being able to meet his obligations. I will not conceal the fact that I am very surprised at this wording. I feel it would be entirely unreasonable to expect employees to contribute to the financing of a guarantee fund intended solely to meet their lawful claims against their employer. I do not feel that there can be any doubt that it must be for the employers — and the employers alone — to pay the necessary contributions to cover the fund's expenditure, and this naturally includes the administrative overheads involved.

I would furthermore like to add that, on this point, the Commission proposal is all the more surprising in view of the fact that it clearly states in the explanatory memorandum to the proposed directive that the

guarantee schemes envisaged must not be an increased financial burden on employees but should be financed solely by contributions from the employer.

Neither can I endorse the provision that payment must depend on claims being either undisputed or substantiated. I feel that this provision is dangerous and open to abuse. It is not certain that it will be abused to the detriment of employees but the possibility does exist. The vital point, in my view, is that claims must be documented and outstanding and I have therefore tabled an amendment to this effect.

I have also pointed out that it might be necessary to make payment on account to individual employees in order to protect them from the time of suspension of payments. I know from experience in my own country that there is very often a need for this.

To this I would only add that implementation of this draft directive is a matter of urgency and, in Articles 9 and 10, I have therefore proposed shorter deadlines than those suggested by the Commission.

I will not go into further detail and will confine myself to recommending on behalf of the Committee on Social Affairs, Employment and Education that Parliament adopt the present motion for a resolution. Moreover, the President will probably be glad to hear that my group has also asked me to be its spokesman on this topic, which means therefore that there will not be a separate spokesman for the Socialist Group; as group spokesman I will confine myself to recommending that Parliament adopt the proposal together with my amendments.

IN THE CHAIR: MR HANS-AUGUST LÜCKER

(Vice-President)

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

Mr Geurtsen. — *(NL)* Mr President, there is a measure of incompatibility between the Commission's proposal on the protection of the financial interests of employees in the event of their employer's insolvency and the report drawn up on this subject by Mr Dinesen; such incompatibility is perhaps not unusual when two different questions have to be answered simultaneously. One question concerns measures which are desirable to bring about improvements in a situation that is recognized to be unjustifiable, while the second relates to the practical possibilities open to us under conditions as they are today.

If my interpretation is correct, the Commission has based its proposal on the actual situation observed by it in a large part of the Community. It has found the basis here for the promotion of greater uniformity between all nine countries in this area.

Geurtsen

Mr Dinesen for his part has been particularly struck by the hard fate of workers who are affected by the insolvency of their employer, and he has looked sympathetically for ways of easing their hardship as far as possible. I want to stress that I have a great deal of understanding for the approach adopted in this report but it is still important for us not to lose sight of the real possibilities which exist in this area. The Commission too must have been aware that the better is often the enemy of the good, in other words that by trying to do too much — by putting forward proposals which go too far for countries where only limited, if any, provisions exist at present — the likelihood is merely increased that nothing will be done at all. My group does not see any grounds for criticizing the Commission for this. In the difficult economic times now facing our countries where we are all being forced to cut back on our costs, some hesitation must always be overcome before new social measures can be introduced. The real problem is that the social measures are most needed precisely in such situations.

Mr Dinesen has rightly drawn attention to this point in paragraph 10 of his motion for a resolution; to my mind the present difficulties must be a reason for us to strive for what is feasible rather than for perfection. I think that the Commission has followed that line by basing its proposals on the common features of existing national regulations.

Mr Dinesen may well be right when he says that it is sometimes desirable to go a little further than indicated in the proposals; for my part, I shall be only too happy if further consultations between the Commission and the Council experts show the feasibility of further steps. But I do not see that as a reason for criticizing the Commission at this stage for taking a cautious line in its first draft. Perhaps I might have formulated these points in amendments to the rapporteur's text. I did not do so because the amendments might have given the impression that we were also disputing the desirability of the rapporteur's proposals — and we are certainly not doing that. However, I view the rapporteur's proposals more as longer-term options which should in no way obstruct the first steps proposed by the Commission. I want to make a further comment on paragraph 7 of the motion for a resolution and the corresponding proposal to amend Article 5 (1) b about which Mr Dinesen has just spoken. The point at issue is the financing of the Fund. The Commission has proposed a stipulation that the necessary resources should not be contributed solely by the employees, but the rapporteur wishes to exclude any contribution by them. I would point out that the Economic and Social Committee saw no reason to oppose the Commission's proposal on principle. But I would add that the proposal is a response to the situation which has existed, at least in my country, the Netherlands, for many years now without eliciting objections. Precisely because joint financing has been accepted, a simple system which functions satisfactorily in practice has

been obtained by combining guarantee claims with the unemployment funds. It would be a retrograde step if the prohibition of joint financing were to spell the end of the existing arrangements and necessitate the creation of a separate administrative machinery to deal with the guarantees now under consideration.

Mr President, I have no other objections to the rapporteur's proposals — although I must repeat that it seems possible to me that the implementation of all of them will not prove possible. However, we shall certainly be pleased by any first, joint step to safeguard the justified rights of employees who would otherwise suffer through the insolvency of their employer. I can only join the rapporteur — and here I strongly support him — in expressing the hope and wish that the first step will be taken very soon.

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

Mrs Kellett-Bowman. — Mr President, on the whole, the European Conservative Group welcomes this draft directive, which will in fact alter very little the position that exists now in the United Kingdom, but we do appreciate that it will help to establish Community standards of practice in an area where there are at the moment considerable differences of national legislation. The rapporteur is quite correct in saying that the position is wholly inadequate in some countries. Whether or not these differences in fact affect the functioning of the common market in any major way is, of course, a debatable point; but we accept that they could do so and that the Commission is therefore correct in giving Article 100 as the justification for the directive.

The social value of the directive is less in doubt, and I think there is therefore much to be said for the point made in the Legal Affairs Committee's opinion to the effect that Article 117 of the Treaty should be mentioned in the preamble as well as Article 100. Indeed, we as a group support all the amendments of the Legal Affairs Committee and its draftsman Mr Krieg, both substantive and drafting, because we consider that they make the position much clearer and altogether sounder.

But although we support the directive and the amendments of the Legal Affairs Committee, we cannot, like Mr Geurtsen, go all the way with the amendments which Mr Dinesen proposes. In Article 3, the rapporteur has incorporated the drafting amendment proposed by the Legal Affairs Committee, but he has also at the same time dropped the phrase which would limit the payment of claims to those arising before the onset of the employer's insolvency. In effect this might provide a right to claim from the institution for an unlimited length of time. Such a provision might operate against the interests of those other people, such as shareholders and creditors —

Kellett-Bowman

often quite small firms — who are relying on this money to keep going and who are therefore concerned with the distribution of assets from a bankrupt firm.

If the rapporteur really wanted to tinker with this part of the Article, we believe that he might have considered adding a phrase so that the Article read: '... before the onset of the employer's insolvency, or before the termination of the employee's employment, whichever is the later.' Now this is already the phraseology adopted in British law, and it seems a reasonable compromise. Indeed, it would be interesting to know why the Commission did not in fact incorporate it in the original text, and we have tabled an amendment to this precise point which I would hereby commend to this House: Amendment No 1.

The most important amendment, however, to Article 4 is the rapporteur's proposal that guarantee institutions must pay amounts corresponding to payment or remuneration for six months rather than three months to those employees who had a training relationship with the bankrupt employer. This seems to us to weigh the scales too far to the advantage of former employees. Again, they will not be the only people with a claim against the company. The rapporteur said in his speech today that it is the duty of the employer to pay his employees. I would respectfully submit, Mr President, that it is also his duty to pay for the materials he has bought and used, and that if he does not do so other firms may be thrown into bankruptcy and other jobs lost. This is a point which would appear to have escaped the rapporteur. In fact employees may be in a better position than some small creditors because they can sell their labour elsewhere immediately their employer's insolvencies make them redundant, and we therefore support the retention of the three-month time-limit.

We have some objections to the way in which the report proposes to amend Article 5. In relation to the rapporteur's amendment to Article 5 (b), we feel once again that the rapporteur is putting too big a responsibility on the employer. He seems willing to ignore the way in which countries which already have a system of financial safeguards for employees in the case of employers' bankruptcy in fact operate these safeguards at the present time. For example, in the United Kingdom the employer meets the entire cost of payments out of the redundancy fund, while the State meets the administrative cost. There is no question in Britain of employees' paying towards their own redundancy fund, an idea to which the rapporteur takes such exception in paragraph 7 of his explanatory statement and in his speech this afternoon; but the fact remains that a case can be made out for employees' having to make some small contribution to the fund during their period of employment as an insurance contribution: they do so in relation to other social benefits, and I cannot see why they should not for this one. And as Mr Geurtsen has pointed out to us this

afternoon, the Economic and Social Affairs Committee saw no objection whatever to this. We feel on the whole therefore that Article 5 (b) is better left as it is in the Commission's draft.

Nor can we agree with the rapporteur's proposed deletion of Article 5 (c). We think that a safeguard claim of this type is needed. We prefer the wording of the Legal Affairs Committee's opinion, which is clearer, at least in the English version, and we shall support that.

Finally, in Articles 9 and 10, the report seeks to shorten the time space for the implementation of the directive and the forwarding of information by the Member States to the Commission. Now the European Parliament in recent months has made a very bad habit of amendments of this kind. Since neither the Commission nor the Council ever takes the slightest notice of them, their repetition in whatever context seems to me to be positively unwise. Parliament would be in a far stronger position to propose such amendments if it had produced a report which shared a greater understanding of the complexities of the subject in the different Member States. The rapporteur, I would submit, although I am a great admirer of his, in this case has not done so. His amendments to Articles 9 and 10, like those to the other Articles, will not in fact have our support. We very much prefer the version of the Legal Affairs Committee, and such amendments as they have brought forward, together with our own, will have our unqualified support.

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

Mr Power. — Mr President, I would like to thank Mr Dinesen for presenting us with his report on the Commission's proposed directive on the protection of employees in the event of the insolvency of their employer. At a time when unemployment in the Community stands at the very disquieting level of 6 million people, it is vital that every avenue should be explored that will at least help to improve the protection of those who are faced with the insolvency of their employer.

Under the proposal for a directive adopted by the Commission in April 1978, Member States would set up appropriate institutions to pay outstanding claims of employees in the event of bankruptcy or any other form of their employers' insolvency. Secondly, the proposed directive was designed to harmonize existing provisions in Member States. The very fact that legislation does exist on this matter in some of the Member States makes it all the more regrettable that action has been so slow at Community level. At a time of high unemployment it is also most unsatisfactory that the Community has not yet introduced legislation in this area.

Power

It has been pointed out that the Commission's proposals in their present form differ in the various language versions, and that there are different language versions of the explanatory memorandum. If differences in language exist in the basic text, there can be little hope that the final legal text will operate satisfactorily throughout the Community. Definitions and translations must be corrected now, and I would urge the Commission to ensure that a thorough revision of the text is carried out as soon as possible. In particular, the Commission will have to agree to eliminate the confusion that has arisen regarding the expression 'insolvency'. Where the English, Italian and Dutch texts use the term 'insolvent', the French text uses the expression 'cessation de paiement' which roughly would be translated as 'suspension of payments'.

The creation of institutions to pay workers' outstanding claims forms a very important part of the Commission's proposals. The common principles are set out in Article 5 of the proposals, and they are intended to regulate the organization, financing and operation of these institutions in the Member States. I would like to agree with both the rapporteur and the Committee on Social Affairs, Employment and Education that the employee should in no way be deemed responsible, as implied in the Commission's text, for the insolvency of his employer. The original proposal in Article 5 (b) states that the institutions must not be financed solely by contributions from employees. Employees cannot be blamed for the insolvency of their employer and should not therefore be required to make any kind of a financial sacrifice. I support the amended text which states that the employer should pay the necessary contribution to cover the expenditure of the fund, including administrative expenditure.

Where an employer is faced with insolvency, we must endeavour at the same time to ensure that he is given all the necessary advice and assistance in dealing with his problem. Every approach should be examined which could save a business that is in difficulty. The best means of protecting the employee is by saving his job. It could be argued that the added burden of financing this scheme which will be borne by the employer could in the case of a firm facing financial difficulties be the last straw to break the camel's back, and we have a duty to keep such firms operational and should perhaps think of contingency funds, or relief plans, to help such employers. The creation of new employment is of paramount importance, and we must be very careful to avoid introducing measures that might deter employers from creating extra jobs.

Further points which are by no means insignificant and which need to be stressed in relation to the Commission's proposals relate first of all to an employee's entitlement to social security benefits and, secondly, to the protection of the employee's pension rights in the event of an employer failing or no longer being able to pay the contributions which are due. An

employee who has worked in one firm for a number of years has special rights, and he deserves special consideration, when suddenly faced with the loss not only of his job but also of the social security benefits and pension rights which he has built up over a long period. Legislation should exist at Community level which will protect him from the insolvency of his employer. Where legislation exists in the Member States, which will allow for the early implementation of the final proposals with some alterations, the Commission could possibly reduce its transitional period from 18 months to 12 months. However, in view of the slow progress that we have already experienced in regard to this legislation it could be well into 1980 before it becomes Community law. Due consideration, however, must also be given to those countries which have not already established any appropriate measures to deal with this whole question. In Ireland and Italy, I am sure a minimum of 18 months would be required as a transitional period to allow for the establishment of the necessary institutions.

There is one final point that I would like to make before I conclude. As enlargement is very much an issue to which the Community is devoting considerable attention, I would like the Commission to examine the implications of the introduction of such legislation in Greece and Spain and Portugal to see how that would affect the Community.

In conclusion, Mr President, I would like to repeat my support for this very necessary report, which comes at a time when the Community must prove that it has the will and the resourcefulness to cope with the many social obligations which it has undertaken.

President. — I call Mr Brown.

Mr Brown. — I should like to congratulate the rapporteur on his excellent report on this piece of work from the Commission, and I congratulate them too. I have no reason to oppose the proposals, but I have some doubts whether they will work and I would like to illustrate this, if I may, by giving an example from the furniture industry in my own country and to declare my interests: the House is aware that I am advisor to the Furniture, Timber and Allied Trades Union in my own country, and therefore I give a case history.

We begin with the situation where a furniture firm called Merrydew Limited are employing some 150 employees. They discover that they are in some financial difficulties, so they set up another company, called Larrawane Limited, on two one-pound shares. Merrydew then transfer all the assets, fixed or non-fixed, to Larrawane Ltd., leaving only the contracts of employment with Merrydew. Then Larrawane Limited set up another company, called Merrydew Furniture Limited, of whom the management board was the same board as that of Merrydew Limited, and transferred all its assets to Merrydew Furniture Ltd. So now all these

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assets are owned by the same people as owned them in the first place; the only thing they don't own are all the debts, because the debts remain in the terms of the contracts of employment with the original firm, which is now insolvent. When my union attempted therefore to try and obtain the payment of wages and the like due from Merrydew Limited, for the 150 employees that were still there, the answer from the receiver was that there are no assets from which to pay. My union then took the firm to the industrial tribunal and the industrial tribunal awarded my union, on behalf of 143 employees, 45 days' pay, amounting to £ 50 000. This is a protective award and therefore should be a surety, but in fact the receiver of Merrydew Limited is frustrating the attempt to secure payment of that money on the ground that there are no assets from which to pay. Meanwhile, Merrydew Furniture Limited has assets that were transferred at the moment of insolvency, prior to the declaration of insolvency, of over £ 900 000 in cash and some £ 1 500 000 in buildings and equipment. That firm, Merrydew Furniture Limited has now been sold to a furniture firm called Stag. The members of my union who were working for that firm originally are still unable to obtain their money and yet the people who were running Merrydew Limited are now in the happy position of having sold the firm they transferred the assets to and have no doubt done very well out of it too. More than that: among the assets that were transferred from Merrydew Limited was £ 278 000 of temporary employment subsidy, given to them to keep the 143 union members in employment.

Mr President, in the sort of situation I have described, I am not so sure that Article 5 of the Commission's proposal, which says that 'the assets of the guarantee institutions must be independent of the employers' business assets and inaccessible to insolvency proceedings', will in any way help the employees of such a company, and I hope that the Commissioner will be able to help me in establishing how one can possibly stop this sort of thing when the Commission's proposals are brought forward,

But that is not the end of the story. Not only have the employees not received their money but my trade union, because I and others offered advice, were fined by the tribunal for having the temerity to mention Merrydew Furniture Limited, since the chairman of the tribunal averred that in his view the only company that he was concerned with was Merrydew Limited, the first company that had no assets: because my union attempted to show that there was a correlation between the fact that Merrydew Limited had no assets and that they had transferred them to Merrydew Furniture Limited, my union has been fined many hundreds of pounds by the chairman of the tribunal. We cannot argue the case against that, we cannot appeal, because my union is not a rich organization and we have been warned that there might be very heavy costs against us if we were to fight it. So we not only had the appalling

situation of the employer's machinations in the first case but we now have the appalling situation where the union can be fined for acting on behalf of the employees and the employees still don't get their money even though they have been given a protective award.

I have read the Commission proposals, I have listened to what my colleague has said, but I have here a case history which is still running, and I seek any help I can get from the Commission to make sure that this cannot happen again. I invite him to help me try and resolve this current situation to the benefit of these people who have given their lives to a company and finally been sold out in this disgraceful manner.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) May I begin with a word of thanks to the Social Affairs Committee, the Legal Affairs Committee and, first and foremost, the rapporteurs, Mr Dinesen and Mr Krieg, for the work that they have done in providing us with a thoroughly sound opinion on the draft directive submitted by us to Parliament.

Generally speaking, the intention underlying our directive has been favourably received by all the speakers. I readily agree that there is still room for improvement, but on the whole Parliament has welcomed this initiative taken by us.

What are the main aims of our directive? We want to extend to the whole Community, to all the Member States, the system which already applies in a number of our countries. Special funds are to be set up in order to cover liabilities of employers to their employees under contracts of employment where those liabilities arose prior to the situation of insolvency but have remained outstanding. The organization, financing and procedures for the working of these funds will remain a matter for the Member States themselves. We have therefore opted for the legal instrument of a directive which defines the main objectives but leaves it open to the Member States to decide how to attain them. This arrangement enables those countries which already have special funds to retain them much as they are, while calling upon the other countries to set up such funds in the manner they consider to be most appropriate to the individual conditions prevailing in each particular Member State, with which the country concerned is obviously the most familiar.

This directive contains a minimum of specific provisions. Where regulations in existence in the Member States go beyond these provisions they will in no way be affected. I now want to make a general observation on the approach adopted by the rapporteur and followed by the Social Affairs Committee; as I see it that approach requires some correction. The rapporteur has said that we should really have based our text on

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Article 117 and he has given one particular interpretation of that article.

Mr President, we deliberately did not base our work on Article 117. We went much further by referring to Article 100, something which has not often been done before. Article 100 relates to the harmonization of legislation while, as you know, Article 117 makes no reference whatever to such harmonization. The fact that we have chosen Article 100 does not mean that we have opted for a minimalist solution, for in Ireland, for example, nothing of this sort exists. We have proposed that all the Member States should introduce harmonized provisions and, as regards the content of the directive, we have sought not just a central path through the existing regulations but rather features which are to some degree common to the provisions applicable in the Member States. It cannot be objected that we have adopted a minimalist approach, but neither have we looked for the maximum. It is in reality difficult to ascertain in which country the provisions are the most favourable because there are a number of factors which cannot in any way be compared.

I think that Mr Geursten was quite right to point out that the better may be the enemy of the good because it would scarcely be possible for a country such as Ireland, to which Mr Power referred just now, to move suddenly from the lowest position to the highest. That particular country will have to overhaul its entire legislation which is to my mind desirable and that necessity is not being criticized: however, a degree of gradualism must be observed. I do not in any way think that there is no room for the addition of more far-reaching provisions to a directive of this kind, but the time for them will come when countries such as Ireland and Italy have had an opportunity to adjust their legislation to the most general principles embodied in existing legislation of other Member States in this particular area. It seems to me that the same approach must also be adopted in a great many other areas including the social sphere. In all such cases we shall be applying the principle of Article 117 by ensuring upward harmonization since the Member States to which I have just referred do not at present have any legislation in this area and if this directive is applied they will be in a better situation than hitherto.

Mr President, that is why we have presented our proposal in this way. Mr Power rightly drew attention to the problems of the newly acceding countries. I have not studied the matter, but I should not be surprised to find that the necessary provisions are lacking in those countries too. I see this as a further reason for not taking the most favourable existing regulations as our model because those provisions would then have to be directly applied in a country such as Portugal after accession. A sense of realism and good administrative practice therefore also makes a gradual approach seem more appropriate.

Mr President, before making a number of more specific remarks on the resolution and amendments I want to comment briefly on Mr Brown's remarks. I was rather surprised to learn that a situation of the kind which he described could arise at all. Of course I am not familiar with the ins and outs of the case but I do feel that it should not be possible for such a situation to occur. I do not know what the law says on this matter in Britain, but I do know the situation in several other Community countries where such things as he described would be out of the question or would certainly not go unpunished. At all events — and I realize that Mr Brown did not say that there was a direct link with this directive — it is quite clear that this particular example falls within the sphere of bankruptcy legislation in general and to a much lesser degree within the area of safeguarding the wage claims which employees may have in the event of insolvency of a company. He has raised a more general issue of bankruptcy legislation and his example only goes to show once again that there is still some room for improvement in this area in the Community countries, in particular in the country from which he himself comes.

I come now to the resolution itself and to the proposed amendments. First, an observation about languages and usage, a point to which Mr Power not altogether wrongly drew attention.

Mr President, if I may return the compliment, Parliament has also been the victim of language difficulties: if you compare the different language versions of your resolution and of the proposed amendments, you will see that in Article 3 the English and German text fully reflects the rapporteur's intention but the texts in the other languages (apart from the Danish version which I am not competent to check — the rapporteur is far better placed than I in that respect) have a completely different purport. Parliament's own translation service has fallen foul of terminological difficulties. Be that as it may, I shall see to it that when the text of the directive is finalized, the definitions in the different languages will be identical. Difficulties can of course be prevented by adequate translation of the various terms used. I can put your minds at rest on this point.

Mr President, I come now to a matter referred to in the resolution and on which I have already touched briefly — the fact that the claims of employees are limited in this proposal to claims which arose before insolvency was pronounced. Parliament wishes to go even further by permitting subsequent claims on the fund.

Mr President, I am greatly attracted by the underlying intention of Parliament but the situation would be very difficult to resolve in the context of the declaration of insolvency. The time for action is the actual point at which insolvency is declared; what happens afterwards is another matter. If claims arising after the declaration of insolvency were to be settled with the assistance of

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the Fund, I am afraid that would lay the door open to abuse. If a business continues after being declared insolvent (otherwise no claims can rise after insolvency in any case), and if it were then possible to finance the payment of wages and so on from the fund, a highly unusual situation would be created in that undertakings which were not bankrupt would be unable to obtain similar assistance. What in fact happens when a business is continued and the labour relationship is prolonged by the receiver after the declaration of bankruptcy, is that a completely normal new labour relationship is established between the receiver and the workers concerned and that relationship must be treated in the normal manner. It would be wrong to make the fund available for this purpose for which it is not in fact intended. In the Member States which already have an arrangement of this kind, the fund is always intended to secure the claims which existed prior to the time of insolvency. Of course some claims which arose prior to insolvency may still generate an effect thereafter. For example an employee may have entered into a contract of employment for one year just one month prior to insolvency; after one month the firm goes bankrupt and is unable to continue its salary payments. It then seems to me — although I have not fully investigated the legal situation and must therefore speak with some reservation — that the claim arising to the employee would not be limited to the one month's earnings; he might on the contrary be able to invoke the promise made to him and enforce some claim in respect of the remaining eleven months. I am not quite sure what material procedure should be followed but it seems clear to me that the employee concerned does have a claim, if only to some compensation for loss of employment after bankruptcy.

Apart from that rather difficult legal point, I must remark here that a different legal situation arises in respect of the employment relationship when insolvency is pronounced and the business continues under the management of a receiver. For this reason, Mr President, I would advise against this amendment to Article 3.

Mrs Kellett-Bowman said that where claims still exist after the time at which bankruptcy is declared the criterion to be applied should not be the pronouncement of bankruptcy but rather the continuation of the employment relationship. I have already said that I can accept this criterion in respect of obligations entered into prior to the bankruptcy. But the normal situation is that claims can be entered against the fund up to the time of insolvency, but no longer thereafter.

I turn now to the question of the three months earnings which Parliament would like to be increased to six.

In general, three months salary are paid out in the Member States. There are, it is true, cases in which a longer claim may be enforceable but, as you are aware,

there is a definite maximum in all the Member States. Even in the rapporteur's country, Denmark, there is a limit of Dkr 25 000. You can see the correlation: where a claim is to be enforced in the Member States for a period of more than three months, the provision is generally accompanied by a ceiling on the total amount that may be claimed. In France for example, where there is no limit of three or six months, there are ceilings on the amounts which may be claimed. Therefore, if we were to extend the period of three months, we should also be obliged to define relevant maximum amounts. However, we felt that three months were a reasonable period.

As regards the observations on Article 5 (b) we do not object in principle to the spirit of the rapporteur's proposals. But, as Mr Geurtsen pointed out, in some Member States the employee is implicitly involved in the financing of the fund. The Netherlands have been mentioned and the same situation prevails in Luxembourg; Mrs Kellett-Bowman also mentioned a fact of which I was unaware, namely that in the United Kingdom while the employer pays, the public authorities also contribute to the administrative costs.

Well, Mr President, if no difficulties have arisen with the situation in those countries, why should we stipulate in our directive that the contribution must come from the employer alone? In the Member States where such provision already exists it should logically be continued and there is no need for any change. But in other countries, including my own, the employee makes an indirect contribution through his membership of the unemployment fund and nobody — neither the union movement nor any political parties — has objected to this system; I therefore fail to see why a Community directive should stipulate that the employer alone must pay.

As I see it, Mr President, Mr Geurtsen's comment that the better is the enemy of the good is applicable in this instance too. Well, Mr President, I do not intend to insist on our own rather cryptic formula. Mr Geurtsen and Mrs Kellett-Bowman reminded us that the Economic and Social Committee, on which both employers and employees are represented, has found a formulation which in fact appeals to me and which might replace the wording used in our directive. Its formulation is as follows: 'The resources (of the fund) must be provided by the employers. The public authorities may also be required to participate in the financing, as may the employees under certain circumstances.'

I cannot say at this stage whether we should adopt that precise wording, but the purport of the ESC's amendment appeals to me and I shall gladly look into the possibility of adopting this formula which is rather more in line with Mr Dinesen's wishes.

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The proposals that applications should be accompanied by documentary evidence etc. are more of a technical or legal nature and do seem acceptable to me. I shall look into the possibility of accepting the amendments to Article 5 (c), (d) and (e). I also accept the observations concerning the granting of advances from the fund; those are very reasonable observations.

The time limits allowed have been described as rather generous. However, I feel that eighteen months for application of the legislation from the time of adoption of the directive to its publication in the Official Journal of Ireland or Italy, for instance, is a reasonable period. In addition this is not a matter which needs to be settled overnight. Mr President, our own experience and considerations of equity lead us to believe that this period of eighteen months is perfectly reasonable. I sometimes have the impression that if we had proposed twelve months, Parliament would have asked for nine. Mrs Kellett-Bowman made a comment to that effect and I am convinced that the period of eighteen months is not too long for the legislative procedure in the Member States concerned; it is probably shorter than the average time taken usually with legislation of this kind.

I gladly accept the amendment to the effect that the social partners must play a greater part in the establishment of the fund and I assure Parliament that we shall endorse its text on this point. Finally, we shall accept a number of technical and legal improvements that have been proposed, particularly in respect of the first two articles of the directive.

I felt it desirable, Mr President, to indicate the Commission's opinion on the content of the directive and the amendments to avoid the need to return to this matter at a later stage.

President. — I note that there are no further requests to speak.

The motion for a resolution together with the amendment which has been tabled will be put to the vote tomorrow during voting time.
The debate is closed.

9. *Special rights of Community citizens*

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

— the Oral Question with debate (Doc. 537/78) by Mr Scelba, Mr Klepsch, Mr Bertrand, Mr Vergeer, Mr Santer, Mr Luster, and Mr de Gaay Fortman to the Commission:

Subject: Special rights of Community citizens

What proposals on special rights for Community citizens has the Commission prepared for the working party set up following the decision taken at the Paris Summit Conference in December 1974?

— and the Oral Question with debate (Doc. 539/78) by Mr Bayerl, Mr Fellermaier, Mr Patijn, Mr Calewaert and Mr Amadei, to the Commission:

Subject: Special rights for Community citizens

What progress has been made in the Commission's preparations for granting a right of residence to citizens of the Member States who do not already enjoy freedom of movement and the right of establishment?

I call Mr Scelba.

Mr Scelba. — (I) Mr President, as we all know, the Summit Conference of December 1974 decided, among other things, to set up a working party to study the conditions and the timing under which the citizens of the nine Member States of the Community could be granted special rights.

In a letter of 31 July 1975 the Commission forwarded its views to the Council and these were subsequently published in a pamphlet entitled 'Towards European citizenship'.

In the letter to the Council the Commission's views were summarized as follows:

The special rights which it is envisaged that each Member State should grant to nationals of other Member States are certain civil and political rights; the granting of these rights would be based on a principle parallel to that on which the Community Treaties are based, i.e. equality with nationals of the host country in economic matters.

A substantial proportion of the Tindemans Report was devoted to special rights and in dealing with them gave priority to the protection of those rights which we incorrectly term special rights.

At the sitting on 16 November 1977, the European Parliament adopted a resolution on special rights which I had drafted on behalf of the Political Affairs Committee and on which the Legal Affairs Committee had given a favourable opinion.

Parliament's resolution was in two separate parts. The first part contains specific proposals for equal treatment of Community citizens as regards the enjoyment of civil and political rights and, even if this conflicted with the views of the Member States, the protection of those rights by the Community just as the Community treaties require in the case of economic rights.

The second part contained a precise and detailed list of various rights, particularly civil and political rights, at present enjoyed only by the nationals of the countries concerned, on conditions to be laid down in Community legislation. Those rights include the right to submit petitions, the right to stand for and vote at elections and related rights, the right of residence and so on. During the debate on the resolution, Mr Davignon declared himself in favour of the proposals embodied in it. This was an improvement on the Commission's

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original attitude on special rights, which Parliament regarded as too narrow.

The resolution formally called upon the Commission to try and persuade the Council to adopt Parliament's proposals.

On 13 April last year, after criticizing the Commission's lack of progress on special rights, the Christian-Democratic and Socialist groups proposed and Parliament agreed that the Commission should complete its work, including that on the resolution of 16 November 1977, by June 1978.

The President of the Commission recognized the justice of the complaints of delay and undertook to tackle the question at the appropriate moment. The President-in-office of the Council in turn promised to put Parliament's criticisms before the Council.

Last October the Round Table conference was held in Florence as the result of a resolution of this House of 13 April 1978. During the Round Table on special rights and with a view to the drafting of a charter of the rights of citizens called for by Parliament in the Bertrand Resolution on European Union on 10 July 1976⁶ with the unanimous adoption of an additional amendment which I proposed, the President-in-office of the Council said that he intended to speed up the work of the working party responsible for the draft on special rights and urged the Commission to get on with its new proposals in the light of the Parliament's decision; he informed me privately that the Council would take a decision on special rights before the end of 1978 and before the German president's term of office expired. 1978 has been left behind but the Council does not appear to have taken any decision on special rights. Nor do we know what proposals, if any, the Commission has submitted to the Council in fulfilment of our resolution of 16 November 1977.

More than four years have elapsed since the Paris Summit took its decision on special rights and so far nothing whatsoever has been done. It is unnecessary for me to stress the seriousness of the Council's attitude, given the difficulties of a situation where hopes raised by the Heads of State and Government of the nine Member States have been dashed by the Council's lack of action. But, in view of the special relationship which exists between the Commission and Parliament, the resentment felt by the group which I represent and by myself as the mover of the resolution on special rights is mainly directed against the Commission because, on account of that relationship, it was the duty of the Commission to act on Parliament's resolution, especially as Commissioner Davignon had spoken at length in support of the proposals in the resolution and heartily endorsed them.

I repeat: fourteen months have gone by since Parliament carried the resolution and we still do not know what

proposals, if any, the Commission submitted to the Council. Four years after the decision of the Paris Summit we have to register a complete blank.

The resolution did not ask for immediate implementation of all the proposals embodied in it; in fact, it expressly stated that they should be introduced in appropriate stages. It was, accordingly, the Commission's job to propose to the Council those measures which do not require lengthy examination before being put into effect and to leave the Council with the political responsibility of deciding whether or not they were acceptable.

The subject is of great importance, politically. The debate on the resolution, on 16 November 1977, was conducted at a very high level because everyone felt that the Community's image was at stake. With the approach of its election by direct suffrage Parliament tried once more, in the vote (and this was expressly stated at the time), to put the European Community in a different light from the one in which it usually appears, that is, in a light which would wipe out the wrong but popular impression that the building of Europe is capable of achieving nothing beyond strictly material objectives.

There is no point in wasting time on recriminations or regret. But I hope against hope that this debate will make the Commission realize the political and psychological importance of the subject and the unfortunate effect of its attitude and that it will try to make up for lost time. I hope and believe that, on the basis of timely and effective decisions on special rights, the Commission will give the electors a fresh incentive to vote for the democratic union of Europe.

President. — I call Mr Davignon.

Mr Davignon, Member of the Commission. — Mr President, I do not know whether it is in my power to mitigate Mr Scelba's disappointment. I should like to try. He is, of course, aware of the importance which the Commission and I myself attach to this question, which directly concerns the citizens of the Community. And I must say that one of the pleasantest assignments I have had to carry out at the Commission was to take part in the discussions I had with the members of the specialist committee on this question before the resolution of November 1977 and, later, the Round Table at Florence which, under his chairmanship, tried to establish how far we had progressed.

In preparation for today's debate I re-read what I said on behalf of the Commission when this resolution was carried and, apart from some improvements in the wording, there is nothing of substance which I should like to withdraw.

On the other hand I should like to explain what has happened in the meantime and, perhaps, clear up a

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certain ambiguity in the use, in connection with a subject like this, of the words 'proposal of the Commission'. Are we, in this case, really doing the same thing as we do every day when, in a clearly defined technical context, we have to make proposals based on the articles of the Treaty and on which the Council must then announce its decision? In the present case, we are obviously in a situation where a great deal depends on political arguments and considerations and on our own basic concept of European union and the Community's contribution to it. I merely want to make it very clear that we have not been idle. The fact that we have not tabled a series of formal proposals does not mean that we have done nothing.

We have to deal with three types of question. First of all, there are the questions relating to what I believe we tend to call, in present-day parlance, fundamental rights and which constituted the first part of the 1977 resolution. We have already referred to them. These questions are also involved in the discussions which were mentioned by Mr Bayerl and which are concerned with the list of citizen's rights we are talking about; we are fully in agreement about them and we are discussing how best to express this in the clearest possible legal terms and give it concrete form without delay. At our meetings we gave joint consideration to the way in which this result could best be achieved. We said at Florence that the Commission would, in a green paper, publish its views on the best way of putting what remains to be done into law, in the knowledge that the Court of Justice has already given certain rulings, without covering the whole ground, and that you have emphasized the value, or the possibility, of the Community associating itself with the Declaration of Human Rights, that is to say, the whole of the operative part of the Strasbourg conventions. Mr Scelba and Mr Bayerl will certainly remember the importance of the statement made in Florence, which fully described the practical benefits which the citizen would receive by the Community's subscribing as such to that legal instrument.

This is an important debate. It is an important subject and, in order to produce a basic consensus among those who represent the people of Europe, in other words, the Parliaments and States, it seems to me that the Commission must set the scene for the discussion by opening the debate. That is what we hope to do. I accept that we have taken longer than we should have liked; this is because the subject-matter was so broad that we had to decide which was the most effective and politically feasible way in which to approach it. I think we are in time because we are opening this debate for you in the context of Parliament's election by direct universal suffrage. That is the first important aspect.

The second important aspect is concerned with the rights which citizens enjoy because they are members of the Community. This is the more specific meaning of special rights, in other words, the additional advantages

which they possess because they are citizens of the Community as well as of their own countries. This was the most important part of our task because it is equally necessary to ensure that the kind of proposal we make has a real effect on the position of the citizen, and is not just an empty show, with no real impact. This is why, in recent months, we concentrated on a subject which is very difficult, complicated but nevertheless essential and that is the right of residence. We realized that we had to choose between drafting an all-embracing definition of a citizen's right of residence and, on the other hand, adding to the existing provisions, that is to say, the directives abolishing restrictions on the movement and residence of Member State nationals and their families within the Community for the purposes of establishment and the provision of services and of giving workers the right to remain on the territory of the Community after working there in paid employment or in a self-employed capacity.

The question was, therefore, one of establishing which categories of citizen did not already possess the right of residence. It seemed to us more practical and likely to expedite matters if we tried to do this and, within a month or less, I shall have the pleasure of submitting a proposal to my colleagues on the Commission which will supplement the existing provisions I have mentioned with new provisions affecting pensioners, people of independent means, those in paid employment or who are self-employed and others who are not covered by the existing provisions. This will fill the gap which exists and, as it involves legislation at national level, will produce a series of provisions which together constitute the citizen's right of residence. That is what I wanted to tell you today, to show that we have not been indifferent or idle.

There are, in addition, a number of provisions under consideration of the Council and in regard to which the Council tends to think that when it disagrees on any point, the Commission should submit fresh ones. We have made proposals about passports but the Council cannot bring itself to accept them. We are no longer prepared to make any additional proposals because they would no longer have any point. One can, of course, always put up a further proposal or suggestion but only until the question arises whether there is any point in taking a decision at all. We take the view that, if we want to work on the basis of decisions which are meaningful and are not just gestures, we cannot make any proposals beyond those already submitted on the subject of passports and the possibility of non-nationals being entitled to participate in municipal or regional elections. Really, this is something on which the States must make up their minds. If a consensus begins to emerge, we shall obviously do what we can to encourage it but we must somehow get out of the present deadlock. However (and here, I think, I am entirely in accord with Mr Scelba and Mr Bayerl), I must add that there is never any point in making suggestions which stray far from reality because then we

Davignon

are involving ourselves with appearances and not with facts.

This, Mr President, is what I had to say on behalf of the Commission. As far as we are concerned this question is part and parcel of the Community's patrimony. The question acquires even greater urgency because in the coming months our people will be preparing to vote for their Parliament, and we shall have to tell them what special rights they enjoy as citizens of the Community. This is why we are acting in the three directions indicated by the 1977 resolution. First come fundamental rights, with the publication of the green book and consideration of the question how to establish these rights in terms of the Community, and thus reinforce the declaration which has been made about democracy. The suggestion which we throw open for discussion here is that the Community shall subscribe to the instruments embodying the European conventions on human rights. The second development is intended to do what still needs to be done to confirm the citizen's right of residence and I gave you the period of time in which we would forward our proposals to the Council and open discussions with Parliament. Thirdly, we are always ready to take part in tripartite talks, in this case between the Commission, the Council and Parliament, in order to clear a number of specific proposals now before the Council ranging from participation in regional elections to the European passport but in discussing which we find it impossible to try and find compromises even less inspiring than those now being considered.

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

Mr Berkhouwer. — (NL) Mr President, in April 1974, Valéry Giscard d'Estaing was elected President of France and in that same year the new French President began to think about action in Europe. That was a welcome development. One of the measures taken was the formation of a body for which there had been no provision in the Treaties — the European Council. The 1974 summit conference was the first European Council to be held in this institutionalized form. What a success it was! We were to have elections and the Heads of State even decided that this Parliament should have more powers — yes, more powers! Not fewer powers or the same powers that we now have — as some of those selfsame Heads of State are now saying — but more powers! We were thus to have European elections and more powers, and in October of that year I had the privilege to meet the French President. I said to him: 'Shouldn't we be doing something about Europe for the man in the street — about the citizen's Europe?' The President answered: 'Yes, that is a good idea — there is something in it.' Mr President, at that European Council meeting in Paris in December 1974 it was decided that we should have elections to the European Parliament, more powers and European Union with the help of the wise man Tindemans. Incidentally we now

have three more wise men and I am afraid that we may not be any the wiser for them because I still ask myself: was Mr Tindemans not a wise man too? He was asked to produce a report on European Union within a year. He did produce his report, early in January 1976, and his wise report has now been dead and buried for some time.

Then we were promised a European passport to which Mr Davignon referred just now and to which I can myself claim some right of authorship although I have seen few practical results as yet. And then there was talk also of special rights for European citizens — special rights for the 250 million men, women and children living in the countries of this Community. But, Mr President, despite all these fine initiatives I still see how far removed we are from the situation which prevailed in the year 212 AD when the Emperor Caracala — a unique and outstanding man — declared that all free men in the Roman Empire would be granted citizen's rights, that they were all citizens of Rome and could defiantly say 'civis Romanus sum.'

Who among us can say today 'I am a citizen of Europe'? Despite the supposed free movement of workers, people still become foreigners again when their permits expire. In many countries you still have to report to the aliens' police to ask for permission to stay in the country where you worked. That is the true situation?

And then the Commission says, through Mr Davignon: 'Yes, it is all a great pity, we have done our bit but the Council is doing nothing and we can do nothing about that.' We held a splendid colloquy in Florence — a city, Mr President, which I am always delighted to visit — and out of Florence came a green book. Not about agriculture this time, but about the rights of European citizens. Not human rights which are an entirely different matter covered by innumerable charters and other documents of the United Nations and the Council of Europe, but the rights of European citizens. What does it mean to the ordinary citizen of Amsterdam, Groningen or Marseille that his country belongs to the European Community and what benefit does he derive from his European citizenship?

That is a question to which we shall very soon have to give an answer if we are to persuade the electors to turn out at the polls for Europe. But people ask me what is there in it for them?

My conclusion is that at the beginning of 1979 we are still at the same stage as we were when the first European Council was held in 1974 and I am indeed curious to see what the next step will be under the guidance of the Commission.

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

Mr Fletcher-Cooke. — Mr President, everybody agrees that one of the difficulties of explaining Europe to the ordinary citizen is that the advantages that he was promised when his country joined the EEC — freedom of movement, freedom of establishment, freedom to pursue his profession, freedom of residence — have not materialized to the degree that he might reasonably have expected. I was sorry for the Commissioner; it is not his fault. The empty seats of the Council's representatives here show where the guilty men are in this matter. They are the ones who should be answering this debate, and I very much sympathized with Mr Davignon when he said that the Commission, having made its proposals, is not going to continually amend them, continually suggest modifications and reductions in their proposals, simply because the Council cannot agree among themselves. I think that is a very proper attitude for the Commission to take.

The position, as Mr Scelba explained to us, is really disgraceful. The right to work wherever he chooses in the Community, the right to initiate and develop new ideas, to free enterprise without any barriers from one State to another and the right for the citizen to travel and trade all over the Community without control and bureaucratic formalities at the frontiers, are the special rights which stem directly from the Treaty, and which the citizen is entitled to expect without any further ado. Of course there are more elaborate special rights: the right to vote in local elections and one or two other matters that have been adumbrated and suggested. Speaking for my group, we proceed on the practical basis of seeking the original rights that were promised in the Treaty first before we proceed to anything else. Let us have the right to residence, whether proclaimed as a fundamental right in a book, or better still, in the pragmatic way in which we proceed, let us have the legal rules which can be appealed to in the court in Luxembourg and which in fact guarantee this fundamental right.

Now, it seems to me that we are not asking very much if we ask that. It seems to me that we are going to be hard-pushed, those of us who are candidates at the coming direct elections, to explain to the people of Europe why they have not already got these rights which are promised in the Treaty, which do not tax the imagination of man to provide, which are not like the new rights which I very much hope one day we shall get — the right to vote in each other's local elections and so on — but which can be given, if the political will is there, without more ado. So I very much support what Mr Scelba said.

On behalf of my group I wish Commissioner Davignon well in his excellent work in this matter, particularly on the right of residence, but I am bound to say I think the behaviour of the Council in not even attending this debate is contemptible.

President. — I call Mr Scelba.

Mr Scelba — (I) Commissioner Davignon has more faith than I have that his statement can be regarded as an adequate reply to my speech. He has avoided the particular ground on which I asked him to reply. He talked to us about 'fundamental rights' which, as Mr Fletcher-Cooke has rightly observed, have nothing to do with the 'special rights' which are the subject of our question.

As we reminded Commissioner Davignon, special rights are the subject of a resolution of this Parliament which evoked his enthusiastic support. So far, nothing in Parliament's resolution has been carried out. Today, Commissioner Davignon informs us that the right of residence has been proposed by the Commission; but even on this we knew nothing. I think the Council and the Commission are amusing themselves by passing the buck: the Commission makes no proposals because the Council won't adopt them and the Council won't adopt them because the Commission doesn't make them. This game does credit to no one.

I should think more highly of the Commission if it conscientiously fulfilled its responsibilities, made its proposals and left the Council with the moral and political responsibility of deciding whether or not to adopt them. This would make the position clear in a way which our citizens could understand. In this way the citizens of the Community would be grateful if at least they knew that, in agreement with a decision of this Parliament, the Commission of the European Communities had formally submitted proposals for the granting of special rights.

Mr Bayerl. — (D) Ladies and gentlemen, I share Mr Scelba's regret that over a period of four years the working party set up by the Council has not yet managed to produce an interim report on the grant of special rights. For politeness' sake I refrain from describing this as a scandal.

However, I am glad that today and earlier, at the Florence symposium on the recognition of special rights, Mr Davignon assured us that the Commission was about to publish a green book containing proposals for better protection of the fundamental rights of the citizens of our Community and to explain (and what is more important) pursue the question under what terms and in what way the Community can and will adhere to the Convention on Human Rights.

I was also glad to hear Mr Davignon say today that the Commission is drafting proposals, which Parliament will receive information about within four weeks, on the basis of which the right of residence, which in some cases still gives rise to discrimination, can be extended for the benefit of the citizens of our Community. I warmly welcome this news. After our unfortunate experience of the time which has been spent on special

Bayerl

rights, I am particularly glad that Mr Davignon said that, even before the direct elections, Parliament will be able to get to work on the proposal which is to be placed before it in four weeks. I am very grateful for that.

President — I call Mr Bayerl.

President. — In view of the direct elections to the European Parliament, it was particularly appropriate that this debate should have been held today and I believe that the Commission should feel called upon to act more quickly and more decisively in this direction.

The debate is closed.

10. Community shipbuilding industry

President. — The next item is the Oral Question with debate (Doc. 536/78), by Mr Müller-Hermann, Mr Blumenfeld, Mr Klepsch, Mr Früh and Mr Aigner, to the Commission:

Subject: Position of the Community shipbuilding industry.

The position of the Community shipbuilding industry is extremely disturbing and the European Community is virtually helpless in the face of the problem. This applies particularly to the fact that the Member States — despite Commission Regulations — have, in response to the difficulties, started a subsidies race which is no longer under the Commission's control.

We would therefore ask the Commission:

1. What is the current position as regards the reduction of capacity in the shipbuilding industry?
2. What is the current state of reorganization as regards
 - (a) future competition in shipbuilding capacity,
 - (b) diversification,
 - (c) guarantees of existing, and/or the creation of new, jobs?
3. How does it ensure that aid measures are concerted within the Community?

I call Mr Müller-Hermann.

Mr Müller-Hermann. — (D) Mr President, we have held a number of debates in this chamber on the situation of the shipbuilding industry in the Community and we have also put forward concrete proposals in a series of reports to the Commission and Council. The situation in the European shipyards has assumed almost catastrophic proportions. This holds good, I believe, for all the yards in all the Member States. It might be noted in passing that it was a bad solution to nationalize the shipyard industry alone. It might almost be said that the nationalized undertakings are facing particularly great difficulties, except that there is always someone to foot the bill for the deficit. There are on the other hand a number of private shipyard undertakings which, thanks, I believe, to their outstanding management, are facing a situation which, although difficult, is still to some extent tolerable.

There are two reasons for the present situation as we all know. Firstly, the fall in demand for new vessels especially because world trade has failed to develop on the scale that would have been desirable; secondly, again as we all know, there is a surplus tanker capacity which is having a depressing effect on the overall capacity level of the world merchant fleets. Nevertheless there is today a growing demand for specialized vessels with a particularly high engineering content, and our shipyards will no doubt have to equip themselves increasingly to build vessels of this kind.

Mr Davignon, in this chamber and in our committees we have discussed the probable capacity requirement for the European shipyards in the year 1980. I do not wish to repeat the different arguments put forward; suffice it to say that there is general agreement that at some time in the 80s the situation of the European yards is likely to improve again because the shipowners will need to renew their fleets and new orders can then be expected. The main question is whether the orders will go to the European yards or elsewhere. At all events, in assessing the situation of the shipyard industry it is important to bear in mind also the situation of the clients, in other words the European shipowners.

The second problem now facing us is, as we all know, the worldwide overcapacity in the shipyards largely, but not entirely, attributable to the enormous increase in capacity in Japan over the past ten years.

There can be little doubt that we shall be compelled to reduce shipbuilding capacity in Europe from its present level. All the Member States are working on this. But this trend obviously also raises complex problems of employment and there is a shared, and it seems to me legitimate, interest in seeing to it that the capacities are only reduced by the margin which is absolutely essential so that sufficient capacity remains to meet the probable demand after the mid 80s.

In this House we have reached a broad consensus to the effect that the reduction of capacities is essentially, or in the first instance, a matter for the undertakings themselves. But since we also know the effect that state measures are liable to have, we have always considered it desirable for concerted action to be taken by the European Community in the form of a concerted plan for rational and reasonable reduction of shipyard capacities; Mr Davignon, that plan exists, and we are thankful for its existence, but the question remains as to what has happened with its practical implementation at the level of the Member States. In this connexion two particularly urgent questions arise.

We all know that the state gives, and must continue to give, aids for an industry undergoing such rapid structural change; these aids are provided in a wide variety of forms. They consist mainly of interest subsidies, capital grants and definite subsidies. The

Müller-Hermann

desire of this House has always been that the Commission should take action to ensure that the Member States do not embark upon cutthroat competition in the shape of ever-increasing subsidies. If we know that we need aids at least for a transitional period to enable the European shipyards to survive until better days, we must at least achieve a measure of coordination of those aids within the Community by setting a limit which must on no account be exceeded.

It is therefore very disturbing to note that there is no such harmonization of aids, but on the contrary competition within the Community and between its Member States in the granting of assistance. Someone said to me a few days ago that it was like walking through a jungle where nobody has a clear picture of what is in fact being done in the different areas.

What plans do you have then, and what experience have you acquired so far? What hope can you give us that there will be harmonization to preclude as far as possible unreasonable measures.

There is a second problem, Mr Davignon, which we have also considered on a number of occasions. We are assuming that the disastrous situation in the shipbuilding industry is due to surplus capacity in the tanker sector. At the same time we know from our practical experience of recent years that some of the world tanker tonnage is made up of vessels which do not comply even with the most basic standards of environmental protection and safety. There are also long term international agreements which have unfortunately not been adequately supported and ratified by the main shipping nations. I see this as a cardinal point for improvement of the situation of the European shipyards. We as a Community with very strong maritime interests must exert greater pressure to see to it that above a certain tonnage tankers which fail to comply with the agreed safety and environmental protection norms are withdrawn from navigation.

Would it not then be possible for the Commission to submit a proposal to the Council for a decision stating that as from a certain date — I would suggest 1 September 1979 — tankers will not be allowed to dock in European ports if they fail to satisfy these internationally agreed safety provisions. I think that this might be an important and effective measure by the Community to attack at long last the tanker problem and I think too that we all agree that employment in the European shipyards will be greatly eased if tankers which fail to comply with these simple but necessary environmental protection and safety conditions are either laid up or refitted on an increasing scale.

I therefore ask the Commission, Mr Davignon, whether it is willing to take an early initiative in this matter which we think would be of considerable value to the European shipyard industry.

President. — I call Mr Davignon.

Mr Davignon, Member of the Commission. — Mr President, the Commission is grateful for Mr Müller-Hermann's question because it enables us to give Parliament some information on this important industry and to assess the situation together.

As several Members are hoping to speak on this subject, I shall try to give very short answers to the two specific questions addressed to me and, with your permission, I shall if necessary come in again at the end of the debate, to complete the picture.

I hardly think it is necessary, at this juncture, to summarize the position once again. The figures are common knowledge and, although we are not in a situation of final crisis, we know that the Community shipyards' share of output, which was 70% in 1955, dropped to 20% in 1977 and that orders, which in 1976 amounted to 2.7 million (allowing for gross upward trend), fell to 1.9 million in 1978, which is a substantial reduction when one bears in mind that, in 1976, production in relation to orders was 5 millions and, according to our estimates, fell to 3.5 millions in 1978. These are obviously the dimensions of a very critical situation indeed.

You will also be aware of the steps taken by the Commission and discussed with Parliament, Mr Prescott's report and the resolution adopted by Parliament. We experienced difficulty in getting the Council to go along with us beyond the stage of diagnosis, and follow a clear and voluntarist course of action to remedy the situation. I now come to the two specific questions on the working of the Fourth Directive on aids and on the Commission's handling of the instruments necessary to ensure that there is a constructive policy and that it is not self-defeating, in other words, that we do not use aid facilities just to compete amongst ourselves for the benefit of third parties.

I think it must be accepted that the Fourth Directive lays down very clearly that production aids which are authorized as anti-crisis measures are subject to a ceiling and that, when granted, they must be used for the purposes of reorganization, in other words, they must create the conditions in which the shipyards can operate properly. It is not enough to grant an aid; it must also be made clear to what use it is being put and how it works.

This must apply not only to production aids but also to shipowners in order to prevent some having preference over others, which would give rise to discrimination in the shipyards of the Community. Obviously, if a shipowner receives aid commensurate with the orders he gives to the yards of his own country, this would be an act of discrimination against the other yards: it would be a typical example of the use of aid as a

Davignon

competitive bargaining counter between one shipyard and another.

The Fourth Directive requires all aid granted to be notified to us pursuant to Articles 4 and 6. The first report will be ready in a few weeks giving an analysis of the aid allocated.

There are two minor respects in which I differ slightly from Mr Müller-Hermann. The first is that we are well aware what subsidies are and how they work: the figures will tell you. Unfortunately, the report is not very detailed because there were few orders. The second point is that the crisis will not be at its height in 1980; it is between 1980 and 1982 that the line of the graph will decline and it will be longer than we originally thought.

This report, in which we deal with the detailed rules for aid and its intended use for reorganization purposes, was prepared for the Member States on the basis of the information we received. With the consent of my colleague, Mr Vouel, I propose to bring it to the notice of the Committee on Economic and Monetary Affairs so that you can have a document giving you detailed information on the way aids are granted.

It is not true, therefore, that the Commission is without the means to promote a voluntarist policy of adjustment and at the same time ensure that it fulfils the purposes I have described and which are also set out both in the resolution of Parliament and in the provisions of the Fourth Directive.

It is clear from the second question that it is impossible to consider the question of shipbuilding without reference to the subject of demand and keeping a balanced relationship between them. We must obviously go into this question with care because it is vital. Before we can say that we shall solve the problem by adopting a measure imposing conditions on the owners of tankers, we must, to be fair, pay regard to the interests of owners as well as of shipbuilders.

When the owners ordered and bought these ships, they thought their legal position was unassailable. If we want to avoid having even more flags of convenience in the Community than we have at present, we must avoid making the Community owners pay for others' losses. This would not help us to reach the goal we are all trying to reach but would have the opposite effect. We shall be having a discussion next week with manufacturers, builders and owners and this will be followed by meetings with union representatives to see if we can work out an improvement in the demand situation, that is to say, stimulate demand and ensure that ships which sail in an unacceptably dangerous condition are removed from service, with all that this implies for our industry. It is on this basis that we shall continue to study in depth the problems created by the super-tankers and which are the subject of legislation in several States.

Here is just one example of how complicated things can be. At one time it was believed that, on safety grounds, it was essential to provide oil or petroleum tankers with a double ballast and that this would be a good thing for the ship-repairing and shipbuilding industries. On further examination it became clear that this was not a good idea because, in actual fact, it prolonged the life of a tanker instead of requiring it to be replaced. This shows how difficult it is to decide on a course of action before studying every angle. So this is what we shall go on doing, with the sense of urgency which the situation in the shipyards demands and with full consciousness of the responsibilities which the Commission must discharge in order to develop a constructive policy including, of course, the element of diversification and concern for social consideration.

Finally we shall continue to use the means at our disposal, especially the Fourth Directive, to ensure that the policy of essential aid is used to encourage reorganization and not to camouflage a situation which in the long run does nobody any good, whether we are thinking of the States, the workers or the Community.

IN THE CHAIR: MR SCOTT-HOPKINS

Vice-President

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

Mr Prescott — I apologise to the House from the outset for I have to leave immediately after speaking, since the bureau of my group is meeting and it is a bit difficult to be in two spots at the same time, but hope to return for the Commissioner's reply. I hope the Commissioner will reply to the debate. I have been involved, as he said, with two reports to this House on shipping and shipbuilding, of which we have stressed the interdependence between shipping, shipbuilding and maritime policy. The last report was in July 1978 on which we made a number of recommendations, to some of which the Commissioner has referred. But what is clear, even from its analysis of six months ago, is that the problems that have created this crisis are exactly the same, and if anything, judging by the analysis now given by the Commissioner, they have deepened. This is one thing which was predicted and easy enough to predict in the existing situation. World trade continues to suffer from further depressions and all the signs are that this will continue, which consequently affects the demands for ships and thereby for shipbuilding; the surplus in shipbuilding has increased; this in turn has had an effect on low freight rates, it has affected ship prices themselves, and this combined with an increase in the number of shipbuilding yards has clearly led to an ever-increasing amount of subsidies, aids and, an important factor, high-cost production now existing in the Community. As we point out in our report, Korea, Brazil, and places like that are the new shipbuilding

Prescott

countries which are undermining the competitive position of Japan, and to that extent therefore the argument that the market price determines the allocation of resources is one that we cannot accept. If we argue on the one hand that we wish to watch the political and economic consequences of policies, as indeed we do with all these plans, we are buying political stability rather than efficiency, and I think that is one factor which should be clear in our minds.

The second point arising immediately from that, is that we have since had a debate on the steel industry, and I have heard voices give forth the view that the steel industry is important because it is the first stage of the production process, namely, our production of steel is important for a whole series of industries. Yes, that is correct, if we apply this argument to steel, because we need to protect it and have more subsidies, and accept a high-cost production, albeit to reach the equilibrium, in the market that the Commissioner refers to, in the future, that I think is a matter that we will soon find put to the test of history and Europe will have to learn to live with high-cost production, and the consequences of protecting its own economies in the way that it has done with steel, by increasing prices. But I ask this House to consider: if you increase minimum prices by 5% as they sought to do on this occasion with steel, then what you do also with these dependent industries, is to increase their cost structure, and yet they are then asked to compete with those industries that produced the cheap steel from which we protect our steel industries. So, frankly, measures agreed in steel only accentuate the very problems that the shipbuilding industry itself has, so you cannot divorce these industries, whatever the Commissioner might mean by the shaking of his head. The fact is that — the Commissioner no doubt will destroy the argument when he . . .

Mr Davignon, Member of the Commission. — It is a factual point, Mr President. Shipbuilding is an exception to the regulation on minimum prices. Minimum prices do not apply to the procurement for shipyards. I am sorry, but I think this was a factual point which was . . .

Mr Prescott. — . . . It is a very powerful point. I would have preferred that it had come at the end. It might have been less clearly exposed than in the introduction to the speech but I have learnt something during the course of this debate. But nevertheless I do think the point is essentially the same about high-cost production in whatever area we are dealing with, and it is the same for shipbuilding. I hope that intervention is not taken off my time, Mr President.

Nevertheless, the point is that we have failed to achieve international agreement in the OECD — and I wonder whether the Commissioner might give us some information on what has happened in Japan since it voluntarily increased its prices with the increase in the

value of the yen, with consequent effect on its competitive position. I wonder whether he might give us some information on that.

Mr President, you have rightly pointed out the time. I shall have to telescope the points and finish on one point to the Commissioner. He has our report. We asked for a number of pieces of information to be provided to this House in order that we may make a proper assessment. He has said he is going to report to our committee. Can I specifically ask him to bear in mind, even if he cannot answer today, that we asked for a breakdown of the capital and current expenditure, which other members referred to? Could he give us an answer in regard to the demand that other funds should be provided to help deal with the regional and social consequences so that these are not a charge on the Regional Fund? But since this institution has doubled the Regional Fund, perhaps he may be able to tell us whether out of the doubling of that Regional Fund he may use that to help in the restructuring of the industry.

Therefore, Mr President, I will end on this one point and say I believe that an industrial strategy is required. I think the Commissioner does also. We have differences. I do not believe one can return to a situation of equilibrium of supply and demand in this situation. We will be producing high-cost units in this case, and we will have to make a decision along the lines I have recommended in report after report. If you can have a high-cost tomato and a high-cost chicken and a high-cost pig in the Community, why can there not be acceptance of a guarantee for our market which means a high-cost ship for the shipowners also?

President. — I call Mr Blumenfeld to speak on behalf of the Christian-Democratic Group (EPP).

Mr Blumenfeld. — (D) Mr President, I think that this discussion has many similarities with the important debate this morning on the situation in the European iron and steel industry; but the situation in the European shipbuilding industry does of course have certain far more specific features because of its links with the general problems of European and world shipping. Moreover a number of European regions and towns are almost entirely dependent on shipbuilding for their employment opportunities, to an extent which is not observed in the case of the steel industry. Tens of thousands of jobs in the European shipyards are now at risk. We fear that the number of unemployed will rise steeply unless measures are taken very rapidly. As previous speakers have pointed out, national aid programmes and subsidies have been current in almost all our countries for a long time but they can at best only provide a short-term remedy and we are of the opinion that in the long run they can only distort competition and even productivity in the shipyards.

We are also aware that in 1982 or 1982 and subsequent years the demand for shipping tonnage will rise again

Blumenfeld

considerably. We therefore have to bridge the gap and seek to alleviate the present hardship, while at the same time putting into effect the necessary restructuring to which Mr Davignon referred; as in the case of the European steel industry we must not only help the big concerns at the cost of the small and efficient medium sized shipyards. On the contrary we must see to it that a broadly based European shipyard industry and shipbuilding capacity can in future stand the pace of competition with the overseas producers to which Mr Prescott referred.

Mr Davignon, my colleague Mr Müller-Hermann has drawn attention to the problem of tanker safety which was also the subject of a debate yesterday. It is my view that the European Community should follow the example of the US Coastguard and should prohibit tankers which do not comply with the specified safety requirements — and these tankers make up a substantial part of the world tanker fleet — from docking in European ports; at the same time we should see to it that repair and refitting facilities are established together with possibilities for new building and utilization of tanker capacities that are idle at present.

A word now to the shipowners. I said that the problem of the shipyard industry is directly related to shipping as such. European shipping is suffering from a very great competitive disadvantage in relation to the flags of convenience and many other shippers operating outside the European Community under other flags. I want to draw the Commissioner's attention to the following problem. Close on 80% of the revenue of the European shippers is earned in US dollars while the costs have to be met almost entirely in national currencies; this results in constant discrimination and losses to the shippers. What is the use of maintaining a healthy European shipyard industry if its customers are no longer able to work? The EC must be placed in a position where it is at long last able to pursue a common shipyard and shipping policy.

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

Mr Baas. — (NL) Mr President, ladies and gentlemen, the question put by Mr Müller-Hermann and others has given us an opportunity to put a supplementary question to the Commissioner on another specific aspect. When questions of this kind are put, I am always struck by the approach of some Members who seem to be fighting rearguard actions at a time when we have already lost the battle. When Mr Davignon says that the real crisis will not set in until the years 1980-81, I think that Mr Prescott is really only distorting the situation further by suggesting that we should place more orders at a particular price, exactly as under our old policy. I want to put a few questions to Mr Davignon: where did the strength of the European shipbuilding industry lie and where does it lie today? Did we ever really have a strong position in the

construction of supertankers? I have the impression that we are crying over spilt milk because we have not had a real foothold in this sector for ten years.

My second question concerns employment in the European shipbuilding industry. How many workers were employed on new building, how many on repairs and refitting and what kinds of ships have we in fact been building? I was reading a proposal for the shipbuilding industry in Western Europe and have the impression that there are still untapped opportunities for the construction of small pleasure boats. It seems in fact that a great many people who have already bought secondary residences — they started with caravans — are now wanting to own a yacht as well. I think it would be far better for us to look towards future openings rather than turning back to things that we never really possessed. Taiwan and other countries may seem particularly well placed at present, but I should like to draw an analogy with the textile industry. Today the textile industry in Korea has reached such a high level of technological development that practically no European country can compete; I think there is a lesson for us here.

My last question — and we can of course go on talking about the Community's industrial policy which never seems to get off the ground — relates to the Council's wait and see attitude: Mr Davignon, what direction do you propose to give to the discussions during the next few months and years? I think it is very important for us to obtain some guidance on the necessity for contraction in this sector and for alternative possibilities. We can of course ask Mr Davignon, and some speakers have already put this question, to look into alternatives but in my whole political career I have seldom seen an administration inventive enough to achieve real results as regards employment. Back in 1950 I sat on the narrow benches of a political body to which I then belonged next to a textile manufacturer who put a direct question to his colleagues: what jobs have you actually created? Perhaps Mr Davignon could give us some guidance on that point in this particular instance.

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

Lord Bessborough. — The question which Mr Müller-Hermann has posed is particularly appropriate since it reminds us that we are still waiting for the Commission to renew its initiatives in this sector. The House will recall that as draftsman for the opinion of the Committee on Budgets which was attached to Mr Prescott's excellent report, I conducted an enquiry among the leading shipbuilding firms to find out their reactions to the Commission's original proposals, in order to ascertain whether they were really feasible. Now the results of our enquiries, as I think the House knows, led us to make critical remarks which my group also supported. In particular we felt that the setting of a

Lord Bessborough

target figure of 4 600 million units of account, was perhaps inopportune. Those were the figures that the Commission considered necessary to provide a real resettlement policy for the industry.

One particular reproach, if I may put it like that, that I made to the Commission, and I agree, as others have agreed in other fields, in other sectors to which Mr Davignon has replied, that the fault does not necessarily lie entirely with him, and it may well lie more with the Member States. But what I felt was that the Commission had failed to take into account measures taken by national governments to deal with the crisis. In Britain, for example, we had passed the Redundancy Payments Act which would have a direct bearing on the costs envisaged by the Commission. Finally, we criticized these figures, for the lack of firm information about the financial costs and about the funds covering them.

A considerable time has elapsed since Parliament gave its opinion, and during that period as Mr Müller-Hermann has said there has been no recovery, on the contrary. Indeed the imminent prospect of enlargement makes action all the more urgent given the strength of the shipbuilding industry in all three applicant countries. Therefore as the Commissioner has very kindly said that he will reply again, I hope he may be able to give us a somewhat fuller account of the action he has taken to follow up Parliament's criticism. I would like to know if he has had already extensive contacts with the shipbuilding industry or are these consultations only to take place next week as he indicated to us? No doubt he has had, I hope he has had, continuing consultations. Has he been able to produce any revised costs for the proposals, and what response has there been from Member States? Has the Council, for example, been examining the Commission's original communication, have they set up their own working group, and could he tell us if he even thinks that there is in the Council a consensus that shipbuilding is a specifically Community priority. If indeed there has been little work within the Council, this is not encouraging for the idea of Community support.

Some Members of course have been sceptical about the idea of any Community support in certain industrial sectors, since some of us have felt that there was perhaps a tendency within the Commission to imagine that any industry in trouble should automatically become the responsibility of the Community rather than look for its salvation nationally. Through this the Community would be taking on vast new responsibilities without the financial and political resources necessary to achieve positive results. This in turn would not help the good name of the Community.

Finally, Mr President, I do not believe that the majority of Members share the view that the Community should do nothing. On the contrary, the whole purpose of Mr

Müller-Hermann's question seems to be to encourage Community action. Nonetheless it does seem to me to make it all the more incumbent upon the Commission to produce well thought-out proposals taking into account each national situation, after consultation with the industry. Therefore I hope the Commissioner may be able to give a few more details about the consultations which he has already undertaken.

President. — I call Mr Porcu.

Mr Porcu. — (F) Mr President, in the case of shipbuilding and shiprepairing, we are, as in the case of iron and steel, dealing with an industry in the course of being wound up and the mass sackings which this involves. Those who put down the question consider the Community to be virtually helpless in the face of the industry's redundant capacity and of the heavy subsidization of their industries by the States. But, on 19 September of this year, the Council of Ministers of the Community adopted the Commission's proposals for the rehabilitation of the industry.

I must say the Commission has shown extraordinary persistence. It closes down a huge amount of production capacity in steel, on the ground of lack of demand, and at one and the same time closes shipyards which are major steel consumer. Why the hell not do the opposite?

Perhaps Mr Davignon is short of ideas. I do not think so. It was a political decision. What the Commission proposes is nothing more nor less than the elimination of one in every two jobs in the industry, which means a loss of at least 70 000 jobs, and another 30 000 jobs which are dependent on the work of the shipyards. We repeat what we have already said in this context: the workers of France, La Ciotat, Terrin, Saint-Nazaire or of Denmark or Great Britain, who are fighting for their jobs and independence, have every right to do so and we are right behind them.

Closing the yards is not the answer. A substantial proportion of Europe's mercantile marine is obsolete — in France there are 153 ships over 15 years old — and should be replaced by new vessels. A reflection of the realistic proposal which we drew up here more than two years ago has just appeared in the comparable renewal programme submitted to the OECD and the leading producer-countries by a study group of shipowners and bankers. The frequency of serious tanker accidents testifies to the need to improve the safety of those ships. The technical considerations referred to just now by Mr Davignon imply that they should be left as they are but this can only create the risk of more accidents with consequent loss of life and widespread pollution. As Mr Müller-Hermann and Mr Blumenfeld said, if, as is to be hoped, the capacity of tankers were restricted to a maximum of 100 000 tonnes and all ocean-going ships were inspected annually, this would increase the demands on the industry. At the same time, something should be done

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about the damage which is caused by the abuse of flags of convenience. In view of the dangers which they involve, we should prohibit these ships from entering our ports unless they are put in a condition which complies with basic Community regulations on the safety of shipping and the competence of crews. It is time we got rid of these malpractices which, as we all know, put money in the pockets of the big companies.

In short, the policy advocated by the Communists is designed to effect a massive improvement in the efficiency of the industry with the active help and co-operation of those working in it. It is what my colleague Jacques Eberhard was already pressing for last July. And despite this, I can see that, apart from the dismissals, nothing has been done at the Commission or in our own countries. There has, of course, been no lack of fine talk. But this cuts no ice, especially at a time when everything is being done to bring Spain, Greece and Portugal into the Community, countries whose shipyards and merchant ships make extensive use of flags of convenience and will make the situation even worse.

That, in brief, is what I had to say on behalf of the French Communists. I apologise in advance to Mr Davignon for being unable to stay and listen to his reply. This is because I must go to Nancy where there is to be a meeting this evening of a fact-finding mission of the French Parliament on the problems of the iron and steel industry. I hope you will excuse my absence.

President. — I call Mr Spinelli.

Mr Spinelli. — (I) Mr President, I am not going to dwell on the problems of the shipbuilding industry because enough has been said already and, if I am not mistaken, we shall be returning to the subject fairly soon. I must say that, listening to Commissioner Davignon, I was rather surprised that, when he told us about the various steps taken by the Commission, he forgot to mention a course of action which, if it had been followed, would in my view have been very helpful. I refer to a draft regulation submitted by the Commission on the use of funds to help industries in a state of crisis by promoting their reorganization and redevelopment. The explanatory statement expressly mentioned shipbuilding as one of the industries concerned.

We shall be able to return to the subject when we consider the draft regulation but I should be glad if, in his reply, Commissioner Davignon would tell us whether he contemplates action on a substantial scale, with adequate means, and has arranged for an estimate to be made of the Community resources required for this redevelopment and reorganization work or whether he merely wants some token figures on a balance-sheet. The importance of this question is increased by the fact that Commissioner Davignon himself has, quite correctly, told us that the shipyard crisis will not be

over this year but will be with us for the next two years. It is over that period of time, therefore, that we should be preparing to act.

But the Community will succeed in promoting the work of reconstruction, redevelopment and reorganization to the extent that it is also able to exercise some control over what is to be done; otherwise, all it can do is to make recommendations and say to the Member States 'Allocate aids on this or that basis', even though we know very well from experience that it is impossible to prescribe the real use to be made of those national aids which, under various guises, prop up the existing structures.

This is a matter of some importance because the situation in the shipbuilding industry is so serious that reorganization measures cannot improve matters very much. The problem could be largely resolved through redevelopment, the creation of other jobs, perhaps a pool of reserves, because we must not forget that the technical processes used in the shipyards are pretty flexible as the ship is the real factory and, when there is no ship on the stocks, it does not cost much to maintain the working areas, even when they are not in use.

The essential thing, therefore, is to have some form of artificial respiration, apart from the unemployment subsidy, which makes it possible for other kinds of work to be done while the shipyards are short of orders and until a fresh start can be made on building ships at a later date. For when (and if) shipbuilding starts again, it will obviously not be due to a protective measure of one kind or another but to the fact that an upturn in the economy has brought with it an increase in the demand for ships.

I should like to make one further and final comment and it is that the situation ought not to be over-dramatized or an impression created that it is a question of ruin or bankruptcy when in fact the situation can be saved.

If one compares the European shipbuilding industry's share of production in the Sixties compared with that in 1974 to 1975, not to mention the last two years of more acute crisis, it is undeniable that there was a sharp drop. However, we must not forget that we are talking about a drop in percentage which was caused by the heavy increase in the number of tankers built in Japan. As a matter of fact, in absolute terms, the output of European shipyards in this period went up, not down.

Although the crisis we are passing through is one of organization it undoubtedly has all the characteristics of an economic cycle for which the remedy is not resignation to a more or less prolonged period of unemployment but a policy of active redevelopment.

President. — I call Mr Davignon.

Mr Davignon, Member of the Commission. (F) — Mr President, I wish to thank all the speakers in this debate who have helped the Commission in its work. I want, if I may, to assure Lord Bessborough that things have not remained stagnant since the time when Parliament debated Mr Prescott's report and I well remember his speech about the uncertainties of the Committee on Budgets regarding several of our suggestions. I note with a little regret that the speech I made at the time, in which I pointed out that we were not proposing a quantified reduction but said that certain measures were needed to supplement the study made by the AOS of the prospects for the shipbuilding industry, was perhaps not fully understood. I wanted to highlight what would happen if we took no action at all, but I should be terribly disappointed if Lord Bessborough — like Mr Porcu — tried to show that the Commission has as its objective something which it in fact wishes at all costs to avoid. I cannot make the same point to Mr Porcu since he is not with us now, but I cannot resist the temptation of stating that the Commission certainly cannot afford to paint a distorted picture of reality and then try to make somebody else responsible for the consequences of its mistaken view.

There can be no doubt that the situation in our shipyards is indeed difficult; I must apologize to Mr Spinelli for stressing this point, but it is the fall in orders and not the figure for current production which is the significant factor here, since current production merely reflects orders booked in previous years. The drama of European industry — here I agree with Mr Spinelli — is that it is afraid to face squarely up to the truth or when it does see the truth it remains petrified and stunned into inaction.

The Commission's aim is to show that despite the difficulties we must not dramatize the situation; it is still possible for us to win through. That is the Commission's objective.

We want to restore a measure of ambition to the industry because I cannot accept that we are structurally incapable of doing as well in Europe as other industrialized countries such as Japan and the United States: to accept that supposition would be to shirk our responsibilities.

In answer to Mr Baas, I would say that we do have strong points in the shipbuilding industry but that those strong points are not to be found in areas where added value is low. Why have we in fact been able to sell ordinary ships, tankers and cargo carriers? Quite simply because there was a short period during which outside shipyards were unable to deliver vessels that they could build cheaper than us; shipowners therefore had to place orders at higher prices. The great failing was that we did not realize that this was merely a conjunctural situation and thought on the contrary that it could last.

As regards added value, Mr Müller-Hermann and Mr Blumenfeld made the point that in the case of vessels for a number of specialized activities with a high added value content, our shipyards do the final work on vessels partially built elsewhere. There are factors here which enable us to look to the future with some confidence. This implies better utilization of subcontracting, better cooperation in technological development and the use of both large and medium-sized shipyards. There is a need here for a detailed study and hope for the future remains.

Turning now to Mr Prescott, I neither agree nor disagree with him. It is true that we are looking into the maintenance of an industry under generally unfavourable conditions but we cannot at the same time say — as Lord Bessborough realizes — that we are faced with a choice where, after noting that the progress which is so necessary must be coordinated at Community level, we shall have aid levels that are totally useless if we grant aid of 10% simply because our neighbours have already done so; we shall then all have spent 10% with no economic and social benefits. Let us all begin 10% lower and use the 10% we have saved for research, social measures and diversification.

This is where Europe has a part to play. After noting that Europe must take immediate action we cannot go on to say that it must not do too much because that is liable to place us in an embarrassing situation. This is a situation in which you cannot want one thing and its opposite at one and the same time.

Mr Spinelli, I did not make the point in my first statement because I was not asked about an instrument of industrial policy which would enable us to promote new industrial actions. But it is true that the Council of Ministers, acting on the basis of industrial proposals put forward by us for the shipyards, adopted a resolution encouraging us on these lines. However, when it comes to practical action and financing from Article 375 of the Budget, the Council shows extreme reticence. In this respect I should like to clear the air with Parliament which did not support the Commission in respect of the budgetary entry to promote industrial diversification. In the proposals made by us, despite the favourable opinion of the Committee on Economic and Monetary Affairs, the Committee on Budgets failed to take up the proposed amendments. I intend to try to clarify the situation with both those committees for next year's budget, because you cannot maintain that there is no justification for the Commission to propose policies of industrial adjustment if it does not at the same time adopt a determined approach to diversification; in other words we need the instruments for adaptation and the instruments for diversification. I want to state categorically that the Commission will not take responsibility for any failure here.

The Commission will not take the responsibility of seeming to be the body which points to the need for

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restructuring without at the same time promoting renewal. The Member States cannot hide behind the Commission to evade difficult problems and try to compel the Commission itself to undertake development action. I cannot accept that approach in the steel sector where we have the necessary powers under Article 56 of the ECSC Treaty. I should not like anyone to labour under the illusion that we shall pursue policies of industrial restructuring without accompanying social and diversification policies. That would be quite wrong for the Community.

I come now to the measures needed to remedy the causes of this loss of competitiveness on the one hand and to provide access to the markets on the other. I am very sorry that Mr Porcu is not now with us because I could have explained to him in detail all the reasons for which the Community fleets have lost a share of the market to Soviet and Polish vessels; those countries have developed dumping policies in respect of the market and shipping lines and their policies are posing a real problem to us. I think that this must give us reason to reflect on the problem in depth but we must also decide whether we are willing to accept the consequences of our ideas.

In the Commission's communication on the shipbuilding sector which was the point of departure for one of Mr Prescott's reports we indicated the link with maritime policy and flags of convenience. But I cannot agree, Mr Blumenfeld, that we must prohibit entry to our ports to vessels flying flags of convenience on which the working conditions do not comply with our own rules. It is not in fact for us to fix the rules because we are at one and the same time judges and parties in the case. We shall therefore base our action on a series of basic ILO rules which do provide us with certain weapons. There are also a number of international conventions. But then the port authorities complain that we are causing them to lose revenue from the provision of services if we stop vessels from entering their waters. I do not maintain that this is in itself a reason for refraining from such prohibition and you did not even propose this (you spoke of tankers); all I am saying is that this must be part of the general discussion. This means that we always have a responsibility to consider the repercussions of events on the region directly affected. That is one of our main difficulties. Lord Bessborough and Mr Blumenfeld stressed that the regions in which the shipyards facing difficulties are situated are often those where diversification is the most difficult.

This brings me back to Mr Prescott's point: we must hold out for some time in order to overcome a difficult period. Let there be no doubt about it: the scale of the problem is that in 1976 world production was 24 million gross BRT. Despite all the efforts we can make in respect of demand, we do not think that we can legitimately expect a corresponding figure much higher than 17 or 18 million BRT; this means that there is a

real difficulty. Under these circumstances we have undertaken with the representatives of the Member States a number of studies of the devaluation of the market and of the need to implement a number of concrete measures. To put it in a nutshell, I should like to say that if Parliament wants to help us in our action, it is imperative for it to take up two specific positions: the first is a reminder that there can be no genuine concerted action at Community level unless it affects the situation as a whole, i.e. diversification and social measures as well as the problem of restructuring as such.

The second is that we could study, jointly with the responsible committees of Parliament, the problems of the implications of shipbuilding and demand, i.e. ideas relating to a programme for the scrapping of some vessels and the construction of others — a scrap and build programme — together with problems touching on the security of navigation both in social terms and in terms of the quality of the vessels concerned. This goes rather beyond the question of tankers as such but I think it is a matter with which we shall have to deal; in this context we shall have to exert strong pressure on the Member States to enable us to develop a policy of this kind since for the most part responsibility for industrial policy and responsibility for maritime policy come under different authorities. It is already difficult to coordinate policies at national level — how much more difficult will it then be to coordinate on a Communitywide basis policies which are not even coordinated in the individual countries.

But I think it is essential for a number of deadlines to be fixed so that the Commission, shouldering its responsibilities, can specify its positions; we shall try to give Lord Bessborough and Mr Prescott the breakdown of costs and figures which they have requested. We are beginning to gain some approximate ideas through the studies we have undertaken but I can assure you that it is extremely difficult to know what is going on. It is not difficult to obtain figures but I do not wish to take the responsibility for the Commission merely acting as a mailbox for statistics forwarded to us; I want to check the accuracy of the figures and that is no easy task in a time of crisis.

This seems to me to be the first important element because until we have developed this form of action we shall not succeed in our external policy. We initially obtained a 5% price increase from Japan; the Japanese found that there was no way of pursuing a concerted policy with the Community in respect of our export prices and external sales of vessels; they therefore discontinued this action and we are experiencing difficulties in international negotiations because the content of our internal policy is not clear enough. What is the Commission doing in this situation? The Commission is beginning with stringent application of the fourth directive on aids to ensure discipline and links with restructuring. All the difficulties we are

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having with the Member States simply go to show that we are setting about our work seriously.

The second element is that we must continue detailed practical work on ways of improving the situation of the shipyards; we do not want to find ourselves in a position where there is no improvement in the industrial installations but merely staff redundancies. Staff reductions have never in themselves been a restructuring measure and we shall have to study this matter in more detail.

A third factor, namely ways of influencing demand and the underlying factors that affect demand, seems to me to warrant priority on the lines indicated by Mr Müller-Hermann and Mr Blumenfeld. In the context of our consultations with industry which, Lord Bessborough, are permanent, I merely mentioned a joint meeting between the shipowners and builders and not the permanent contacts which we maintain with them as we do with the unions who for obvious reasons must also know the exact situation and ways of facing up to it. These are matters which need discussion and I very much hope that we shall have an overall debate on this matter, perhaps in the Committee on Economic and Monetary Affairs, to enable the external aspect, the budgetary issues and the maritime problem to be discussed at one and the same time so that we can have an overview of this difficult problem.

I hope to have shown that the Commission, without wishing to hide the complexity and difficulty of the problems facing us is convinced that we cannot overcome it overnight but that by working together and developing a number of additional concrete measures, it is possible for us to be better placed to face the difficult years that lie ahead. That is our immediate objective. That is where our priority lies. We need the Parliament to help us to explain our aims and to bring the governments squarely in face of their responsibilities, because, as I said just now, we do not propose to make this difficult diagnosis without at the same time participating in the positive measures that would render it bearable to the European public and to opinion among the persons directly affected by the crisis in the areas concerned.

President. — I call Mr Müller-Hermann.

Mr Müller-Hermann. — (D) Mr President, I just want to return to one point on which Mr Davignon's answer does not entirely satisfy me.

I refer to the docking of tankers in European ports. I do not think that we are entitled to split hairs about the working conditions on a ship and the extent to which it conforms to environmental and safety provisions. Even in a foreign port the ship remains the territory of the country whose flag it flies. We are not really competent to determine the working conditions which prevail on

it. Those conditions must be governed by international rules. But as far as the safety and environmental provisions are concerned we have a fundamental interest since our own countries and harbours are involved, I do not see why we should not be able to follow the example already set by the Americans in this area.

As you can see, Mr Davignon, our debate today on the shipbuilding industry has not brought anything much that we did not know already. That is not meant as a criticism because the situation is indeed difficult and there are no patent remedies. The one thing that we have not really tried, and which does offer a possibility for improving the situation of our shipyard industry, is the application of a worldwide agreement which is not yet in force. And since we are a region with strong maritime interests — and in which others also have such interests — I see here a real chance for progress, if only on a modest scale, towards an improvement of the situation; I would therefore urge you in the strongest possible terms, Mr Davignon, to include this subject in your discussions next week and to work towards a decision calling upon the Council of Ministers to adopt a corresponding regulation.

I personally am convinced, without any illusions on the matter, that we have a genuine additional chance here to improve the situation of the Community shipping industry. We must resolve to take bold action which merely corresponds to what the Americans are already doing.

President. — I call Mr Davignon.

Mr Davignon, Member of the Commission. — (F) Mr President, it is difficult to be at one and the same time clear and complete. When I referred just now to all the things that we have to do, I did not suggest that we proposed to take no action until we could handle all the matters simultaneously. One specific, practical suggestion has been made today in respect of tankers; we shall look into it and examine its advantages and drawbacks.

I simply wanted to point out that in the shipbuilding sector nothing is simple and we must recognize that a number of medium-sized tankers which meet all the safety requirements are at present laid up in the ports; they can be taken out of their mothballs but that will not bring any benefit to the shipyards.

The second factor is that some ports have been built solely to handle the supertankers. What is to become of them?

There are therefore a number of practical and specific points to consider. I favour the suggestions made by Mr Müller-Hermann. I feel bound to state that we shall study the various aspects of his proposal in a positive and active spirit in the committee responsible, because,

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as Mr Müller-Hermann said, there is a positive aspect to this complex matter which needs to be viewed as a whole. Our situation is not identical to that of the Americans because the Americans themselves produce a great deal of oil which means that they are much better placed than we are.

All these elements represent steps towards active participation by the Community in the solution of its own problems. We shall discuss them in detail and seek a conclusion; Parliament can count on the Commission and on me to work actively to that end.

President. — The debate is closed.

11. Draft treaties amending the Treaties establishing

President. — The next item is the report (Doc. 498/78) drawn up by Mr Krieg, on behalf of the Legal Affairs Committee, on

the proposals from the Commission to the Council (Doc. 290/76) for

- I. a draft Treaty amending the Treaties establishing the European Communities so as to permit the adoption of common rules on the protection under criminal law of the financial interests of the Communities and the prosecution of infringements of the provisions of those Treaties;
- II. a draft Treaty amending the Treaty establishing a Single Council and a Single Commission of the European Communities so as to permit the adoption of common rules on the liability and protection under criminal law of officials and other servants of the European Communities.

I call Mr Riz who is deputizing for Mr Krieg.

Mr Riz, deputy rapporteur. — (I) Mr President, in August 1976 the Council consulted the European Parliament on the following two proposals from the Commission of the European Communities: first, a draft treaty amending the Treaties establishing the European Communities so as to permit the adoption of common rules on the protection under criminal law of the financial interests of the Communities and the prosecution of infringements of the provisions of those Treaties, and, second, a draft treaty amending the Treaty establishing a Single Council and a Single Commission of the European Communities so as to permit the adoption of common rules on the liability and protection under criminal law of officials and other servants of the European Communities.

These proposals were referred to the Legal Affairs Committee in September 1976 and, in the same month, it appointed Mr Krieg rapporteur. A first exchange of views took place during the committee meetings of 20 and 21 September 1977. At its meeting of 17 and 18 April 1978 the committee examined the proposals on the basis of the Notice to Members No 29/77. On 23

June 1978 it examined a working document prepared by the rapporteur and on 24 November 1978 it adopted the motion for a resolution by 12 votes in favour with 2 abstentions. The Legal Affairs Committee is now submitting that resolution to the European Parliament.

In brief, and in accordance with the wishes of the Chairman, it can be stated that these proposals are designed to amend the Community Treaties. They would result in an extension of the area of application of the national criminal laws. The aim here is to enable infringements of Community statutory provisions to be prosecuted. Those infringements can be divided into four groups: actions which infringe provisions of Community law, e.g. failure on the part of manufacturers to comply with health standards. Then there is the category of criminal financial acts to the detriment of Community funds, e.g. acts of fraud. The third category covers criminal acts by Community officials in the performance of their duties and the fourth criminal acts committed against Community officials in the performance of their duties.

The proposals are intended to close certain gaps in the matter of judicial competence; the existing gaps have sometimes made criminal proceedings impossible or at least extremely difficult. The cases to which the proposals relate are relatively infrequent but the proposals are no less important for that, since they close gaps in the law thus contributing to greater legal certainty and enabling effective criminal proceedings to be instituted against persons who have infringed Community law. Such proceedings are politically desirable. Adoption of these proposals would be the first step towards a Community criminal legal order, in other words towards a Community system of criminal law. In the present state of integration, the creation of a completely new Community system of criminal law does not really seem feasible. It is therefore necessary to resort to the provisions of national law. In this motion for a resolution the Legal Affairs Committee has stressed the need for effective implementation of Community law; we have accepted the proposed system but — and this must be stressed — with a number of amendments. The principal amendments can be summarized as follows: the proposals must ensure that penalties imposed by a different Member State from that in which the criminal act was committed do not go beyond the penalties permitted in the latter State. The purpose of this amendment is to avoid injustices in the sense of different treatment of identical cases. In the second proposal which relates to officials, we also want all references to the country of origin of the official to be deleted. The purpose of this amendment is to avoid differing treatment of officials by reason of their nationality.

President. — I call Mr de Gaay Fortman to speak on behalf of the Christian-Democratic Group (EPP).

Mr de Gaay Fortman. — (NL) Mr President, may I begin my short intervention in this debate by stating that the document submitted to us by Mr Krieg is an excellent report. My group greatly appreciates the clear manner in which the rapporteur has expounded the problems and explained his proposals for improvements.¹

The problem which we are now considering relates to the effectiveness of the Community legal order. It relates to serious offences by individuals, to fraud and falsification to the financial detriment of the Community. In the case of Community officials it extends to breaches of secrecy, acceptance of bribes and falsifications of documents. Infringements by citizens of the Community legal order are at present punishable in only two of the Member States. Offences by Community officials are not punishable in any of the Member States. The question now arises as to whether this situation should be remedied by direct Community criminal law.

In the context of our Treaties this is the most attractive solution, but it is also one which presents great practical difficulties. Firstly, the Community is a legal entity and functions as such but it is still not a legal entity *sui generis*. The question now is whether the Treaties permit the creation of a Community criminal law. If that question is answered in the affirmative, problems then arise in respect of the detection, prosecution and correction of the criminal acts at issue. It is quite obvious that the introduction of directly applicable Community criminal law would be a long process — one which is too long at present.

Moreover when attempts are made to approximate the laws of different countries, it transpires in practice that criminal law presents the greatest difficulties.

Since 1948 the three Benelux countries have had their own joint machinery for the unification of statutory provisions but practical experience has shown that the laws are most difficult to harmonize in the area of criminal offences.

What solution has the Commission adopted? National criminal law remains the point of departure for the punishment of criminal offences. The Commission is proposing to supplement the Treaties establishing the Communities by amending treaties and accompanying protocols pursuant to Article 236 of the EEC Treaty; it is also proposing to adjust the corresponding articles in the two other Treaties. National criminal law will be supplemented as a result and embodied in the Community legal order. As regards criminal acts committed by citizens, this will be effected by two legal means: extradition, a long-standing but also very time-consuming means of action, and a more modern legal instrument which has proved much more easily applicable, namely the transfer of proceedings from the country normally entitled to institute them to a second country which can better take effective action in the individual case.

Precisely because the aim here is to embody national criminal law in the Community legal order, the transfer of proceedings is a more effective means of repression than extradition. The Legal Affairs Committee is, however, proposing that it should be impossible for the country which takes the proceedings to impose a heavier penalty than the country which asks for those proceedings to be instituted; this will prevent legal uncertainty. That is a logical consequence of the choice of recourse to national criminal law for the repression of these offences.

Finally, a word about the proposed provisions in respect of offences by officials. The second treaty now before us, together with the accompanying protocols, equates financial offences by European officials with similar offences by national officials in national law.

It is of course clear that national statutory provisions differ in this area. However, that difficulty is overcome in the proposal in that the judge in the country in which the punishable offence was committed is treated as the *forum jurisdictionis*. Having regard to the practical situation of Community officials, this in effect means that the majority of punishable offences committed by Community officials would be prosecuted in one Community country. There will therefore be uniform jurisprudence in most instances. Secondly, when cases involving European officials arise, other national judges will be able to take account of the practical jurisprudence of the courts in the country to which I just referred.

Paragraph 8 of the resolution refers to discriminatory treatment of officials because the basis of the regulation remains national criminal law and national criminal law differs from one Member State to another. Mr President, the word 'discrimination' is somewhat pejorative and is rather severe in this particular case. I would prefer to speak of differences which may arise and which are inevitable in the present situation but must be remedied as quickly as possible. In my view, this could be done by working on a treaty between the Member States containing a uniform law on offences by officials of the kind with which we are concerned here. Care must be taken to ensure — and we have extremely capable lawyers to see to this — that this uniform law forms part of the Community legal order, as is the case with these treaties and protocols. The serious nature of the offences at issue justifies the adoption of the proposed provisions supplemented and amended in the manner suggested by the Legal Affairs Committee. Fortunately enough, offences of this kind are not at all frequent.

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

Mr Fletcher-Cooke. — Mr President, this is the second occasion in quite a short period on which this Parliament, following the Commission's lead, has

Fletcher-Cooke

recommended alterations in what may be broadly, though wrongly, called extradition proceedings. The last time this occurred was in connection with terrorist activities. On this occasion we are dealing with a less serious form of crime, but one, nevertheless, which undoubtedly will grow unless we close the holes through which certain rascals have already slipped, in order to see that they do not take advantage of these lacunae. What is being done is important enough to warrant two new treaties, but in fact procedurally it is quite easy to define, as the vice-chairman of the Legal Affairs Committee, Mr Riz, has done.

The only point of substance on which perhaps we have differed from the Commission, is where it is a question of trying one of these accused: whether they should be tried in their country of origin or the country in which the crime occurred. The Legal Affairs Committee came firmly to the conclusion — which I hope will also be that of the House — that it should be the country where the crime occurred, irrespective of the country of origin of the accused. I do not really see how it could operate otherwise. Apart from the fact that I think it is a much more 'Community' procedure to do it that way, and therefore much more desirable, I do not see how it could possibly operate in the case, say, of a conspiracy. Very often in the case of financial fraud, defrauding the Community's resources, there is a conspiracy of two or more persons of different nationalities, but all working in the same agency of the Community.

In the case of conspiracy, how could they be tried in different countries if they happen to be of different countries of origin. It would really be impractical apart from undesirable, and therefore I very much hope that both the Commission and the Council will accept the spirit and substance of the amendment which we have suggested, namely that *prima facie* and normally the trial of all such persons should take place in the country where the fault occurred.

It was said — I am sure with the intention of being helpful — that this might place too great a burden upon Belgium. Since the Commission's chief activities occur in Brussels it might be thought that it would place too great a burden upon the Belgian courts. Well, my experience is that litigation, if not an extremely good form of unrequited export, is an advantage rather a burden on the economy, provided it is well conducted, as it would be in Brussels. At any rate the size of this operation will, we fervently hope, not be so great as to overtax the resources of the Belgian courts. Surely this sort of deportation will be infrequent, and I am quite sure that in Brussels they will be dealt with as firmly and fairly as they would be in any other capital of the Nine.

President. — I call Mr Sieglerschmidt.

Mr Sieglerschmidt. — (D) Mr President, ladies and gentlemen, following the excellent introduction by the

deputy rapporteur and the remarks made by other colleagues and given the fact that we all reached agreement in the Legal Affairs Committee, there is little for me to add to what has already been said. I therefore wish to make only a few observations.

The first is that while I am grateful to the rapporteur for his extremely comprehensive and careful work on the difficult subject of amendment to the Treaties, I must say that, given the importance of this proposal which has already been stressed, it would have been particularly welcome if the Legal Affairs Committee could have completed its work rather more quickly; I imagine that the Commission would share this view.

Secondly, I would stress how important my group thinks it is for this gap to be closed — a gap which, as Mr Fletcher-Cooke has pointed out, is only too readily exploited by miscreants who are generally extremely experienced and skilful at detecting such loopholes.

The third observation is that we have always tried to make the best of proposals such as this, since we have not been able to avoid certain tensions simply because we have been dependent here on differing national legal provisions so that the regulations inevitably fall short of expectations. I do not wish to imply that the proposals should be rejected; quite the contrary, but they are not altogether satisfactory and we must now look towards what the French President, Mr Giscard d'Estaing, has referred to as the creation of a European judicial area — and this will be my last remark — involving the creation of suitable, uniform legal provisions in cases where we wish to institute criminal proceedings. I am well aware of the difficulties. When we consider that a federal state like the United States of America still only has a model penal code and no uniform penal code for the 50 states of the Union, it will be readily apparent how difficult it must be to take coordinated action in the European Community whose Member States have widely varying legal traditions. But, Mr President, I am of the opinion that an examination of this matter can only underline the need for us not to be content with the present state of legal cooperation but to achieve further progress through a series of gradual steps.

President. — I call Mr Davignon.

Mr Davignon, Member of the Commission. — (F) Mr President, we are unanimous in congratulating Mr Krieg on his report and in stressing the quality of the work done by the Legal Affairs Committee.

I am particularly pleased to be able to state that the Commission views sympathetically the various proposals made by the Legal Affairs Committee.

Various suggestions have been made in respect of the form and presentation of the first document and we are able to agree with them. In the case of the second document relating to the responsibility of officials, we

Davignon

had proposed, after consulting the Member States of the Community as we always do before presenting proposals of a legal nature, that the place of origin should be the operative factor rather than the place at which the offence was committed. Our reasons for doing so were perfectly straightforward: there is always a measure of diversity in these cases and we felt that the language and possibility of access to legal assistance of the kind to which the persons concerned were accustomed were factors that needed to be taken into account.

However, our position in this matter is not dogmatic. In our discussions with the Council, we shall put forward Parliament's arguments of which Mr Fletcher-Cooke and Mr de Gaay Fortman reminded us just now. We shall state that we have been convinced by Parliament's arguments so as to push matters forward as fast as possible.

I am not proposing a formal amendment to the text, Mr President, because I think it is prudent for us not to adopt a final position before being aware of the reaction of the Member States; as you have quite rightly pointed out, we are faced with a gap in legislation here.

I am ready to endorse the formula put forward by the Legal Affairs Committee but I should be in a very difficult situation if it transpired that it would hold up our work by six months or even a year at the level of the Member States. In that case I should prefer a second best solution rather than nothing at all; it is a matter of preference and not a question of principle. I subscribe to the solution proposed by Parliament; I do not claim that it is the only possible one but I think we shall be meeting the wishes of the Legal Affairs Committee. In conclusion, we are perfectly satisfied by the motion for a resolution and in our discussions with the Council we shall take up the position which I have indicated.

President. — I call Mr Riz.

Mr Riz, *deputy rapporteur*. — (I) I have nothing to add. I should simply like to draw attention to one point. The Legal Affairs Committee is naturally assuming that the accused would have the right to use his own language even in proceedings before the courts at the place where the offence is committed. All our further observations are based on that assumption and they have in effect been unanimously confirmed again today.

President. — I note that no one else wishes to speak. The motion for a resolution, as it stands, will be put to the vote tomorrow during voting-time.

The debate is closed.

12. Regulation on solar energy

President. — The next item is the report (Doc. 557/78) by Mr Dalyell, on behalf of the Committee on Energy and Research, on the

proposal from the Commission to the Council for a regulation on the implementation in the solar energy sector of Regulation (EEC) No 1302/78 concerning the granting of financial support for projects to exploit alternative energy sources.

I call Mr Brown.

Mr Brown, *deputy rapporteur*. — Mr President, I have first to apologize to the House on behalf of my colleague, Mr Dalyell, who, because of urgent business in the United Kingdom, had to leave today and therefore asked me if I would carry this ball for him. Therefore the House will forgive me if I do not deal with it as fully as one would have liked.

I have to make it clear on behalf of the Committee on Energy and Research that we accept without reservation the aims and objectives laid down in Doc. 433/78 concerning the granting of financial support for projects to exploit alternative energy sources. We really take issue on the use of Regulation (EEC) No 1302/78, of which three particular articles — Articles 3, 6 (2) and 11 — are, we believe on behalf of this House, quite wrong. I will try very briefly to set out for the House the problems as presented to me by Mr Dalyell.

First of all, the Parliament as an institution has limited powers: though it does wield a certain degree of moral influence, we have really only one effective power, which is in the budgetary field, where with the Council it constitutes the budgetary authority. These powers are at present threatened by those sections of Regulation No 1302 to which I have just referred, and it is for this reason that it is suggested that the Parliament might endorse our report as an indication of its unwillingness to accept Regulation (EEC) No 1302/78, on which the Commission's proposal is based.

In order to understand the gravity of the situation, I shall just briefly outline the Commission's proposals. In June 1977, the Parliament was consulted on a Commission proposal (Doc. 158/77) for (i) a regulation on the granting of financial aids to demonstration projects in the field of energy-saving and (ii) a regulation on the granting of financial support for projects to exploit alternative energy sources. I myself at that time submitted, on behalf of the committee, a report which was accepted by the Parliament in November 1977. The Council considered the Commission's proposals and on 12 June 1978 adopted Regulation (EEC) No 1302/78 on the granting of financial support for projects to exploit alternative energy sources. In some important respects this regulation differs from the proposal submitted to it by the Commission which had been the subject of my own report and had been approved by Parliament. Consequently, on 14 July the President of the European Parliament sent a telex to the President of the Council of Ministers requesting the opening of a conciliation

Brown

procedure with regard to this Council regulation and Council Regulation (EEC) No 1303/78. Nearly three months later, on 10 October 1978, the Council replied to the President's telex refusing the conciliation procedure, and the Council maintained that conciliation was at that stage no longer possible as the two regulations in question had been formally adopted by the Council and published in the Official Journal. As the European Parliament was not aware of the Council's intention to change the Commission's draft, it clearly was not in a position to call for any conciliation procedure within the time that permitted.

Article 11 which is the important one as far as we are concerned, most seriously affects the budgetary powers of the European Parliament because it reads as follows:

This regulation shall enter into force following the decision taken by the Commission, or by the Council in the event of an appeal, on the first series of projects in accordance with Article 6 and following the adoption by the Council of a regulation fixing by unanimity the maximum amount of aid to be made available under the relevant implementing regulation and the corresponding project programmes.

Now, Mr President, you will see that the Council, acting unilaterally, is empowered to fix the maximum amount of aid to be made available under the relevant implementing regulations and the corresponding project programmes. Parliament is therefore ignored and it is my understanding — this is a matter of hearsay at present — that the Council is proposing to use Article 11 for these regulations. That is the reason why Mr Dalyell has brought forward this report so that Parliament can support us in objecting to the use of Article 11 and giving notice that we shall be calling for the conciliation procedure.

With regard to solar energy, the Committee on Energy and Research believes that the criteria set out in the Commission proposal are acceptable and agrees that, in the event of successful commercial development of assisted projects, the contractors should be asked to repay the contributions that have been made by the Community.

In conclusion, I must draw the attention of the House to the negative attitude shown by the Council with regard to the budgetary powers of the European Parliament. This will become even more important after next June, when the Parliament will be directly elected. It is our duty to pass on to the new Assembly all the powers which we have already acquired. I believe that in adopting Mr Dalyell's report the House can make it clear to the Council that it will strenuously resist any attempt to undermine the powers of the European Parliament. Consequently, what we in our report are particularly asking the House to do is to approve the report and in particular to take note of paragraph 3 of the motion for a resolution, where we inform the Council of our intention to call for the initiation of the conciliation procedure should the Council attempt to adopt a regulation pursuant to Article 11 of Council

Regulation (EEC) No 1302/78, which would enable it to fix unilaterally the maximum amount of aid to be made available for projects to exploit alternative energy sources.

We have nobody from the Council here, but I hope that a message will be carried to them to let them understand without any shadow of a doubt that if they are indeed pursuing what I have only heard, as it were *en passant*, they are currently doing, this Parliament will tonight make certain that we challenge them right through to the end, that we are refusing to give up the powers that this Parliament has and that the Council had better understand it firmly.

(Applause)

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

Mrs Walz. — *(D)* Mr President, after the remarks by Mr Brown I shall be very brief. His comments were most apposite and fully reflect the views of our own group. We fully endorse the excellent report by Mr Dalyell and consider the proposal made by the Commission in this matter to be appropriate in its substance and objectives. However, like Mr Brown, we are unable to approve of Regulation (EEC) No 1302/78 for the following reasons: firstly, Article 6(2) constitutes an encroachment on the rights of the Commission and secondly a unilateral determination of the maximum amount which corresponds neither to Article 235 nor to the Luxembourg treaties and interferes directly with the budgetary powers of this Parliament. We therefore called upon the President of Parliament to ask for the conciliation procedure to be opened. Three months later the President of the Council — at the time it was the German Minister of Justice, Mr Vogel — replied that conciliation was no longer possible since the regulation had been formally adopted and published in the Official Journal. Now if, as happened in this case, the Council failed to pronounce for three months and is thus responsible for the delay in conciliation, and if in addition the budgetary rights of Parliament are clearly infringed by the unilateral fixing of appropriations, a Minister of Justice and his officials should realize that defective laws and regulations must be corrected by a new version; that is standard practice in our national Parliaments. We are therefore once again asking for a conciliation procedure to be opened in order to safeguard the rights of the Commission, and in particular of Parliament; those rights must not be undermined by sleights of hand on the part of the Council.

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

Mr Cifarelli. — *(I)* Mr President, the Committee on Energy and Research has highlighted a particularly important aspect of this problem. We are not discussing the validity of research into the use of solar energy and

Cifarelli

other alternative energy sources nor are we discussing the results already achieved in this area; what we are in reality discussing is an interpretation on the part of the Council of Parliament's budgetary powers which the Parliament is unable to accept.

Conciliation is automatic when a proposal has budgetary implications. This Parliament already issued a warning to the Council when the basic regulation was adopted in June 1978 and, as we have seen, the reply to our warning came only three months later and consisted in a statement that publication had already been effected in the Official Journal so that it was too late to open a conciliation procedure.

This is a cavalier way of treating our Institution and above all of treating its budgetary powers which must be the cornerstone of the future development of the Community in a manner which we can all approve on the road towards a European Union. The Council must realize that it is essential to amend the basic regulation or alternatively to accept the conciliation procedure.

We fully agree with the suggestions made by the Committee on Energy and Research.

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

Mr Osborn. — Mr President, I am not going to cover the detail which has been adequately presented by Mr Brown on Mr Dalyell's behalf, Mrs Walz and Mr Cifarelli, but behind this there is an urgency in dealing with matters such as this in a much speedier and more effective way. The recent OPEC increase in oil and in consequence petrol prices has once again given rise to the need to search for alternative sources of energy. In principle we are dealing with the problem of pilot projects, capital outlay and the outlay covering operational costs where these experimental pilot projects are more costly than the conventional alternatives.

As an example of this, only a few weeks ago I discussed with the technical director and managers of the British Coal Board, how to interest industry in (a) the manufacture and design of and (b) the operation of fluidized bed fuel combustion. Of course the scale facing the Coal Board is much smaller than the one we are dealing with in the case of solar energy. But the approach to tackling it and the solutions, by promoting commercial exploitation of possible alternatives, are there.

Firstly, the Conservative Group congratulates Mr Brown and Mr Dalyell on the clarity with which the report presents Parliament's complaint about the Council's use of a regulation to impose a limit on expenditure in solar energy research and development. It is unfortunate the Council should have chosen Community support for solar energy as an area in

which to seek, wittingly or unwittingly, to limit Parliament's budgetary control. The Council should reflect on the effect on public opinion of its attitude to the creation of new sources of energy, and equally, in the period before direct elections, of attempting to truncate the budgetary powers of the European Parliament. If the Council has an interest in guiding the Community into the era of more secure energy supplies, and if the Council has an interest in focusing attention on the European Parliament so as to maximize public attention and thus secure a good turnout at the ballot box, the Council should engage Parliament sooner and conciliate if there is a dispute about giving the go-ahead to a particular proposal.

Earlier this year the International Energy Agency reminded Member States that new energy technology relating both to conventional and renewable sources should be developed and applied on an adequate scale, particularly by groups of countries such as the EEC or the Community whose efforts in energy research and development have not increased substantially in recent years. Particular attention is focused on the need for policies and programmes to facilitate the introduction into commercial use of new energy technologies, particularly when new major investment risks are involved. There should also be a greater preparedness to indicate independently conducted national technology activities including those of a major hardware nature.

The Council has chosen to make an issue of the expenditure of 60 million units of account. But we should compare this with the US Department of Energy's appropriations in payment commitments in 1978 and 1979 of 673 and 507 million units of account respectively. This means the American commitment over 2 years is 3 1/2 times the Community's commitment over 5 years. The shadow of an energy shortage begins to cover the whole world. We in this House must take all reasonable steps to encourage and support the harnessing of new sources of energy. Europe as a whole needs to harness these new sources on a wartime footing if we are to maintain sufficient economic life, and if we are to prevent social and economic chaos.

I thank Mr Dalyell and Mr Brown for having tackled this problem so lucidly.

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

Mr Veronesi. — (I) Mr President, we in the Communist Group were unable, for reasons beyond our control, to attend the meeting of the committee responsible when it voted on Mr Dalyell's document; we now wish to take this opportunity to express our full agreement with the resolution and the reasoning which underlies it. We are therefore willing, with all our colleagues and all the other political forces in Parliament, to support the proposed actions.

Veronesi

The last speaker in any debate has the advantage of being able to benefit from the remarks already made by his colleagues and since we have no intention of prolonging the discussion we shall merely put on record our agreement with the more general considerations put forward today. Moreover, during Thursday's sitting we shall be discussing the Commission's new four-year programme and we shall then be able to look at all the problems facing the Community in the energy sector.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, I find myself in a rather difficult position in having to replace my colleague, Mr Brunner, in dealing with this topic. However, I can assure you that when Regulation (EEC) No 1302/78 was adopted in the Council, the Commission entered a reservation. I have had to speak at very short notice and I only have the French text at my disposal; the reservation entered in it states that: the procedure for reaching decisions on the financing of projects provides for an appeal to the Council without any guarantee that a decision will be taken within a limited period which appears to be incompatible with Article 205 (EEC); it also provides for the Council to fix a financial ceiling without participation by the other branch of the budgetary authority in these decisions.

Mr President, that reservation is recorded in the minutes of the Council's meeting and the Commission stands by it. It reminded the Council of it again when the present proposal was submitted to the Council.

The Commission also refused to forward to the Council a proposal indicating a maximum amount of support as provided in Article 11 of Regulation (EEC) No 1302/78.

The text that we are now discussing for the implementation of that article merely indicates — in order to respect the Parliament's budgetary powers — that the aids are to be entered in the general budget and that position is also set down in the answer to Mr Dondelinger's written question No 485/78.

It is therefore apparent, Mr President, that the Commission has the fullest possible understanding of the reservations set down in paragraph 2 of the motion for a resolution submitted by the committee responsible. On the other hand the Commission is unable for formal reasons to follow the rapporteur in his request for the draft regulation to be amended, because the proposed amendments relate to provisions of Regulation (EEC) No 1302/78 which has in fact already been adopted by the Council. The regulation has been published in the

Official Journal and the Commission must now implement it even if, as we have clearly indicated, it does not agree with some of the provisions. There are other bodies in the Community which are responsible for determining the legality of such provisions. Mr President, the Commission has taken note of the fact that the Parliament wishes the conciliation procedure to be opened with the Council on this matter.

President. — I note that no one else wishes to speak.

The motion for a resolution as it stands will be put to the vote tomorrow during voting-time.

The debate is closed.

Urgent procedure

President. — I have received from Mr Bertrand, on behalf of the Political Affairs Committee, a request for consideration by urgent procedure, pursuant to Rule 14 of the Rules of Procedure, of the Cot report on respect of human rights in Iran. The Political Affairs Committee has stated in justification of this request that the situation in Iran has worsened considerably and that it would seem particularly important for the European Parliament to give its views on this question with the utmost urgency. I shall consult Parliament on the urgency of the report, tomorrow, at the beginning of the sitting.

Agenda for next sitting

President. — The next sitting will be held tomorrow, Wednesday 17 January 1979, at 10 a.m. and 3 p.m. with the following agenda:

10 a.m. and afternoon:

- Decision on the urgency of the Cot report.
- Council statement on the work programme for the French presidency, followed by a debate.
- Oral Question without debate to the Council on arrangements for counting the votes in direct elections.
- Mr Pintat's report on the prospects of the enlargement of the Community.
- Mr Amadei's interim report on Community action in the cultural sector.
- Mr Cifarelli's motion for a resolution on refugees from Cambodia, Laos and Vietnam.

*3 p.m. — Question Time**4 p.m. — Voting-time*

The sitting is closed.

(The sitting was closed at 8 p.m.)

ANNEX

*Questions which could not be answered during Question Time, with written answers**Question No 3, by Mrs Squarcialupi*

Subject: Implementation of the action programme on safety and health at work

In its opinion⁽¹⁾ on the draft resolution of the Council of the European Communities on a Community action programme on safety and health at work, the European Parliament urged the Commission to take positive action as soon as possible and propose further measures within the framework of this programme, considering it a matter of urgency that the necessary funds and personnel should be made available at the earliest opportunity.

Can the Commission say how it intends to implement the action programme on safety and health at work, what staff it intends to allocate, what funds it intends to provide and when the programme can start operation?

¹ OJ No C 163, 10. 7. 1978 p. 13.

Answer

On 29 June 1978 the Council adopted a resolution (OJ No C 165, 11 July 1978) on an action programme on safety and health at work. The resolution incorporates fourteen projects that are to be carried out by the end of 1982.

The implementation of these projects will obviously depend on the number of staff available to work on the programme. I am now making the necessary arrangements for the services located in Luxembourg to provide the maximum facilities possible for the implementation of these projects.

The Commission intends to submit a general framework directive early this year laying down principles as regards health and safety at work in relation to major atmospheric pollutants. A further directive on the major causes of accidents in certain industrial activities is also being prepared.

I should also like to make it clear that I intend to have special directives prepared on a number of atmospheric pollutants, including lead, cadmium, asbestos and other carcinogenic substances.

I can assure you that the Commission is prepared to give the programme the attention it deserves so that it will receive due priority, as one of the activities for which I am responsible.

Question No 7, by Mr McDonald

Subject: Australia and the EEC market

What were the particular demands from Australia for access of agricultural products to EEC markets in the framework of GATT, and what arrangements have been negotiated with Australia?

Answer

Australia has demanded concessions, i.e. better access to markets — both in the form of larger quotas and reduced customs tariffs — for all the products (meat, dairy products, grain, fruit and sugar) it exports to the Community. As negotiations are still under way it is not yet possible to say what the outcome will be.

Question No 9, by Mr Brugha

Subject: GATT non-tariff barriers operated by third countries

What is the effect on Community exports of non-tariff barriers operated by third countries which fall within each of the following categories at present being discussed in GATT: customs evaluation, government purchasing, technical standards, safeguard clause and countervailing duties?

Answer

Non-tariff trade barriers are a serious obstacle to Community exports. Their significance has increased in relation to the reductions in tariff barriers to trade agreed upon at various international trade negotiations. For this reason, at the Tokyo Round, the Community was particularly concerned to bring about a satisfactory agreement on non-tariff trade barriers.

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IN THE CHAIR : MR COLOMBO

President

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

President. — The sitting is open.

1. *Approval of minutes*

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

Since there are no comments, the minutes of proceedings are approved.

2. *Welcome*

President. — Ladies and gentlemen, on behalf of Parliament I have great pleasure in welcoming to the official gallery the Turkish Grand National Assembly's delegation to the Joint Parliamentary Committee of the EEC-Turkey Association, led by its chairman, Mr Orhan Vural.

As you are aware, Turkey is going through very difficult times. The Joint Parliamentary Committee will strive to play an active part in updating the EEC-Turkey association ties and in finalizing the details of the emergency measures which are required.

I can assure you that you will have the full cooperation of the European Parliament in this work, and on behalf of Parliament I offer our best wishes for complete success.

(Loud applause)

3. *Decision on urgency*

President. — The next item is the decision on urgency of the Cot report, tabled on behalf of the Political Affairs Committee, on the respect of human rights in Iran (Doc. 547/78).

The reasons supporting the request for urgent debate are annexed to the minutes of yesterday's sitting.

I consult Parliament on the adoption of urgent procedure.

The adoption of urgent procedure is agreed.

In view of the importance of this subject to the Council, I propose that the report be included as the last item, on today's agenda, after the Amadei report. Since there are no objections, that is agreed.

4. *Council statement on the programme of work for the French Presidency
(followed by a debate)*

President. — The next item is the statement by the President-in-Office of the Council on the programme of work for the French Presidency.

I welcome to the House the French Foreign Minister, Mr Jean François-Poncet, whose dedication to the cause of Europe is known to us all.

During the next six months we shall all witness a decisive moment for the future of Europe : the election of the European Parliament by direct universal suffrage. I hope and trust that during this vital period the relations between our institutions will be fruitful and that we shall work more closely together with the aim of reinforcing the prestige of parliamentary democracy in our Community.

(Applause)

With this hope in mind, I call the President-in-Office of the Council to continue the dialogue between this Parliament and the institution he represents.

Mr François-Poncet, President-in-Office of the Council. — *(F)* Mr President, ladies and gentlemen, may I Mr President, thank you for your words of welcome and tell Parliament how honoured I am to assume the Presidency of the Council of the Communities on behalf of France and so initiate with it a dialogue on the programme for the next six months.

These six months will be marked by two events, the election of the European Parliament by universal suffrage and the implementation of the European monetary system, which are important, and no doubt historic, stages in the development of the construction of Europe.

But before going on, I want to pay tribute to your Parliament, whose term of office will come to an end during these six months.

Whatever the importance of the ballot to be held next June, it should not make us forget that the Parliament which you make up is a democratic assembly authentically representing the peoples of Europe brought together in the European Community. The political and moral importance of an election by direct universal suffrage does not alter the nature of an institution which has been playing a key role in the construction of Europe since 1958.

Over these twenty years this Parliament has not only been the echo of immense hopes. It has patiently and studiously contributed to the practical construction of Europe. There is a duty incumbent on all those who, like me, have in various capacities kept track of its work : it is to pay tribute to the dignity and the quality of your debates.

These twenty years have seen a strengthening of relations between the European Parliament and the Council. Participation by the President-in-Office of the Council in the Parliament's sittings, at first occasional, has now become a regular feature. By its replies to questions and participation in debates the Council has maintained with the European Parliament a

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constant dialogue which henceforth is a constituent part of the Community.

All my predecessors, without exception, have welcomed this frank and constructive cooperation. True to their example, and especially that of my immediate predecessor, Mr Genscher, I want us to have an open dialogue, nurtured and marked by the frankness which is an expression of mutual respect and guarantees the solidity of work jointly done.

I intend to exercise this frankness today in referring to certain difficulties which we have recently encountered. Allow me, as a European moved by his new-found responsibility for this great undertaking which he helped to found in his youth, briefly to mention two problems which have arisen in recent months concerning the conciliation and budget procedures.

Firstly I want to reiterate most earnestly the Council's determination fully to apply the conciliation procedure which is designed, in specific cases, to involve the European Parliament in the Council's work. This conciliation ought to inform and sustain the decision-making process. It must not slow it down or block its progress. For that reason I feel that we should make every effort to make practical improvements to the procedure and make every effort to make practical improvements to the procedure and make of it as flexible and efficient an instrument as possible of the dialogue between the institutions, so that we may have a wide ranging dialogue and honest conciliation, after which it is for the Council to take the final decision.

Another field in which difficulties have recently arisen in relations between the European Parliament and the Council is that of the budget.

Mr President, ladies and gentlemen, here we are faced with one of those difficulties which should be neither dramatized nor minimized, one which can be solved only by honest scrutiny of mutual positions and mutual determination to find a solution in conformity with the law which is binding on all, i.e. the Treaties. In a letter to the President of your Parliament my predecessor set out the Council's position on this issue. Today I can affirm that I subscribe wholeheartedly to that position. The Council considers that unless Article 203 of the Treaty of Rome is to become a dead letter the maximum rate cannot be exceeded without an explicit agreement between Parliament and the Council. Some misunderstandings have arisen in this respect, brought about no doubt by the lack of clarity of the texts. Let me express the hope that they will soon be removed. For the major obligation is to refer to the Treaties, which is not to take a narrow view or to reject development; it is to endeavour to preserve the real interests of the construction of Europe and maintain confidence in the task begun. Twenty years of European construction have proved that far from acting as a damper the Treaties are the source of both the strength and the significance of the enterprise.

Mr President, ladies and gentlemen, I wanted to draw your attention first to these questions which concern recent past but which have a bearing on the climate of our relations before moving on to the two major events which I said a few moments ago are of such importance for the construction of Europe.

To begin with, the election of the European Parliament by direct universal suffrage.

Clearly this will be the political event of the European year. It behoves the Member States and the Community institutions to ensure that the importance of this event is duly reflected in public opinion.

The introduction of universal suffrage represents the due completion of the project dear to the founders of the Community from the outset. It will enable the elected European Parliament to exercise its powers with new vigour, with due respect for the prerogatives of the other Community institutions and those of national Parliaments. In the world of today we constitute a privileged example of representative democracy: in all our Member States as in the Community itself universal suffrage is now the common principle, the guiding spirit of discussion and decision. Democracy in the Community does not restrict or interfere with democracy in our States. It extends and enhances it. That is why I spoke of the need to place our action within the framework marked out by the Treaties: through the greater authenticity conferred on it by universal suffrage, Europe must embody the idea of Law which its culture has brought to maturity by centuries of effort and which it must respect at all stages of its construction.

The other important objective of these six months is the implementation of the European monetary system. In the past few years disarray in currencies has profoundly affected the free movement of goods and services in the Community and the normal growth of investment. The establishment of a zone of monetary stability should correct these imbalances and give the Common Market a stable basis once again.

The Presidency is making every effort rapidly to implement the system defined by the European Councils in Bremen and Brussels. You know the reasons which prompted my country to uphold a provisional reservation. In adopting this position France was mindful of the many voices raised in this very chamber calling urgently for the dismantling of the compensatory amounts. Of course such elimination can only be gradual. As regards the existing compensatory amounts, the disparities are too great to be wiped out at a stroke.

But as is stated in the conclusions of the last European Council it is of the essence 'henceforth to avoid the creation of permanent monetary compensatory amounts and progressively to reduce present MCAs in

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order to re-establish the unity of prices of the common agricultural policy'. The European Economic Community is based, as I am sure everyone will agree, on a threefold unity (monetary/industrial/agricultural); if agriculture is excluded from this unity and is the only sector to suffer monetary distortions, the overall balance of the Community will be in jeopardy. I am optimistic that a solution will be found to this problem. You may at any rate rest assured that the Council and its President are doing their utmost.

In implementing the monetary system we must also be concerned with the measures designed to strengthen the economies of the less prosperous Member States. The Council has adopted important measures in this connection, and what is more the Commission has been instructed to submit proposals. The Presidency will ensure that these are examined as soon as they are received. At the same time the Presidency will bend its attention to the measures proposed to strengthen the necessary convergence of the economic policies of the countries participating in the European Monetary System.

Mr President, ladies and gentlemen, I wished at the outset to bring to your attention a number of immediate problems and the two major events which will dominate both the activity of the Community Institutions and the nature of their relations over the coming six month period. Certainly there are no easy answers and we will have to take into account the sensitivities and interests involved so that Europe's continuing progress is built on solid foundations — rather like a rope linking a team of climbers allows those secure footholds to be found on the cliff face which guarantee the safety of the team as a whole.

Now I must broach in turn the questions of internal Community affairs and the Community's external relations.

To take the Community's internal affairs first, and before turning to technical matters, I cannot help thinking, Ladies and Gentlemen, of the men and women who make up our countries and who will not really believe in Europe unless it helps them to satisfy their needs and aspirations. This means that we must together endeavour to achieve an adequate level of economic activity and absorb unemployment.

Five years after the traumatic events of 1973, the economic situation of the Member States has not generally speaking made a satisfactory recovery. Each Member State, albeit to a different degree, is still feeling the effects of that crisis in terms of modest growth rate, high unemployment and inflation or foreign balance of payments disequilibrium. The first priority for Europe is thus to overcome a crisis to which it is indeed more exposed than its principal industrialized partners. This is primarily the responsibility of the individual States without whose efforts

no collective action can hope to succeed. But the Community should aim to second these efforts, to contribute whatever can only be achieved through joint efforts, to make the whole greater than the sum of its parts.

I come now to the various topics and first to the common agricultural policy.

Early this spring, as every year, the Council will set the common agricultural prices, a fundamental factor in the balance of the common agricultural policy and a process which will be seen in a new light this year with the prospect of a return to a unified prices system by the progressive dismantling of compensatory amounts.

When prices are being fixed it is probable that measures will be discussed to restore balance to a number of disrupted markets such as the milk products and starch products sector.

In addition, the Council has before it proposals for the common organization of the markets in potatoes, sheepmeat and alcohol.

We must also not overlook certain measures for harmonization in the veterinary, food and agriculture, and plan-health sectors and in the area of feeding-stuffs.

Moreover it will be necessary to implement and supplement the decisions taken to make agriculture in the Mediterranean regions of the Community sufficiently competitive in the light of the proposals created by the future accession of three new Member States.

While the common agricultural policy constitutes a heritage from the Community's early days and while its immense value must not be under-stated, the efforts which are needed to deal with the climate of serious economic uncertainty in which our peoples live must constitute one of the Community's essential objectives for the future.

Given the difficulties simultaneously besetting the nine Member States and at a time when new initiative to re-establish monetary stability and growth is being launched, the Community must pay special attention to the social aspects of its measures. This will be one of the French Presidency's principal preoccupations.

The social legislation to protect workers' interests must indeed not be regarded as too heavy a burden to be borne by economies which are already in difficulty. On the contrary, these difficulties should inspire fresh social progress at Community level.

Thus we will endeavour to expedite the examination of the dossiers already before the Council, such as those concerning social security for migrant workers, the protection of workers in the event of bankruptcy of the employer and measures for workers in the iron and steel sector.

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The Community has also decided on a programme to assist the employment of young persons. The Presidency will watch over its implementation.

My colleague, Mr Boulin, has already had the opportunity of submitting to the Council, the Commission and both sides of industry new measures designed to improve employment conditions by adjusting working hours. These measures must be taken throughout the Community, since otherwise distortion of competition will ensue; it will probably be advisable to incorporate them in a sectoral approach so as to meet what are mostly specific needs and circumstances. Community measures on shift work, night work, part-time work for women and the employment of young persons might be given study on this basis.

We sincerely hope that the examination of these topics will prove fruitful.

A lasting solution to the problem of unemployment also calls for measures to adapt industrial structures to the new conditions imposed by the world economic order. It is on this basis that the Community has undertaken to tackle the problems affecting the iron and steel industry.

On the internal front, in December of last year the Community renewed such anti-crisis measures as the fixing of minimum prices and guide prices. The Council set itself the task of adopting Community provisions on the channelling of national aid to the iron and steel industry.

However, the adaptation of Europe's economy to the new international order also requires that the problem of energy be resolved.

If there is one sector in which the Community should have made progress in the last five years, then it is the energy sector. The recent increase in the price of petroleum decided on by OPEC confirms its importance and past setbacks and disappointments must not hold us up now. The Presidency will devote particular attention to energy saving and new forms of energy, and to encouraging discussions and work in these fields, and its work on the second four year energy research and development programme and the research and teaching programme in the field of controlled thermonuclear fusion, in which connection the expected success of the JET project could be a resounding confirmation of Europe's lead in this sphere.

I have just referred to a number of sectors in which the Member States wish to harmonize their approaches. Harmonize does not necessarily mean that a common policy must be established. In view of the differences in the employment situation and the level of economic activity in the Member States it is sensible to attempt to align national actions rather than to pour them into a common mould.

Yet our ambition is also to establish common policies wherever that is feasible and desirable.

One area which is most certainly common to all of us by its very nature is the sea. Hence, quite apart from the specific obligations which the Treaties impose upon us in the sphere, the importance of a common fisheries policy.

By taking account of the need to guarantee the protection of species and the legitimate rights of coastal fishermen, we shall during our Presidency make every effort to reach a solution in this important area.

Work on the environment is also continuing apace with regard to atmospheric, water and marine pollution, the monitoring of chemical products and measures to combat noise.

As regards transport, I am aware of and share your desire for further progress towards a common policy.

I come now to the Community external relations. Let me say that, if we want clear evidence that Europe is an entity, it may be found in the increasing approaches made to it from all over the world. There is no area in the world, near or far, rich or poor, organized or not, which does not turn towards Europe and wish, in one way or another, to become its partner.

This attraction is a comfort and — let us face it — a challenge to Europe. It reflects its importance, its influence and the confidence placed in its future. However, it obliges it to strengthen its solidarity and its internal capabilities if its cohesion is not to deteriorate under the weight of its proliferating external ties.

The French Presidency will ensure the continuation of negotiations on the enlargement of the Communities to our three Mediterranean friends which have requested accession.

Negotiations with Greece have almost been completed and the aim of the two parties is that the accession treaty be signed as soon as possible in the first six months of the year.

As regards Portugal, negotiations opened on 17 October last. The Community will carry out with this country the work necessary to achieve a better knowledge of the problems posed by its accession, in order jointly to define the detailed arrangements for integration into the common market which, in view of their respective economic situations will require particular precautions.

Finally, as the Council decided on 19 December, the formal opening of negotiations with Spain will take place on 6 February. On the Community side it will be followed in the months thereafter by detailed discussions to establish the common basis for negotiations.

Each of these sets of negotiations will be conducted pragmatically. Each has its own particular characteristics. Our aim must be to tackle the real problems in the light of their nature and extent.

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We must be realistic because it is obvious that while enlargement has positive economic and social consequences, it is also fraught with difficulties. It is essential that it take place in a manner satisfactory both for the applicant countries and for the Nine. It will be up to the negotiators to reach balanced solutions with each of them. It will also be up to the Community to prepare itself to tackle such new problems as might arise and endeavour to improve and strengthen its rules in sensitive areas such as Mediterranean agriculture.

It is hardly necessary to state that the attention which has to be devoted to the arrangements for enlargement must not allow us to lose sight of the considerable political opportunity represented by the entry of these young democracies, which accession will decisively consolidate and anchor to the democratic Europe of the Communities.

As the Nine have fully assessed these political implications, their answer is clear and unequivocal: everything must be done to ensure that the initiated process develops normally until the three applicant countries enter the Community.

This enlargement will also entail some institutional adjustments.

These are problems regarding which the Presidency for its part places great hopes on the work of the Three Wise men appointed by the European Council in December. Their findings will not be submitted until October, but we will take particular pains to ensure the success of their work.

There is likewise no doubt that the three accessions will not be without consequences for our relations with the Mediterranean countries as a whole. Consideration should be given to this problem as of now and the Council meeting of last Monday discussed the procedure which might be used for dealing with it.

In the same Mediterranean context and in view of the need for Europe to maintain an overall approach, the Presidency will give particular attention to the drafting of negotiating directives to be given to the Commission for the conclusion of a new agreement with Yugoslavia, to which, I would stress, we attach particular importance.

As for our relations with Turkey, and in the context of wider international endeavours to combat the very serious difficulties that country is facing, the agreements which link us to it will probably have to be adapted. We will endeavour to frame an agreement such that this long-standing associate receives from our Community all the aid which it is entitled to expect.

In parallel with enlargement there is a sector of the external relations of the Community to which high political priority should be given and on which the

timetable requires us to concentrate. I am speaking of the close and also unique ties of cooperation entered into upon the entry into force of the Treaty of Rome with a number of African countries and since extended to more than 50 States in Africa, the Caribbean and the Pacific.

This area of application of Community policy in its external relations is important not only for historical reasons and because of the mutual interest Europe and these regions have in cooperating closely. It is also important as an example of relations between North and South. In many respects — free access to markets, system for stabilizing export earnings, amount of money involved — the Lomé Convention would appear to set the pattern for the relations desirable between industrialized countries and the Third World.

While this originality should be preserved and progress to date should be consolidated, consideration should also be given to the possibility of making the necessary refinements to this instrument of cooperation.

In this field it will be the Presidency's aim to bring the negotiations to a successful conclusion during the current six month period: the Ministerial Conference on 21 December held out favourable prospects in this respect. It remains for the technical work to be expedited and for political confirmation to be given to the desire for a successful outcome shared by both the Member States and our ACP partners.

However the Community does not intend to restrict its ambitions as to aid the developing countries to certain regions of the world, even though Europe has special reasons for unique and exemplary association ties with them.

As regards the non-associated developing countries, although it has not been possible to date to adopt the framework Regulation on the financial aid granted to them under the Communities budget, arrangements have nonetheless been made for aid to be provided in practice.

Moreover, upon resumption of this important North-South Dialogue, the Community will have to define a common position for the negotiations on the common fund which are due to continue on 12 March 1979. The Community will also have to adopt a common position for the UNCTAD meeting in Manila from 4 May to 1 June 1979. The Presidency will ensure that the Community position is as generous and open as possible.

As regards commercial policy, the Community will, during the coming weeks, have to take a decision on the conclusion of the GATT negotiations.

It scarcely needs to be restated that the central objective of the Community commercial policy is the desire of the Nine to obviate any risk of a return to protectionism.

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However, I would remind Parliament that the conclusion of the negotiations does not depend on the Community alone. In particular, the United States Congress will have to take an unequivocal decision to renew the waiver on countervailing duties. This decision is currently expected to be taken around April. In course the Council will be required to adopt the relevant texts.

Until then, it will continue to do all in its power to arrive at a balanced agreement in accordance with the requirements of the economic and social situation of the Community.

I hope that once the appropriate bases have been arrived at — and I most sincerely hope they will be — the texts concluding this agreement will and can be submitted to the Council in the near future.

I do not propose here to dwell on certain specific fields, however important they may be, such as textiles. However, I would like to state that the Council is well aware of the developments in industrial countries with economic and social systems different from our own which are seeking to establish ties with the Community.

In this connection, the Presidency will ask the Council to approve as soon as possible a mandate to negotiate with Romania and will closely follow the progress in negotiations with the COMECON Secretariat.

Before concluding I should like, Mr President, briefly to mention the problems of political co-operation, an operation undertaken on the basis of original methods by the Governments of the Nine.

Political cooperation has at present unseen merits.

The particular nature of the procedures involved, which are separate from the Community apparatus, and the necessarily confidential nature of the proceedings often make it a target for critics, who claim that it is a kind of club which is too self-enclosed, too hesitant and too slow in operation. Obviously, a common foreign policy will not be arrived at tomorrow. However, the fact that countries of ancient national traditions consult each other daily, and on practically all subjects, is in itself a considerable step forward. Clearly, therefore, the only successful course of action will be a pragmatic one given that binding rules would ruffle national sovereignty.

The position of political cooperation and the specific nature of its methods must therefore be preserved, although this does not mean that improvements cannot be made in the interests of efficiency and smoother operation. The Presidency will ask its partners to reflect upon this subject.

The Nine will have to attend to numerous subjects during the current six-month term: here, I am thinking, for example, of developments in the Eastern Mediterranean and the Middle East, given their

current importance and their implications for Europe; I would also mention the Conference on Security and Cooperation in Europe, of pre-eminent importance for progress towards détente between East and West, and the question of disarmament, so crucial for the future of humanity.

I should also like to say something about the Euro-Arab Dialogue which has been an exemplary initiative in the sphere of political cooperation.

This enterprise has of course not produced all the results expected. It is, however, more necessary than ever and must be given new impetus. It will be one of the Presidency's objectives to invite its partners to explore ways and means of reviving and strengthening the Dialogue.

Generally speaking, it can be said that political cooperation still has a long way to go in order to become the hoped-for full expression of a European identity. It is, however, an area in which Europe must endeavour to make itself felt on the international scene, not only as a Community of legitimate interests but also as one of shared political and moral values.

Each Presidency is fired with ambitions at the beginning of its term of office. The one which has just commenced is no exception and it will do its utmost to attain the objectives which it has set itself. If these are not achieved, it will be satisfied to have made progress. The important thing, beyond the six-monthly accountings, is that Europe should advance.

A major contribution to progress will be made by the two European Councils in March and June in Paris and Strasbourg respectively: the Council of Heads of State or of Government increasingly appears to be the supreme decision-making body through which fresh steps will be made in the organization of Europe.

Those who attended the birth of Europe and have witnessed over the years its tribulations and its progress will clearly see that it has failed to live up to all its promise. But Europe is alive and is advancing despite the obstacles in its path.

It is our duty to be both ambitious and cautious. It is difficult but necessary to achieve the right mix, as Europe is a complex scheme for the future and an even more fragile reality for the present. I have spoken to you with my head, but I also speak to you with my heart. The aim is the same to live up to those expectations.

An immense task awaits us. The Presidency is aware that it is undertaking this task in a very special context since it is during the next five months that the campaign for the election of the members of your Assembly by direct universal suffrage is to take place. All of you will give testimony in the course of this campaign to your European experience, your European convictions, and your European expectations. The Presidency, together with the Council, has the job of providing you with the substance on which to base

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this testimony so that these expectations become those of the majority of the citizens of our Member States.

(*Applause*)

President. — In view of the order of business which was adopted at the beginning of this part-session, I should like to ask all those who intend to speak to do so in such a way that we may adhere to the timetable which has been set.

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

Mr Fellermaier. — (*D*) Mr President, ladies and gentlemen, what we have just heard was a speech from a convinced and committed European. It was also, however, the speech of an experienced politician, or perhaps I should say, of an experienced diplomat, who is fully acquainted with the snares and pitfalls of European politics. The many such references contained in his speech were there for all to hear, and in this respect parts of his speech were shrouded in diplomatic jargon.

In congratulating you, Mr François-Poncet, on your appointment as the new Foreign Minister of the French Republic and on your first appearance here in the European Parliaments as President-in-Office of the Council, I must say that there is still a lingering suspicion that certain of your comments were intended to soothe the feelings of politicians from various Member States, to whom the further development of the Community and in particular of the European Parliament is a constant pain in the neck — currently rather more so in France than in other Community countries, although these other countries are themselves not entirely free of the symptoms.

France is now taking over the Presidency of the Council of Ministers at a time when the campaign for the forthcoming direct elections is beginning to gather momentum. One question we must approach unemotionally is that of relations between the Council of Ministers and the European Parliament. I shall be coming back to this point later, but I would just say now that the more open the relations of the Council to this House, the less strident will be the public debate in the forthcoming election campaign on the respective roles of Council and Parliament.

No one is going to blame anyone for the delay in the introduction of the European Monetary System, but the Council must accept the blame for failing to spot the pitfalls it had itself laid in connection with the monetary compensatory amounts for agricultural produce. It must accept the blame for waiting until January before starting these Council meetings, only to adjourn them and then convene a tripartite conference of Finance, Agriculture and Foreign Ministers. This preliminary work should really have been done at a time when it was already obvious that it was the declared political aim of the Heads of State and

Government — supported by the political groups in this House — to bring the European Monetary System into force on 1 January. This, Mr President-in-Office, is a criticism I must express quite unequivocally ...

(*Applause*)

Let me now go on to deal with something which you hardly referred to at all, namely the effectiveness and the political significance of the Community's Regional Fund. I would gladly echo your statement to the effect that our major obligation was to refer to the Treaties. But one of the key objectives of the Treaty of Rome is to help to eliminate imbalances within the Community and to give our people the feeling that this Community is not an end in itself, but that it exists in part to create better living conditions — particularly in the disadvantaged regions — and to bring conditions in these regions up to the standards enjoyed by other parts of the Community, particularly the industrialized North.

Let me be quite frank about this, Mr President-in-Office — what we have here is really rather an odd situation. On the one hand, the European Council acknowledges the aims set out in the Treaty of Rome, recognizes the urgent needs and agrees to increase the resources available to the Regional Fund. The decision by the Heads of State and Government to take this step some time ago — was welcomed by the Council of Ministers as a great deed. However, when the European Parliament — in recognition of its responsibility to the people of the Community and in recognition of the increasing regional disparities within the Community, which are becoming more glaringly obvious all the time — then proceeds, in accordance with all the provisions in the Treaties, to increase the Regional Fund's share of the 1979 budget, a rumble of disapproval is promptly heard from the Elysée Palace. Let me quote here from what the French President said in an interview with the *Spiegel*. He said — and I quote — 'There seems to me to be no point in getting bogged down in pointless debates on modifying the powers of the Community institutions'. In reply to the *Spiegel's* question: 'What do you mean by that?', the French President said: 'What I mean is, for instance, the attitude the European Parliament has adopted to the Community budget. It is legally and politically unacceptable.'

Is this not perhaps, Mr President-in-Office, a case of dual standards? The Heads of State and Government were supposedly acting correctly in making these concessions to the Regional Fund, but when this Parliament does the same, doubts are raised as to the legality of our action. Of course, the interpretation of treaties is always a bountiful source of controversy, but I think that when political doubts are raised as to the interpretation, what is needed is a word of clarification — in this case from the Foreign Minister of the French Republic, and this, Sir, I would ask you to provide.

Fellermaier

Let me move on now to the question of the Lomé Convention. I am grateful for your assurance that these negotiations will be brought towards a conclusion in the six months of your presidency. I should like, however, to raise a question which I put to Mr Genscher and to which the Council has so far failed to give a final reply. The Socialist Group thinks it essential that the second Lomé Convention should incorporate, in suitable form, the principle of basic human rights. I would ask you perhaps to deal with this question in your reply to this debate.

You referred then to the question of conciliation between the Council of Ministers and Parliament. Mr Spénale will be dealing with the budgetary aspect of this problem. I should just like to say something in general terms on the conciliation procedure. The Socialist Group welcomes your suggestion that the concept be defined rather more clearly — if you like, developed and delimited simultaneously. What we have at the moment is really rather imperfect because it is not clearly defined, and this being so, there are bound to be conflicts between the Community institutions — particularly between the Council and Parliament. Let me say that we do not want conflict with the Council of Ministers simply for the sake of conflict. But the European Parliament must maintain its self-respect by insisting on full adherence to, and implementation of, the relevant provisions contained in the Treaty. The people of Europe would have little sympathy for a European Parliament which did not make full use of the few rights it does have.

I think therefore that we should perhaps move into a new phase in the conciliation procedure. We are, after all, nowadays applying this procedure to important Community policies, albeit exclusively in ad hoc committees. The composition of these committees varies greatly from case to case on both the Parliament and Council sides. In the interests of continuity — and this is a suggestion I should like to place before the whole House — I think the Council and the House should give some thought as to whether we should not create a standing Conciliation Committee between the Council and Parliament, with a 50-50 membership and of course with the participation of the Commission. This, Mr President-in-Office, would be a clear indication that the Council — in its relations with Parliament — was concerned to create a new spirit of equality in this transitional phase to the directly elected Parliament, as long as the Council remains the sole legislative body under the Treaty of Rome.

As you made some reference to the social sector, let me point out quite clearly what our concerns are in this sphere. We should like to see the legislative process emerge from the dark recesses of the Council of Ministers. Despite all your declared intentions on where you want to provide some impetus in the social sector during your presidency, I should just like to give some indication to the people of Europe — the

same people we shall be asking to turn out and vote in June — how these things work out in practice. After the 526th meeting of the Council on 29 June 1977, the Ministers for Social Affairs issued a press communiqué on the problem of unemployment among young people and how it should be tackled.

The communiqué, Mr President-in-Office, amounted to a grand total of eight lines. In other words, the people of Europe were fobbed off with a mere eight lines on one of the major questions facing us in the European Community.

This is what I meant when I referred to the need to bring the legislative machinery out of the dark recesses of the Council. The case I have just mentioned concerned the specific proposals made for Community aid to improve the employment situation among young people, and it was your government which prevented the Commission's proposal from being put into practice. Do not get me wrong — I do not mean this as an accusation so much as an illustration of the relations between Parliament and the Council. There is no need to modify treaties to improve this situation. All that is needed is for the Council to realize at long last that the people of Europe cannot be adequately informed of the political intentions of the Council of Ministers in eight-line communiqués.

Let me now move on to a subject on which you made no comment at all, namely the power of the multinational companies in the European Community. This concentration of economic power has resulted not only in your own country, but also in other Member States of the Community, in the closure of small and medium-sized businesses. What we Socialists are wondering is why the Council does not have the political courage to finally implement those measures which this House has long been calling for. In 1977 Parliament approved a report drawn up by its Committee on Economic and Monetary Affairs on the principles to be observed by enterprises and governments in their international economic dealings. We called on the Council and the Commission to use this report, which was worked out over a number of years in close collaboration with the American Congress, as a basis for introducing a new phase of regulating the rampant power of multinational companies. I should like to ask you, Mr President-in-Office, in what department and in whose drawer this Parliament document has now come to rest, and this brings me on to another aspect of relations between the Council and Parliament — a critical question which I should like to put to the President of the Commission and to the President-in-Office of the Council, both of whom are here today. The Commission either produces too many proposals or directives and regulations, or it produces them in the conviction that they are all politically justified and necessary.

(Applause)

Fellermaier

Since, however, the Commission goes on producing these proposals — with the support of this House — I just wonder, Mr President-in-Office, why draft regulations and directives are accumulating in ever increasing numbers in the Council's 'pending' tray. I would appeal to the two Presidents here today — with an eye to the wishes of the people of Europe and in view of the fact that we are approaching direct elections — to tell our people at long last why these proposals are simply gathering dust and turning yellow in some drawer. Surely one of the Presidents must be able to find an answer.

(Applause)

... I say this, Mr President-in-Office, because I do not believe that a directly-elected Parliament will be prepared to sit back and accept a situation which even we are not prepared to accept, in which, after our committees have put hours of painstaking work into improving the Commission's proposals, after the Commission has declared its willingness to accept the amendments proposed by Parliament, the whole affair ends with a resounding silence from the Council of Ministers. The Members of this House are bound to wonder why they bother with all their hard work, their expert knowledge, the examination of expert witnesses, the involvement of employers' associations and trade unions in questions of such basic political importance, when all that this finally produces is a pile of mouldering paper. My Group will find it a particular pleasure to have this question answered by the President-in-Office of the Council, who has the historic privilege of presiding over the Council at a time when the results of the direct elections will be announced.

Ladies and gentlemen, in view of the President of Parliament's appeal not to exceed our allotted speaking time, I should just like to raise one more problem which is becoming an increasing burden to the Community, namely the problem of democratic control and democratic powers.

Mr François-Poncet rightly referred in his speech to the fact that the Council's major obligation is to refer to the Treaties. What you said was — and I quote — :

(This) is not to take a narrow view or to reject development; it is to endeavour to preserve the real interests of the Construction of Europe and maintain confidence in the task begun.

At another point in your speech — and I am grateful to you for making this point — you referred to the dignity and quality of your debates. You should perhaps have added that respect for the dignity and quality of our debates should include a determination to accept and respect the political will of this House

more than has hitherto been the case. After all, our debates are an expression of an institution which has been elected by the peoples of Europe...

(Applause)

... indirectly, admittedly, but with a direct mandate from the electorate. You referred at another point to 'respect for the prerogatives of the other institutions'. The Socialist Group has no intention of interfering with the prerogatives of other institutions, but precisely what kind of institution is the European Council, according to the Treaty of Rome?

(Applause)

... What are its powers and in what fields is it competent? Are we not in danger of getting dragged into a kind of dualism, with the Council of Ministers on one side and the European Council on the other side, whereby the normal Councils of Ministers are bound to come off worse in the long run. If the normal Council of Ministers is accountable to anyone at all, it is to this European Parliament. By the same token, the Heads of State and Government are accountable to their national parliaments. However, in view of the different constitutions in force in the Member States of the Community, one must have serious doubts as to the accountability of the Heads of State. I really wonder therefore whether this European Council should not be made subject to parliamentary control, so as to integrate it more closely into the process of democratic government. I do not want to divest the European Council of any of its powers. Nor do I wish to deny that the heavy responsibility resting on the shoulders of the Heads of State and Government often compels them to cut the Gordian knot when it comes to the future development of Europe. But even the Heads of State and Government must realize that democratic control is indispensable. This is why, Mr President-in-Office, the European Council must be made accountable to the parliamentary process.

(Applause)

President. — I call Mr Klepsch to speak on behalf of the Christian-Democratic Group (EPP).

Mr Klepsch. — *(D)* Mr President, ladies and gentlemen, the compliment which the President-in-Office of the Council made to this House for the part it has played in twenty years of work for Europe was music in our ears. All too often, people simply do not realize how relations between the Council and Parliament have developed from more than modest beginnings to a continuing and — in my opinion — fruitful dialogue. It will be up to us to use the remaining months of this Parliament's life to concentrate attention on improving cooperation between the Community institutions. We have pleasure, Mr President-in-Office, in returning this compliment to someone who is known to be a committed European.

Klepsch

But it is precisely because of your reputation that I will not and cannot conceal the sense of regret with which my Group listened to certain parts of your speech. I shall be coming back to this point later.

The major event which will be taking place during the French presidency — and the President-in-Office was in no doubt about its historic significance — will be the direct elections to the European Parliament.

As far as my Group is concerned, these elections represent a decisive step forward towards the institutional development and democratization of the Community. They give us the chance to mobilize the people of Europe for matters of European importance, to improve our peoples' knowledge of European affairs and to awaken a new sense of solidarity. We also firmly believe that the new democratic dimension that these elections will give the Community will give fresh impetus to the currently stagnating process of European unification.

While I am on this point, I should like to reiterate on behalf of my Group that these elections are directly and inseparably linked to the question of the powers of the directly-elected European Parliament. To begin with, we assume that all the powers and all the influence which the present Parliament possesses will be passed on intact to the directly-elected Parliament. Secondly, we must get together to decide in which areas the powers of the national parliaments have passed — both in theory and in practice — to the Community, to what extent the national parliaments have thus been divested of their powers of democratic control and how these powers can be taken over by the directly-elected European Parliament. The point is not for the European Parliament to seek to usurp any of the powers of the national parliaments but to fill an existing gap in the present system of parliamentary control. Not to mince words, our first task must be to make full use of the powers which Parliament already has under the existing treaties, and no one will be able to prevent the directly-elected Parliament from so doing.

I very much welcome Mr François Poncet's confirmation of the fact that the use of the conciliation procedure will continue and be expanded. Let me just say one word on the 1979 budget, which has been passed and is now legally in force. We agree with you that it will not be very productive to exacerbate the current differences of opinion, and my Group will therefore give close consideration to any new proposals which are put forward in a spirit of cooperation for the good of the Community and its people.

The people of Europe will judge the Community by whether or not it succeeds in creating a basis for an economic and social Europe which meets the needs of all its citizens. We therefore welcome the fact that the

French presidency has begun with the declared intention of reinforcing the social aspect of the Community. It was for this reason — to take an example of topical interest — that we have consistently pressed for the European Social Fund to be used for measures designed to aid job creation for young people. I can assure you of the support of my Group whenever it comes to giving the Community more weight in the social sphere.

Mr President, it is now the start of another year and the economic and social situation is still unsatisfactory. Our rate of economic growth remains unsatisfactory, and the unemployment rate is still unacceptably high. But there does seem to be an increasing realization that no country can bring about the desired turnaround on its own, but that what is needed is a concerted Community-wide effort. We regard the European Monetary System as a vital contribution to this Community effort, and this is why my Group not only welcomed the decision to set up the European Monetary System, but tried — even before the decision was taken — to reopen the discussion on economic and monetary union in this House.

We were therefore doubly disappointed, Mr President-in-Office, that the European Monetary System failed to get off the ground on 1 January 1979. It is surely ironic that this failure was due to — of all things — a quarrel involving the two initiators of the system, who had themselves dug in their heels when, in December, the demands of certain other Member States were threatening to delay the introduction of the monetary system. I do not wish to gloss over the problem of the monetary compensatory amounts, but perhaps I may be permitted to make the point that it verges on tragedy when a system that has been fought over tooth and nail and which has eventually seen the light of day in difficult conditions and which, moreover, could really take us one step further towards our goal of European union gets delayed or even jeopardized by what is a comparatively minor, second-rate squabble.

Some countries, such as Italy, have even risked a governmental crisis to take part in the scheme. The problem has clearly existed all along; it is just that Parliament and the public, at least, were less than satisfactorily informed about it. Let us not forget, though, that this is not a matter purely for the French and the Germans, but for the Community as a whole.

We would appeal to the Council not to get bogged down in the question of monetary compensatory amounts, but to adopt a new tack as quickly as possible, so that the introduction of the European Monetary System is not delayed for months on end, with a resultant widespread and growing dissatisfaction with the impotence of the leaders of Europe. When, in the coming weeks and months, we get

Klepsch

down to the details of making the monetary system work, we must not concentrate our attention solely on the technical aspects. Increasing weight must be placed on integrating aspects of economic policy into the overall system, because without more economic convergence within the Community, this system — which has already been pared down since the Bremen meeting of the European Council — cannot possibly function on a lasting basis.

Mr President-in-Office, we realize why you steered clear in your speech of arousing excessive expectations and hopes. You made the point that spectacular initiatives would be out of place in the present situation, and indeed, quite apart from the matters I have already referred to, there is still plenty of work in the Council's 'in' tray. You yourself mentioned some of these problems — fisheries policy, energy policy and transport policy, all of which are sectors in which progress was in the past conspicuous by its absence. There are other areas, such as agricultural policy and social policy, in which a lot remains to be done. In this respect, therefore, we entirely approve of the circumspection of your analysis. What was missing from it was, however, at least an outline of how you intend to go about tackling any of these problems in the coming months.

I am thinking here particularly of the institutional problems which have long been evident, but which will be intensified by the enlargement of the Community. We were looking forward to hearing your thoughts on the urgent need to improve the Community's decision-making process. Unfortunately, you also failed to mention your own President's initiative on the creation of a Community judicial area. Does this mean that this plan is now dead and buried? And what about a number of proposals which could be seen as a sign of solidarity and of a feeling of togetherness among the peoples of Europe? I am thinking here in particular of the introduction of a Community passport and of proposals to increase integration in the European educational system. Does the French Presidency intend to leave these projects as well to gather dust and turn yellow in the Council's 'pending' tray?

Mr President, since Mr François-Poncet is after all the French Foreign Minister, it is surprising how comparatively cursorily he dealt with the foreign policy aspects of his speech. We would have liked to have heard him say a few words on the present world scene and on the questions dealt with at the recent summit meeting on Guadeloupe. On behalf of my Group, I should like to call for the European Community to be represented as a Community in the future wherever world economic problems are up for discussion, so as to avoid the danger of different positions being adopted within the Community on these questions.

The major event in the foreign policy sphere of the Community's first, in the first six months of 1979 will be the continuation and conclusion of the negotiations on the renewal of the Lomé Convention. As a force for integration devoid of expansionist desires, it is up to Europe to support the efforts which are being made to achieve African unity and to develop a policy of cooperation based on the principle of equality between Europe and its African partners, beginning with the ACP countries, which will soon include all the independent states of black Africa united under the terms of the Lomé Convention. Despite the persisting economic crisis, the Community must go beyond simply consolidating the existing convention to meet the most urgent requirements of its partners in Africa, the Caribbean and the Pacific. The new Lomé Convention will be an essential element in the continuing North-South Dialogue. The successful conclusion of the negotiations will be a test of Europe's trustworthiness in the forthcoming worldwide negotiations, beginning with the 5th UNCTAD meeting in Manila and the extraordinary plenary session of the United Nations at the beginning of 1980. May I say in conclusion, Mr President-in-Office, that we listened with interest to the extensive programme of discussions you have planned for the first few weeks of your presidency. We think this testifies to your determination to leave your mark on the Community during your term of office, and we appreciate why you felt obliged to show a certain amount of restraint at the beginning of your six months' spell. But at the same time, we remember the enormous and decisive contributions which France has made in the past to the cause of European integration. We particularly remember the initiative which will forever be linked with the name of Robert Schuman, and also Charles de Gaulle's commitment to Europe. We will eventually judge you and your work not on the strength of your statement here today, but — in accordance with your own desire — on the results of the next six months' work. In the coming six months, you will always be able to rely on our support on anything which will further the cause of European integration. Let us work together to create a Europe of the free.

(Loud applause)

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

Mr Pintat. — *(F)* Mr President, ladies Monetary gentlemen, the six month French presidency of the Council is getting underway at a particularly important and delicate moment for Europe and, indeed, for the whole world. The recent summit meeting on Guadeloupe only served to confirm the fact that the international balance of power which has existed ever since Yalta has now vanished.

Pintat

By the same token, the decision taken in Brussels on 5 December to set up a European Monetary System represents a completely fresh departure in the post-Bretton Woods monetary scene. The fact is that the Bretton Woods agreements have now outlived their usefulness, despite their enormous value in the past to the economic and social development of the West. We listened, Mr President-in-Office, with the greatest of interest to your statement, in which you set out a very comprehensive programme of action. You will have a very full programme over the coming six months, if only — as you said — in view of the direct elections to the European Parliament, which will enable this House to take its rightful place as the democratic basis of a united Europe. The participation of the political groups and the involvement of the mass media will mean that this event will improve public knowledge of the Community institutions and will give concrete form to the hopes and ideals they stand for.

But the Community — and particularly the Council — must demonstrate that Brussels is not just a talking shop, but a place where decisions are taken and where policy takes precedence over technicalities. The directly-elected European Parliament will then automatically assure its allotted place, particularly through its increasing participation in the formulation of Community policy and action. To this end, the conciliation procedure between the Council of Ministers and this House, which has already proved its worth, is now turning out to be an instrument of decisive importance. This is why we feel that the squabble over the powers of Parliament, which is currently in full spate in my own country and in other countries, is a storm in a tea cup. I am sure that the President-in-Office will see to it that the differences between this House and the Council on the question of the budget will be ironed out this month, and that he will eschew any short-term measures which might risk provoking a crisis within the Community. This is something we must avoid at any price on the eve of the direct elections.

Parliament's basic concern in confirming its intention to substantially increase the Regional Development Fund was to give an immediate response to the decision of the European Council which, in deciding to create the European Monetary System, had agreed on a sizable transfer of resources from North to South. It therefore seems to me that it is perfectly possible and, indeed, desirable that a solution be reached prior to the supplementary budget. What we need is not only a solution for the current budget, but also some thought on what steps should be taken to ensure that a situation like this does not recur.

Another priority task facing the President-in-Office of the Council is the introduction of the EMS. Any delay is bound to bring discredit upon the Community because of the wide-ranging political debates this subject has provoked in some of the Member States,

and particularly because of the political crisis which it nearly provoked in Italy. There can be no doubt that the monetary compensatory amounts were a justified response to the monetary troubles which have thrown the Common Agricultural Policy into disarray since the early 1970s, but it is self-evident that these MCAs will lose their justification as soon as we have a zone of monetary stability in Europe, and under no circumstances should they continue to be used as a form of hidden subsidy for a particular Member State's agricultural sector, nor should they be allowed to distort competition.

The European Commission should therefore draw up a report straight away on agricultural costs and prices in the nine Member States. The man in the street would not understand it if the European Monetary System were not to apply from the outset to the Common Agricultural Policy, which accounts for the lion's share of the Community budget. He would not understand the artificial difference between the unit of account and the ECU which, depending on national requirements, would apply to some sectors but not to others. What we need in Europe is order and clarity. Order has returned thanks to the re-establishment of fixed exchange rates, give or take a few minor fluctuations here or there. Clarity will come from the use of the ECU and the disappearance of monetary compensatory amounts, which were necessary to combat an exceptional situation which has now been eliminated. It goes without saying that we must show some understanding and solidarity so that this transition will have as little lasting effect as possible on farmers. What we have to do is to find a procedure and a time-table which will give a certain stability to agricultural prices and will result in a reduction in the differences in these prices from country to country. The Common Agricultural Policy as a whole is bound to remain in the limelight right through this first half of 1979. We are faced with a number of problems in this sector, such as those caused by structural surpluses and the problem of integrating the agricultural industries of Southern Europe into the enlarged Community. There are those who would like to use this important turning point in the history of the Common Agricultural Policy to cast doubt on the mechanics of the policy as a whole. As far as we are concerned, there can be no question of casting doubt on what has for twenty years been the cornerstone of the European edifice. Despite all the bitter controversies, the Common Agricultural Policy has always played a vital role in the development of the Community. Both producers and consumers — in other words, the people of Europe — realize that, every year, Brussels is the scene of important decisions which affect them directly. Under your presidency, we should not be content merely to reach a decision on the annual fixing of prices for the farm year, but should go beyond this and start thinking about the future of European agriculture.

Pintat

Finally, as far as the agricultural sector is concerned, I should like to point out the urgent need for a compromise to be reached quickly on a common fisheries policy. Quite apart from the problem of dwindling stocks of fish, the absence of any internal system prevents agreements being reached with third countries. This is a disastrous situation for all the fishermen in the Community and for the economies of certain regions. We should therefore underline the urgent need for a zone of monetary stability to bring about a reduction in the very serious disparities between the national economies. Homogeneity between our regions is essential for the economic and institutional development of the Community. The EMS will also help to boost the confidence of market operators and encourage productive investment. This will reduce inflation, which remains the most unjust of all taxes, and slow down unemployment, which is currently affecting 6 million of our people, including 2 million young people. This latter statistic is the most dramatic of all. We are counting on the new presidency to introduce a substantial social programme. Lasting under-employment and unemployment would have disastrous consequences, with massive psychological and material misery affecting the most underprivileged sections of the population, such as older workers and unskilled young people. A continuing high level of unemployment would result in a reduction in the rate of social progress and, indeed, in the very reverse of progress. Giving a boost to the economy will require a positive effort in the field of common energy policy. In the beginning, with organizations like the ECSC and EURATOM, energy was in fact one of Europe's basic considerations. Much time has been wasted since then, and what we desperately need now is some constructive and imaginative thinking in this field.

It is now universally recognized that the energy question is fundamental to the future of mankind. Purely monetary or technical solutions will not resolve these problems, and what is urgently needed is an imaginative approach and the will to succeed. Here again, we are relying on your presidency. We should also like to see the negotiations which got under way on 24 July last year in Brussels between the ACP countries and the Community on the renewal of the Lomé Convention to reach a successful conclusion under your presidency by the coming spring. The important thing is to consolidate the achievements of the first Lomé Convention and to make such improvements and adjustments as the last three years' experience shows to be justified. It would set a marvellous example to the other nations if this agreement could be signed before the May session of UNCTAD in Manila, as you said just now, Mr President-in-Office. On this occasion, the Community is presenting a common front to the other industrialized countries, and the new Convention could serve as a model for the world-wide institution of fairer and more balanced

relations between the developed world and the developing countries. Another problem which will be brought to a conclusion during the six months of your presidency is the signing of the accession agreement with Greece. We shall have a chance later today to make this point in greater detail, but I may say that I am delighted at this felicitous outcome, because I consider the misgivings — in terms of economic policy — prompted by the enlargement issue to be unfounded. The economies of the Three must complement those of the Nine rather than compete with them. At the same time — as you said just now — we must revise the association agreement which has linked the Community to Turkey for the last fifteen years. We must go along with the proposal to allow Turkey to participate in the Community's political consultation and cooperation procedures, especially on matters of common interest. This would give added confirmation to the historic choice which our Turkish friends have made in favour of the West.

It is solidarity which must win the day in our Community. What is at stake is the political future of Europe, and the Community must not miss the chance of asserting its authority as the cornerstone of European democracy. Our origins and our experience teach us that it is by facing up to grave difficulties that we can achieve major leaps forward, as Jean Monnet so rightly said at the time. So, on behalf of the Liberal and Democratic Group, I should like to say that I consider the enlargement of the Community gives us the chance to go more thoroughly into the problem of the Community institutions, and it is by this means that we shall make decisive progress towards a stable and democratically and effectively organized Europe. To be quite honest, these problems existed before the question of enlargement came up. The Community's institutions were designed for the Six, and reached their limits when the Six became the Nine. Now is the right time for outside experts to study ways of adapting our institutions to our future requirements in the light of the introduction of the EMS, direct elections and the enlargement issue. We confidently await the Three Wise Men's conclusions.

After wasting so many opportunities because of squabbles and ideological disputes, we are now in a position to take the decisive step which will one day — we hope sooner rather than later — lead us, within the terms of the Treaties of course, to an executive deriving from the present Council, to an administration deriving from the present Commission and to a legislative authority for questions of Community importance deriving from the European Parliament. The Liberal and Democratic Group would also like to see developments in the field of political cooperation tending towards more effective and closer forms of collaboration. Coordination has always been — and remains — unsatisfactory, and we tend to react to events rather than to see them coming. Let us not forget, for example, that there have been important

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peace missions in areas which are near and dear to us, such as the Mediterranean or the Middle East, and that the Community as such has made not the slightest contribution to these efforts. Let us also not forget that the Final Act of the Helsinki Conference, which resulted in a small — and admittedly insufficient — degree of liberalization on the world scene, was made possible by the common stance adopted by the Nine. In view of the forthcoming Madrid Conference, we must repeat this achievement, based on thorough preparation in which the European Parliament must be involved. As far as the current institutional reforms are concerned, we feel that priority must be given to improving the means of coordinating the Member States' foreign policies, in view of the fundamental changes taking place in international relations. At a time when new links are being forged between the great powers and, conversely other rifts are growing wider and wider, the Community as such must not remain a passive bystander, but must play a political role commensurate with the traditions of its Member States and with the enormous economic power it wields. The Community's presence is therefore indispensable wherever tomorrow's peace is being hammered out. Mr President-in-Office, you can expect plenty of work during your period of tenure. The Liberal and Democratic Group has confidence in you, and is counting on you to use these decisive six months to take a substantial step forward along the road to the confederal Europe which you have said you favoured. These confederal ties will give real power to Europe, a power from which all our Member States will derive great benefit.

(Applause)

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

Mr Rippon. — Mr President, we have listened this morning to a constructive and impressive address from the new President-in-Office which I think we can all feel augurs well for the period of the French presidency. Many of the views and the sentiments which he expressed to us will find an echo in all our hearts, but of course we must hope that those sentiments and views are translated into action as soon as possible. Bearing in mind that last April in Copenhagen the Heads of State and Government, who, we are now told, are emerging as the supreme decision-making body, have pledged themselves, and I quote, 'to a common strategy designed to reverse the present trend in the Community's economic and social situation, covering economic and monetary affairs, employment, energy, trade, industrial affairs and relations with the developing world', I think it will be necessary to remind the Heads of State and Government, the supreme decision-making body, of the task they set themselves last April, because many of the matters which the President-in-Office has covered in his analysis of the issues will engage our attention in this

Parliament very much in the next six months. We feel that we are entitled in the present crisis in Europe to expect from our leaders courage, a generous spirit and forward-looking perspective. We do require in Europe an overall strategy of the kind we have been promised, which embraces not merely the nine existing Member States of the Community but also the three new applicants for membership, and I was glad to see that the President-in-Office also made specific mention of the rights of Turkey to be favourably considered in this regard.

My fear, Mr President, is that while our present European leaders are not short of splendid objectives, we are still a long long way from achieving most of them. It is very good that Ministers should meet on a regular basis, but I believe there is a real danger that they meet too often and raise unfulfilled expectations in a way that increases rather than eases the frustrations that many Europeans feel today. Less frequent summits and more careful preparations would seem to me to be generally desirable, because, unless action follows the fine words, we are likely to be constantly reminded of a historical comment made of a previous generation; 'The foreign ministers of Western Europe, like actors on a revolving stage which has got out of control, kept reappearing every few days against a different backcloth, always playing a never-completed first act.'

Now it is true some real progress has been made — and we should all welcome this — towards the establishment of a European monetary system, although it must be recognized that that is only one facet of the interlocking strategy. I regret the position adopted by the British Government, and I have said so on previous occasions, but I can understand and on this occasion even welcome the reason for the French delay in joining the new system. My group and I rejoice at the French demand for the removal of monetary compensatory amounts, and the House will no doubt remember that some of us have been pointing out the disadvantages of monetary compensatory amounts for some considerable time. There was indeed an occasion when we forced the British Government to change its policy on it. The subsequent Council meeting, I might say, was not noted for its helpfulness in accepting what it had itself been asking for, but I will not dwell on that today.

I welcome also what the President-in-Office has said about the need to take measures to create a new equilibrium in agricultural markets, such as the milk sector. At the same time, if I may say so, I hope an opportunity will soon be taken by the French Government to bring to an end clear violations of the Treaties, such as the illegal imposition of a very substantial levy on British lamb exports, while no such levy is imposed on those that come from Ireland. I entirely agree with what the President-in-Office has said: Europe must incarnate the idea of the rule of law; but that means

Rippon

you cannot pick and choose what laws you will observe. The Treaties are, as the President-in-Office said, indeed the law, and I would respectfully suggest to him that in regard to the budget this Parliament has faithfully observed the proprieties by ensuring that the budget finally adopted was the one voted by Council last November. As my colleague Mr Klepsch has said, the budget has been approved legally. Now of course, it may well be as the President-in-Office has told us, that the Council have created for themselves certain misunderstandings and difficulties, and I am sure we all in this House wish them well in sorting themselves out.

There are one or two other monetary matters which I hope the Council will help to sort out in the coming months and where the influence of the French Government might well be decisive in bringing about a settlement. For example, in exchange for ending British discrimination against wine, France might offer to end discrimination against Scotch whisky, and both governments might also be induced to lift exchange controls, especially in the context of the development of a European Monetary System. There are times when France and Britain are in the dock together, and it would be nice if we could get out of it together.

At the same time, I hope the Council will agree on further draft directives on insurance which are still awaiting approval, because that would open up a market to the benefit of policy-holders. And there is, I think, no doubt that within our Community the liberalization of services has proceeded much more slowly than that of goods.

I would like to express here a word of warm welcome for what the President-in-Office has had to say about the need to master the energy problem. European cooperation, as he said, is the essential basis for action to use energy and raw materials better and more economically and to open up new sources of supply. We have indeed to prepare for what has been called 'the post-oil era', which is likely to start soon after the year 2000. This does require, as he said, the encouragement of research and development into alternative fuels, including nuclear power and, I hope, also solar energy, and the parallel development of coal both as a fuel and as an industrial raw material. In this connection, I would like to congratulate the French Government on maintaining the Community's lead in fast-breeder reactor technology through the exploitation of the Super phénix reactor. The French Presidency should provide an opportunity to highlight to colleagues in the Council and to public opinion the importance of fastbreeder reactors as incinerators of nuclear waste, as well as the fact that they are about 60 times as fuel-efficient as conventional reactors.

While we are talking about research and development and technology, may I express the hope that the French Presidency will also ensure a close look at the

question of defence procurement, particularly in the light of the Klepsch report which this Parliament has recently approved. I trust that it will be under the French Presidency that the Council will examine the Community's continuing and increasing dependence on the United States for supplies of defence equipment. I cannot believe that a French Government, of all governments, could look complacently at a situation where already 40 % of the Community's military aircraft and helicopters are of American manufacture, not to mention the American components which are contained in the 60 % of Community-manufactured military aircraft and helicopters. I also believe it is a fact that the share of the European market won by Community civil aircraft manufacturers fell from what was only 9.5 % in 1970 to a mere 7.8 % in 1976, and recent announcements of orders for new civil aircraft indicate that that trend is not in anyway being arrested. Furthermore, we have a position now where 77 % of the Community's fleet of helicopters is of United States manufacture. Now, that is clearly out of balance. The Community's aircraft firms must be given the encouragement of a strong and very much overdue 'go ahead' for the Community supported joint R and D programme which was approved by Parliament a year ago.

While it may not be easy to resolve all these great issues in six months, there is, if I may say in accordance, one sphere in which Community action ought to present fewer difficulties — namely, action in the cultural sector. The President-in-Office will recall that last April in Copenhagen; the Heads of State and Governments, the supreme decision-making body, laid down the objectives and tasks of the European Foundation, agreed on the framework for its structure and finance and added that the formal arrangements were to be made as soon as possible. Now, it really makes a mockery of the emergence of a supreme decision-making body in the Community if their simplest decisions cannot be carried out and implemented in a sensible way. Very appropriately, the Heads of State and Government agreed that the seat of the Foundation should be in Paris. I suggest that it would be very appropriate, therefore, if under the French Presidency this matter was finalized, because there is a great need to create in Europe a new sense of awareness, particularly among the young, of the European civilization and culture which we share together and which we all have to defend together. In the early days of the European movement, Sir Winston Churchill said: 'We have lit a fire which will either blaze or go out, or perhaps the embers will die down and then after a while begin to glow again.' Today it seems to many of us that the embers have indeed died down. I see the great task of a directly-elected European Parliament as being to fan the embers of the fire and set ablaze once again the cause of European Unity.

(Applause)

President. — I call Mr Sandri.

Mr Sandri. — (I) Mr President, we Italian Communists sincerely appreciated the tribute paid by the President-in-Office of the Council to this Parliament, which at the end of the French Presidency will already have been replaced by Members elected by direct universal suffrage.

We were gratified by the statement that this Parliament has played a vital role in the construction of Europe. But for this very reason, and in the spirit of the open dialogue and the frankness and mutual respect which Mr François-Poncet was kind enough to express, we trust that we shall be allowed to make a preliminary remark.

The President of the Council referred to the problem of the latest budget as a bone of contention between Parliament and the Council of Ministers, and in his speech he said that this was the result of misunderstandings brought about by the lack of clarity of the texts of the Treaties. Well, if that is the case, the question that springs to mind is whether these misunderstandings are the fault of the European Parliament. Let us hope they can be cleared up. It is a hope we share but, in the case of the 1979 budget, there is no doubt in our mind that the matter is closed once and for all. Since the President of the Council mentioned the letter from his predecessor to the President of Parliament and affirmed — as is right and proper — that he subscribed to the position outlined in the letter, we for our part feel we must endorse the reply which was sent by the President of this Parliament. It was commendably clear and showed the legal soundness of our position. If these legal grounds put forward by the President of the European Parliament are then ignored, remember what the miller said to Frederick the Great: 'There are judges in Berlin.' In other words, if there is any more argument or uncertainty about interpretation, we can send the matter to the Court which will decide who is in the right.

Apart from the legal arguments, I think we have to take a special look at what it means politically. There is considerable justification for Parliament's position and, above all, for the increase in the Regional Fund. The chairman of the Socialist Group, Mr Fellermaier, was quite right to point out that although the Common Agricultural Policy — to quote Mr François-Poncet — is a heritage from the Community's early days, regional policy dates right back to the creation of the Community. You will recall that one of the priority aims laid down in the preamble of the Treaty of Rome is the desire to develop the regions with a view to establishing economic balance between them — although this is something we are still far from achieving.

I should also like to make another remark of a political nature, Mr President. Negotiations have started with Spain and, as Mr François-Poncet indicated,

Spain's young democracy is still shaky and the prey of criminal attempts to destabilize it. Everything is uncertain and our negotiations with Spain will have to be prompt and frank if we do not want to dash any hopes and provide ammunition for those who want to overthrow democracy in that country. In my view, the Community would not be helping Spanish democracy if the institutions were seen to differ on the very issue of regional policy. I am not going to dwell on this subject, but let me say merely that this is one of the issues which the anti-democratic forces in Spain are banking on.

To go back to Mr François-Poncet's wide-ranging review, we agree with him that the first priority for the Community is to overcome a crisis to which it is more exposed than its other industrialized partners. With this end in mind, we shall definitely have to reform the Common Agricultural Policy, carry on with industrial restructuring and introduce a common energy policy; while also giving the utmost priority to solving the unemployment problem, especially youth unemployment. This is a problem which requires the overall coordination of economic policies and decisive measures which are still far from being adopted or planned. But if we are going to achieve our key objective of overcoming the crisis, we really must work hand-in-hand with the developing countries, but not in the form of gratuitous handouts or sharing out what is left when the Community has balanced its books.

We are convinced that economic revival in Europe is linked to the development of these countries. It is not enough, when speaking about opening up as much as possible relations with the 56 countries — which we trust will soon be 58 — which will be signing the renewed Lomé Convention, to say that we should consolidate what progress we have made. There has to be change, and we have to improve and to increase, especially, the resources available under the Convention, if we want to ensure that the development of the associated countries provides the impulse for our own revival.

In this case we share the concern of other Members regarding the link between the renewal of the Lomé Convention and the forthcoming Manila Conference. We trust, Mr President, that there will be no repetition of the disgraceful state of affairs at the earlier Nairobi Conference, where the Member States of the Community displayed a distinct lack of unity. One or two countries, such as Denmark and the Netherlands, went a long way towards meeting the request of the developing countries, but other Member States held things back.

It is our belief that the European Community must be heard with a single voice in Manila, but above all that it must be open and receptive to the calls of the Conference.

Sandri

We must not overlook the importance of this meeting. It provides the opportunity to get out of the stalemate and delays which have marked the North-South dialogue. It is the chance to promote a new international economic order and a policy of non-alignment which is threatened by all the familiar crises. In the final analysis, it is a tremendous opportunity for peace.

I should like to make two further remarks about the Community's external relations. In connection with GATT, I want to mention the meeting which President Carter had with the President of the Commission, Mr Jenkins, about a year ago. According to the final communiqué, this meeting was supposed to foreshadow a positive outcome to the Tokyo Round no later than this year.

We Italian Communists believe that a postponement is better than a bad agreement. In any case, Europe cannot be blamed for any postponement. It is our hope that the next few months may produce an agreement which establishes equality and which does not perpetuate the bias in America's favour which has existed until now. We must not forget that, until now, the Americans have enjoyed a position in the GATT scheme which has enabled them to create numerous barriers to the expansion of Community trade.

My second remark concerns Mr François-Poncet's reference to the reopening of negotiations with Comecon. The interests of both sides must of course be respected during these talks, and that is why, for example, any form of obvious or covert dumping must be firmly rejected. Be that as it may, we believe that the reopening of negotiations with Comecon is essential, not only from the Economic point of view, but also politically, in order to get it across to the state-trading countries that the Community is not pursuing a policy of encirclement, but that we want to diversify economic relations in support of a more open international policy and so, in the final analysis, in support of peace.

My last comment on external relations is more of a wish. I hope that during the next six months of the French Presidency, there will be some adventurous thinking going beyond the routine pragmatism of everyday affairs. In this connection, Mr President, we share Mr François-Poncet's view that the agreement with Yugoslavia is of tremendous importance. This agreement is tremendously important both for the balance of power in Europe and for peace in the world generally. We must not forget Yugoslavia's crucial role in the world, especially as leader of the non-aligned countries.

Lastly, we have to show a little more political initiative on the Middle East question. The Euro-Arab dialogue is not enough. We have to be ready to accept the challenge for the future that comes from Iran. Here is another example to warn us that you cannot pull up

the drawbridge in defence of the old order, but that you must be open to innovation. Once again, we seem to have been overtaken by events in Iran and too deeply involved with a cause that now seems irrevocably lost. We shall need the people of Iran, just as we shall need the people of southern Africa. There is a fair part of the world's destiny at stake here. The Community can play a part in these areas of the world, not as the agent of some superpower, but by offering emergent nations an alternative to the two or three superpowers that threaten to stifle them.

The President of the Council began and finished his speech by reminding us that 1979 will be marked by two important, indeed historic, events. Let me consider first the European monetary system, which is still to be introduced.

It is perhaps too easy to be ironic and ask Mr François-Poncet: how many reasons were given to the Italian Communists who — as Mr Klepsch pointed out — threatened a government crisis, not because of any ingrained dislike of the EMS, but because they wanted more careful, more detailed and more exact negotiations. The postponement proves that the EMS negotiations have taken second place to electioneering and vote-catching. As for the European elections, I wholly subscribe to the President's statement that 'democracy in the Community does not restrict or interfere with democracy in our States; it extends and enhances it.' I wholly subscribe to this view, but democracy is not merely universal suffrage. Democracy is also, above all, the chance to participate in the decision-making process. The Italian Communists are therefore going into these elections in favour of a more democratic Parliament. In other words, we want a Parliament with greater powers, which we shall obtain not by expropriating them from the national parliaments, but by extending and enhancing the present ones. What we want is Parliament which eventually — because we realize that nothing is easy and that nothing can be achieved overnight in the history of nations, or in the history of Europe — will become the starting point and the focal point for plurinational power. We want a Parliament which will play an active part in encouraging the rebirth and the union of our Community of States.

(Applause)

IN THE CHAIR: MR HOLST

Vice-President

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

Mr de la Malène. — *(F)* Mr President, your misgivings were probably unfounded: I shall not use up the 15 minutes which the Bureau — in its wisdom — has seen fit to allot us.

de la Malène

Mr President, the Group which it is my honour to lead has adopted the novel approach of devoting its attention to specific policies rather than the dubious virtues of institutional debates. We have sat through, and we shall doubtless continue to sit through debate after debate along these lines, and our experience has unfortunately been that, all too frequently, these institutional debates — whatever their ostensible subject may be — are used as an alibi by those who want to have nothing to do with specific measures. It is easier to ramble on or even to come to some decision on some institutional structure or other, in other words, on how to go about things, than to reach agreement on the things themselves — specific policies for the energy, aeronautics or steel sectors. This is why we always regard specific policies as being more important.

Mr President, on various occasions in your speech you emphasized the immensity of the task awaiting you. Listening to, or rereading your speech, I would indeed agree that the task is an immense one, and I must say that we should be quite happy if — at the end of the 5 1/2 months still available to you — you had made some headway on three or four genuine and specific solutions to three or four outstanding problems. In the few minutes available to me, and in the highly charged atmosphere, I am not going to indulge in great flights of oratory on the problems on the Third World, Africa, the global balance of power or other such concerns. I shall concentrate instead on four specific questions which I think merit our particular attention.

We do not think that any progress will be made along this long road to the construction of Europe if we make no gradual and methodical efforts to reduce the internal disparities between our countries and to avoid creating any fresh disparities. This leads me to say a few words on agricultural, regional and monetary policy and on the enlargement of the Community. In all of these matters we run the risk — if we are not on our guard — of failing to correct the existing imbalances, which is an absolute prerequisite if we want to take even the most hesitant steps forward, or even, as far as the enlargement issue is concerned, of creating new imbalance. I am not concerned with those disparities which are due to bad management or bad government — in other words, which have been brought about by weak governments which have chosen to take the easy, less painful way out. It would of course be scandalous if the other Member States were expected to pay the price of weak government elsewhere in the Community. What I want to talk about are those imbalance, those disparities which are historically or geographically based and for which our peoples and the governments of the day are not directly responsible. I should like to start by saying a few words on the Common Agricultural Policy.

You said that the Common Agricultural Policy constituted a heritage from the Community's early days, and we should like to see it remain an established feature when — for want of a better expression — the 'Community comes of age'. This policy was created, among other things, to reduce the existing disparities, particularly in the social sphere, and to prevent the creation of differences within our Community, with some countries buying agricultural produce at better market prices than others and with other countries having to put up with the financial and social burden of their agricultural sectors. The Common Agricultural Policy is the very basis of our Community. Indeed, I would go even further and say that it is our major achievement to date. I would not seek to defend all its anomalies, but the principle behind it must be defended at all costs. You said — and we support you in this — that we must realize at what point the system of monetary compensatory amounts, which may at first have been justified but which has now gone badly awry — and my Group has been making this point for a very long time — is in danger of destroying what was, is and must remain, the major achievement of Europe.

I am speaking here not on behalf of European farmers, but simply in the interests of the only specific European policy we have so far really managed to put into practice. The disappearance of these monetary compensatory amounts is absolutely essential if we are to avoid ruining the Common Agricultural Policy, the budget and our monetary policy. They must go and never be seen again.

I should now like to turn to the Community's regional policy, which is rather less well developed than the Common Agricultural Policy, but which has at least seen the light of day, thanks to the Regional Fund. We must develop this regional policy if we want to achieve the kind of internal balance within the Community which is an absolute prerequisite for progress. The means we have at our disposal here is the budget debate, which, while dealing with various specific points, does bring up matters of principle. You will doubtless agree that this House has no say, at least as far as the second part of the budgetary procedure is concerned. But I should not like to see the compromise you say you are looking for being reached at the cost of the Regional Fund. The stand we have taken, and which we believe to be necessary to achieve this internal balance, is for the commitment of 450 or 480 million EUA from the budget, and we are sticking to this demand, which is something to which we attach great importance.

I should now like to refer very briefly to the question of monetary policy. We welcomed the inauguration of the new 'snake' — I realize that we should not call it that and that you find the word offensive, and so I shall gladly withdraw it. We believe that if this monetary policy is to succeed, it must embody formulae, if

de la Malène

not for the transfer of resources, at least for currency support, and we have long thought these formulae to be absolutely indispensable. If the support measures were to be accompanied by concessions in some other area of Community policy, for instance in trade policy, I cannot say for sure whether we could give our lasting support to these efforts in the field of monetary policy.

I now come to my last point, which concerns the enlargement of the Community. In principle, we are in favour of enlargement, but only on certain conditions. We well remember the first enlargement of the Community when we tried to do too many things at once. We do not regret having enlarged the Community, but all the other things we should have done at the same time came to nought. We should avoid doing too many things at once at this second stage of enlargement. We would prefer one thing to be done at a time, so that when enlargement did come, it would not exacerbate the disparities within the Community, and would avoid any one country or any sector having to foot the bill for the transfer of resources which will follow. We should like to say right here and now that we are not convinced of the wisdom of enlargement if it creates additional difficulties within the Community.

These, Mr President-in-Office, are the four points which I wanted to make on the subject of restoring balance to the Common Agricultural Policy and on our regional, monetary and enlargement policies.

You said that an immense task awaited you. We wish you every success, and if, by the end of the next 5 months, you have made definite progress in these four sectors, we shall be pleased to say that you have done your work well.

(Applause)

President. — I call Mr Spénale.

Mr Spénale. — *(F)* Mr President, Mr Fellermaier has already replied on behalf of the Socialist Group to Mr François-Poncet's speech.

I should like to associate myself with the views he expressed and to concentrate — with apologies to Mr de la Malène — on relations between the institutions, such as those referred to by the President-in-Office of the Council, especially with regard to the budget and to the conciliation procedure.

Before doing so, however, I should just like to make two preliminary remarks the first of which concerns the need to respect the Treaties, and the second of which concerns the rights of Parliament.

Mr François-Poncet referred to the Treaties and seemed to imply that Parliament did not perhaps show the necessary respect for them. I would say that Parliament has every respect for the Treaty, but that it thinks that such respect should be a two-way affair. I

would also say that there is simply no way that Parliament could violate the Treaties when it is faced with a Council which is indestructible and which prevents Parliament from implementing its own decisions. It therefore follows that if any of Parliament's declarations or resolutions were to violate the Treaties in any way, they would simply not be implemented. And conversely, if they do get implemented, it is because they do not violate the Treaty.

The Council, on the other hand, is perfectly able to violate the Treaties, and it has not baulked at doing so in certain very important cases. What is the Agreement — or rather, the Disagreement — of Luxembourg, if not a violation of the Treaty? What the Council did there, in effect, was to modify such a basic matter as the decision-making procedure within the only authority which can take such decisions — namely the Council — without referring the matter to the national Parliaments. In other words, the Treaty was modified without going through the procedures laid down in that very same Treaty. We may be forgiven, to for wondering how this agreement will be adapted after enlargement and whether it will still be tenable. But that is another question.

One day, the Council — consisting of six Ministers of Agriculture and Mr Mansholt — even took a decision on 800 millions' worth of revenue from the agricultural levies without first consulting the European Parliament, as it was obliged to do. I shall stop at this point, Mr President-in-Office, but I could go and on.

I now come to the question of the rights of Parliament. They were not generously granted us in a fit of beneficence, but were, in large measure, bestowed legitimately and necessarily on Parliament the moment the Community had its own resources, and when the national Parliaments ceased to have anything to do with Community rescoues. The only way to safeguard democracy in the Community was to grant budgetary and supervisory powers to the European Parliament, which is what was done. But the granting of these budgetary powers necessarily went hand in hand with conciliation, because when an institution has budgetary powers, it must certainly not be compelled to approve appropriations for policies it may itself have opposed. A Parliament's powers to refuse appropriations are always very extensive, and our Parliament is no exception.

And so the conciliation procedure was introduced — not only budgetary conciliation, which aims to reach agreement on the size and allocation of the budget, but also legislative conciliation, which seeks to establish a consensus between Parliament and the Council.

I must say, Mr President-in-Office, that, as far as conciliation was concerned, your speech was not as accurate as it might have been. You said: 'The conciliation procedure is designed to involve the European

Spénale

Parliament in the Council's work'. Our aim is certainly not to involve the European Parliament in the Council's work. Conciliation is a fifty-fifty affair which is used for those texts on which a consensus is needed. We do not attend these conciliation meetings simply at the Council's invitation. Parliament has equal status to the Council; this is established practice.

Moreover, as far as the tone of your speech was concerned, you seemed much more concerned to prevent the conciliation procedure from holding things up than to achieve a genuine consensus. It is the delay you are concerned about. You referred in your speech to 'a wide ranging dialogue and honest conciliation, after which ...'. The 'after which' part is there alright, but I can find no reference to 'consensus' or 'converging standpoints'. It seems to me therefore that you are missing the point. Even given this obsession with deadlines, the worst delay we could have could be if the Council were — without the consensus of Parliament — to take a decision on an important question and if Parliament were then to dig in its heels and refuse appropriations, with all kinds of resultant difficulties. The vital thing as far as conciliation is concerned is consensus and not the time element. I do not mean by this that the time element is not important; what I am saying, however, is that the other is more important.

Mr President-in-Office, we too were dissatisfied with the conciliation procedure, but for reasons entirely different from those you spelled out. It seems to us that the conciliation procedures worked well for a time ever since the day when Mr Brinkhorst, the leader of the Dutch Delegation, sat down to talk to the representatives of Parliament. The other members of the Council followed his example and there was genuine conciliation. But this is no longer the case. Nowadays, the Members of Parliament do the talking, and the ministers keep their mouths shut. The President-in-Office of the Council makes a great effort to try to improve things a little, but without much success. This is why there is no longer any conciliation. We hope you are the miracle worker who can bestow the gift of speech of the mute and render conciliation effective so that we can achieve the aims you set out, namely to inform and sustain the decision-making process and to establish a wide ranging dialogue. We entirely agree with what you said, but all we have at the moment is a monologue rather than a dialogue. And as for the spirit of conciliation, which depends on the willingness of both sides to move towards each other until they meet in the middle. I can only say that we can see no signs of progress.

On the subject of the budget, you said that 'the Council considers that unless Article 203 of the Treaty of Rome is to become a dead letter the maximum rate cannot be exceeded without an explicit

agreement between Parliament and the Council'. Now, the Council has every right to this point of view, but let me say — and I think this is also the view adopted by the vast majority of the Members, if not all the Members, of this House — that Parliament feels that Article 203 of the Treaty would be divested of all meaning if we did not acknowledge that the budget may be said to have been passed finally and irrevocably once the Council and Parliament have expressed themselves at one on every single line, every word and every figure in the budget. When I hear someone say that an explicit agreement is also needed. I just wonder what more explicit agreement there can possibly be than 300 pages of a budget in which not even a single comma had to be changed. This is surely the ultimate in explicit agreements.

If the signatories to the agreement of April 1970, which led to the present working of Article 203 — Mr Maurice Schuman occupied your place at that time Mr President-in-Office — had been told that the two institutions had given their approval to the budget in exactly the same terms, and that one of these institutions had subsequently contested the validity of the procedure and called for an additional explicit agreement, they would have been absolutely flabbergasted.

I have spoken at some length on this subject because we are now entering an extremely important phase of our history. I made a point of emphasizing the rights of Parliaments because, since this is one of the elements around which direct elections to the European Parliament are going to revolve, no doubts should be cast on these rights in this critical period. For a long time now we have been told, no powers, no election. Previously, the slogan always used to be: no election, no powers. We are now preparing for this election, and today's Parliament has the necessary powers — or at least sufficient powers — to be elected by universal suffrage. Parliament can neither reduce nor increase these powers off its own bat. This should be sufficient to reassure those — notably in France — who are afraid that the directly-elected Parliament will become too powerful. Curiously enough, it is often the same people in both cases.

(Applause)

President. I call Mr Bertrand.

Mr Bertrand. — *(NL)* Mr President, the Christian Democratic Group was very much looking forward to the first appearance in this House of the new French Minister for Foreign Affairs. We know that the President-in-Office has in the past shown himself to be a convinced European, and we realize that his task will be an extraordinarily difficult one at Community level and, perhaps even more so, in his own country. That is why we were looking forward so much to his statement today.

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I am afraid I must be frank with you, Mr President-in-Office, and say that your speech did not come up to our expectations. We were disappointed at what we heard from you because, despite the typically French flamboyance of your review of current problems, your speech was couched in such vague terms that we could just not work out what you really intend to do in your six months as President-in-Office of the Council. This, of course, presents us with all manner of problems. How, for instance, can we get a dialogue going on this basis? I can almost go along with what Mr de la Malène said — although naturally, in extremely careful, diplomatic terms — to the effect that if you had put forward specific ideas on three or four problems, we could have expected a favourable result to be achieved on these problems at least.

I shall restrict my comments to four problems. To begin with, I find your rather limited view of Europe a matter for regret. You said, for instance, that the European Economic Community was based on the threefold unity of the monetary, industrial and agricultural sectors. I would say, Mr President-in-Office, that it is based on a fourfold unity, the fourth element being the social sector. We greatly deplore the fact that you paid no attention whatsoever to the social sphere in your statement, since it is social unrest, in particular, which is creating extremely serious and difficult problems in the Community right now, at a time when we are having to cope with unprecedented levels of unemployment, especially among young people. This is a problem which will present us with enormous moral, political and other problems in the future, because these young people feel superfluous in our so-called welfare society. The declining purchasing power of the man in the street and job insecurity are also tending to add to this social unrest.

Mr President-in-Office, as the sole remaining Member of the European Parliament of September 1952, I have been in a position to follow developments in France's policy towards Europe from 9 May 1950. France was the original driving force behind European unification, and the country which, thanks to your predecessor Robert Schuman, promoted the supranational idea. Ever since then, France, his original driving force behind the development of Europe, has been applying the brakes for all it is worth. This country, which got the supranational idea off the ground with the ECSC,

which first broached the idea of a European defence community, this same country — in August 1954 — torpedoed this very same European defence community and the process of political integration which would have been an inevitable byproduct of it. I have not forgotten — perhaps you were not there Mr President-in-Office — how the extreme right and the extreme left in the French Assembly stood to sing the Marseillaise together to celebrate the destruction of political cooperation and political unity. All this is still fresh in our minds. We also remember, however, that your country subsequently made fresh efforts to replace supranationalism with the Community ideal. Again, though, you applied the brakes by vetoing direct elections to the European Parliament and by vetoing the enlargement of the Community. Again, though, it was France which introduced great new ideas, such as the creation of the European Council as a non-Treaty-based institution and, as compensation for our consistent opposition to the European Council, direct elections to the European Parliament.

The European Council has now been in existence for four years and I can only go along with what Mr Fellermaier said about it. The ambiguity resulting from the existence of the European Council side-by-side with the normal Council of Ministers is increasing daily. The uncertainty as to the roles of the Community institutions is likewise increasing day by day with the increasing influence of the European Council, which has no legitimate basis in the Treaty. It is quite striking that, as far as the three aims of the Common Agricultural Policy are concerned — guaranteed supplied, normal and stable prices and a stable income for the farmer — the third of these aims needs the intervention of monetary compensatory amounts at a time when currencies are floating as a result of the abandonment of the Bretton Woods agreement.

At this point, your country — dynamic as ever — has taken the initiative in setting up a zone of monetary stability, an initiative which has benefitted from the friendship between Germany and France. The original decision was taken in Copenhagen, developed in Bremen and was finally approved on 4 December last year. The main argument in favour of the introduction of this zone of monetary stability was that the Community's economies could only start growing again in stable monetary conditions, that stability was indispensable to the creation of the right climate for investment and that a start could thus be made on tackling the problems of unemployment and the decline in purchasing power. This was why the introduction of this new monetary system was so urgently necessary. France and Germany got together and decided to bring the system into force on 1 January, and then suddenly your country decided not to introduce the system after all on 1 January 1979, not because of any fundamental difference of opinion between France and Germany, but simply because of the procedural question of when and how the mone-

Bertrand

tary compensatory amounts should be abolished. That was a fine public demonstration of your reliability! How can anyone have faith in anything when even the initiators change their minds on such a serious problem in just a few days? This is the first point I wanted to draw your attention to.

The second point is as follows. I had hoped, Mr President-in-Office, that your speech would have given us some cause at least for thinking that some progress might actually be made during your presidency towards a genuine European social policy. We both agree that the problem of unemployment cannot be tackled at a purely national level, but only in the framework of a Community-wide effort.

But then you suddenly say that the driving force behind this effort must be the Member States themselves, whose job it will be to get the whole thing moving. It all has to be harmonized, but you claim that this does not necessarily mean that the impetus must come from the Community. You must appreciate that, for an ordinary man like myself, it is very difficult to follow this kind of subtle reasoning.

I had hoped that you would at least say something about the problem of unemployment and the situation of women and young people in the Community and that you would ask the Commission to increase the scope of the Social Fund. The main purpose of this Fund is to facilitate readaptation, and it could be adapted for use as a job creation instrument at Community level to complement national efforts. In this respect, I entirely agree with you. I had also hoped that you would say something about increasing the scope and improving the operation of the Regional Fund, so that we could really get down to establishing an investment policy in the disadvantaged areas. In view of the special situation of the steel market and of the fact that, in the Council of Ministers, you approved measures for establishing minimum prices and a minimum production level in the steel industry, I had hoped to hear you say that the ancillary measures would also be approved. In fact, all you say is that these measures will be approved at the next Council meeting. You are aware of the reaction that has been forthcoming in Lorraine, and we are afraid that there could be similar reactions in our own country in a few weeks' time, because there are thousands who know that they are going to be laid off and who have so far been offered no prospects of future security because you have failed to approve the social and ancillary measures in the Council. Public peace and order and the confidence of the man in the street in Europe cannot be maintained only by essential and fruitful cooperation within the European Community.

Mr President-in-Office, I had hoped that you would ask the Commission to propose a readaptation fund to deal with the sectoral problems in the steel, textiles, shipbuilding and footwear industries — and in other

industries tomorrow — to enable us to tackle these problems at Community level. I very much regret the fact that you made no such reference in your speech.

The third problem I just want to touch on is that of the Three Wise Men.

Despite all the declarations to the contrary, it is now obvious from your own speech that we can expect no institutional reforms until October this year. You intend to wait for the Three Wise Men's report in October this year before taking any action on the question of institutional reforms. I hope from the bottom of my heart that this report will not suffer the same fate as the Vedel working party or the Tindemans Report. I hope that the day this report reaches you, you will not simply file it away and dismiss it as being useless. That would be a major disaster.

Let me address a question directly to you, Mr President-in-Office: are you prepared, in the course of your presidency, to respect the parts of the Treaties which refer to the decision-making process within the Council? Are you prepared to make as little use as possible of your right of veto and to apply the principle of the qualified majority in the Council? To adopt such a course would be no more than applying the Treaties, and nothing needs to be amended or altered to this end. This is something you did not mention. It can be done before October; indeed, it can be done in the six months of your presidency, and it would enable decisions to be taken much more effectively and at a much faster rate. Let me say in conclusion — and why not, after all? — that I am a little surprised that the French President, despite the appointment of the Three Wise Men, still refers at every press conference to 'a confederal Europe, the creation of a European administration derived from the Commission and the granting of legislative powers to the directly elected European Parliament', without going into any more detail on the subject. And he did so at precisely the moment when the Three Wise Men were just about to begin their work. Is he trying to tell them how to draw up their report? The thought is very worrying, and I hope you will clarify this point. Because these comments are being made public and because your President will not be coming here to explain the matter directly to us, and because we cannot address our questions to him directly, we must ask you to clarify the matter.

Mr President, I have one more point to make, and that is on the question of political cooperation. I am surprised that the President-in-Office of the Council did not make any specific reference to the stand he intends to adopt vis-à-vis the problems in Namibia, Zimbabwe and Iran. These are all problems which may be fatal to the future development of our Community.

I cannot go into this question in any more detail, but I can assure the President-in-Office that he can count on our full support in any attempts to put the content of the Treaties into practice.

5. Agenda

President. — There are still five Members listed to speak. In addition, the President-in-Office of the Council, who has told me he will be here this afternoon, also wishes to speak.

I call Mr Fellermaier.

Mr Fellermaier. — (*D*) Mr President, I think we ought to finish this debate first, i.e. we should stop for lunch — Mr François-Poncet, the Members and the people in the booths are entitled to a break — but then not start with Question Time at three o'clock, which would mean continuing some time this evening, after the votes, with this debate and Mr François-Poncet's reply. We have got to think about the general public in Europe, too. They are entitled to hear through the media our views on many crucial questions and the reply by the President of the Council, so that this debate also has some impact outside. Consequently, I should like to ask the President to rule accordingly. I am sure the groups will agree to continue the debate on the Council statement at three o'clock, provided we ask Members to limit their speaking time as much as possible, so that we can then go on with Question Time. If you ask me, we should not interrupt our first debate with the French President of the Council, but carry on with it as soon as we resume.

President. — Before we proceed, I should like to ask the President-in-Office of the Council, Mr François-Poncet, if for his part it might be possible to resume the debate at three o'clock.

Mr François-Poncet, President-in-Office of the Council. — (*F*) Of course, Mr President. I shall go along with the House's decision on this matter.

President. — I therefore ask the House if it agrees to resume the debate at three o'clock with the speakers who are listed.

Do you wish to speak, Mr de la Malène?

Mr de la Malène. — (*F*) I did not want to speak, Mr President, but since you have asked me, may I point out that you are about to ask the House to infringe its Rules of Procedure?

President. — There is only one body which can take a decision, and that is Parliament. Is there agreement to the proposal, which has been made, that we resume the debate at three o'clock?

I call Mr de la Malène.

Mr de la Malène. — (*F*) There is no way I can sit here without protesting and let it be said that a parliament can change its rules of procedure, just because it wants to, at any time and if enough people agree. I cannot condone such an interpretation of parliamentary rules of procedure. I do not think there is anyone dealing with procedure who is ready to accept some-

thing formulated along the lines: 'If at any time there is a majority in the House that wants to change the rules of procedure, they can be changed'. I do not agree with that at all.

President. — We are not changing the Rules of Procedure, Mr de la Malène. In fact, it is in accordance with Rule 12 that I am proposing to the House that, when we resume the sitting this afternoon, we conclude the debate on the statement on the programme of work for the French Presidency, before going on to Question Time. Voting time will in any case be at 4.30 p.m.

Since there are no objections, that is agreed.

The sitting is suspended.

(*The sitting was suspended at 1.00 p.m. and resumed at 3.05 p.m.*)

IN THE CHAIR: MR COLOMBO

President

President. — The sitting is resumed.

The next item is the resumption of the debate on the statement by the President-in-Office of the Council. In accordance with the House's decision this morning, the debate will be followed by Question Time, after which, at the scheduled time, we shall have the votes on the motions for resolutions on which the debate has closed. This debate must therefore be finished before voting time.

I call Mr Osborn.

Mr Osborn. — Mr President, I was one of those who were not here when this decision was taken. Can the President indicate when Question Time is likely to start, so that Members of this House can arrange their time with other groups accordingly, and when the vote will be taken?

President. — The votes will definitely be taken at the scheduled time, i.e. 4.30 p.m. As for Question Time, it will be interrupted at 4.30 in favour of voting time, provided, of course, that the general debate on the Council statement has finished before then. If the debate continues until 4.30, we shall start immediately with voting time and then go on to Question Time.

6. Council statement on the programme of work for the French Presidency (resumption)

President. — I call Mr Nyborg.

Mr Nyborg. — (*DK*) Mr President, we naturally all listened with great interest to what the President-in-Office of the Council had to say here this morning, and I should like to take up a number of points.

The setting up of a new monetary system will provide an opportunity to eliminate a number of irregularities, such as the monetary compensatory amounts, and I

Nyborg

hope that this will be done very soon and not with a long transitional period as suggested by the President of the Council.

After twenty years of the customs union there are still problems involving the movement of goods and persons over the borders even if the tariff barriers no longer officially exist, since nowadays they have been replaced by a whole series of technical obstacles to trade. The Council should make a genuine effort to change this situation, not least because it creates doubts in the minds of the people of Europe regarding the Community. The individual citizen will not get the impression that he is a member of Community if moving goods and person over the borders presents more difficulties now than in the past.

Transport policy, or rather the lack of a transport policy, is one of the factors which contribute to distortions in competition. We have been pressing for a common transport policy for many years now, but so far the Council has shown very little willingness to get anything done. In spite of the fact that the President of the Council of Transport Ministers has time and time again assured us that they are indeed in favour of introducing a common transport policy, nothing actually gets done, and consequently the individual Member States are all going their own way. Each of them conducts its own transport policy, with the result that they are moving further and further apart rather than being brought closer together by a common objective, and as time goes on it becomes more and more difficult to adopt a common position.

It is both desirable and vital that the Council should take an initiative. A further reason why this is so essential is the fact that the Eastern Bloc countries are making inroads into practically all areas of our transport markets, including inland waterways and sea and road transport, and all we are doing is sitting back and watching this happen because we do not have the common transport policy which we so urgently need.

If we are to avoid many of the current distortions of competition, we would do well to take steps to eliminate many of the existing state aids. Similarly, we should avoid protectionism and at least coordinate the measures taken at national level with a view to promoting trade, so that the individual Member States will not be competing on the basis of state aids.

The French Presidency recognizes the importance of establishing a common fisheries policy which includes conservation measures and takes account of the legitimate rights of inshore fishermen. It would have been very useful if the President-in-Office had also mentioned the principle of fishermen's historical rights, which have always played a part in international negotiations, such as those between the United Kingdom and Iceland. There is a need for a fisheries policy, and we hope the French Presidency will have more success in this field. Denmark is the major fishing nation in the Community, and those who make their living from this industry go from day to

day without being able to plan or organize their work. This has far-reaching implications for a country where fishing represents such a large proportion of the national product and where fish and fish products account for 20 % of total exports in foodstuffs.

Unfortunately, it is not possible for me to go into all the points mentioned by the President-in-Office this morning in the time available. For this reason I shall merely urge him to give some consideration to the points I have made.

President. — I call Mr Bordu.

Mr Bordu. — (*F*) Mr President, I should like to welcome the new President-in-Office of the Council, with a few remarks of a political nature.

I should like first to note the cautious tone of his remarks, which expressed the desirability of certain things while stressing the difficulties involved. That, however, does not imply vagueness, as there is a clear determination to continue on the supranational course however cloaked in protective clauses and sneaking attempts to confuse the issue this may be. The French Communists have chosen to follow an opposite, democratic course, which consists of telling the public the truth. For the future of Europe involves the future of our individual countries, and it is for these countries, with full knowledge of the facts, to decide on their future. With this in mind, the Communist Group has tabled a motion in the French National Assembly aimed at preserving the prerogatives of the national Parliaments.

Mr President-in-Office, you have stated your intentions on the question of the budget, which is held up for want of adequate institutional arrangements. Yes indeed, there is a deadlock, and it is not enough to pat ourselves on the back and say that the Assembly will have the last word. For us, this leaves one problem: we cannot agree to this Assembly's exceeding its powers. French law, as adopted by the National Assembly, does not permit this. We shall be all the more vigilant as guardians of this principle in that it was the Communists who used their energy in our national Parliament to ensure that this was adopted. After all, we are also opposed to the granting of further powers to the other Community institutions. Far from taking this line, Mr President-in-Office, you are in favour of developing the institutions. You are concerned to meet the needs of the ordinary men and women in our country. Very good. The only thing is that, for very simple reasons, this venture is doomed to failure. There is widespread criticism of the results obtained by a system under which capitalist profit is more important than social considerations, i.e. than the interests of ordinary men and women. This is a system which has deep roots in all the countries of the Community and consequently plays a dominant part in European politics. The Europe of unemployment is a harsh reality, in which working conditions are deteriorating and people are increasingly unable to make use of their qualifications, although the potential exists to change this pattern.

Bordu

However generous the ideas put forward, however sincere they may be, there is no way of reversing this decline, for such a system is also, ultimately, a trap which develops under its own internal logic. The motive force in this is capitalist profit, which dominates everything else. The proof of this is the surge in profits in parallel with the decline in the economic and employment situation.

Things cannot go on like this. As the French cardinal, Mgr Marty, said last December in Paris :

The right to work is essential, as is the right of the people to participate in deciding its future.

He called on the faithful to work for a transformation of structures, a changed mentality, a change of heart, and declared :

When money becomes our master, we have a system founded on injustice.

Mgr Marty went on to say :

Blessed are those who work for peace, that is, in concrete terms, those who support truth, justice and freedom, those who fight against the exploitation of man by man, who give priority to the outcasts, the poor, to those who are deprived of knowledge, power and riches... It is no use proclaiming respect for the human individual and at the same time making do with palliative or purely charitable measures.

Well, it is in fact possible to have a different approach corresponding to the desires expressed by Cardinal Marty and to those of millions of Europeans — one which, taking account of the real needs of the people, will even, by boosting production, lead to an increase in profits. The effect of this need-oriented approach will then be to redirect profits not towards an accumulation or over accumulation of unused capital, nor towards the wastage or destruction of capital. This profit must be used on projects for the useful and productive creation of jobs, and for an extensive social policy covering education, job training and culture as well as research and technology, aimed at genuine cooperation.

The fact is that your declared concern to develop Community agriculture does not fit in with the enlargement which, as you well know, has already been decided. It does not fit in with the interests of French producers. It will present a problem for Spanish producers, who will be called upon to restructure their holdings. Moreover, you say that enlargement will lead to institutional changes. We find this disturbing as there is no doubt that the aim here is to make less and less use of the rule of unanimity before finally discarding it among the trappings of the past.

Your desire to lay down standards which could bring about changes in working conditions, while it is an attractive idea, takes no account of who will lose by this, in that the inequalities between countries remain, and are even increasing year by year. Would it not be better to admit openly that in this society there are

those who dominate and the rest, and that under these conditions anything that weakens a country reduces or condemns it to a state of dependence ?

What does the future hold for the Member States of the EEC ? You mentioned a modest growth rate and the need for measures to deal with the bankruptcy of employers, while restrictions are already being imposed to reduce the cost of health services. These measures, it must be said, are directed towards organizing unemployment and not at reducing it.

As we have already said, the EMS, which is proclaimed as the key to stabilization in Europe, does not eliminate the role of the dollar, does nothing to change the economic imbalances resulting from the division of labour, does not restrict the activities of the multinationals, does not put an end to social inequality, does nothing for employment in this unemployment-ridden Europe of ours.

Since you mentioned the problems arising from the current difficulties in Turkey, allow me to say that if this country, sorely stricken like so many others, is seeking the solicitous attention of the democracies, it seems to us that in the country itself democracy must take the necessary steps to recognize those elements which under certain repressive measures, are still condemned to illegality, despite the change of government which should have brought with it all manner of freedoms. I am thinking of the Turkish Communist Party, but also of numerous other democratic groups.

We do not deny that political cooperation, for example on questions of the economy, the environment, or major international projects in specific cases, can have certain positive aspects, provided it is the fruit of national decisions and serves the interests of the peoples concerned. However, the Guadeloupe discussions constitute a continuation of the dialogue of the few. The 'Atlantic mentality' behind this meeting, besides the fact that it relegates the other Member States to second-class status, bodes ill for the promised cooperation insofar as it implies allegiance to the President of the United States.

For us, Europe must not be the ruin of France. For us, the existence of a strong, prosperous and free France constitutes an essential contribution to the continuing construction of a democratic Europe which cannot be that of the *Berufsverbote* or of the 'judicial zone' proposed by the French President. We do not want a European CIA. For us, the independence of France means preserving the opportunities for our people freely to choose its future, whereas integration is expressly directed at muzzling or rather trying to muzzle these opportunities. In other words, national independence is a necessary condition for democracy and freedom. And then there is the Lomé Convention, which is no doubt an original concept, but the example it gives in replacing colonialism is not likely

Bordu

to go beyond the consolidation of gains already made. There are promises and realities. And we must be careful that the overseas departments and territories do not pay for the EEC/ACP agreements.

I should like to end, Mr President, by saying that Europe must be open to a wide basis, without discrimination, to economic, political, cultural and humanitarian exchanges throughout the world. A Europe based on cooperation, for the lasting benefit of all, presupposes the establishment of new relationships with sovereign nations, based on equality and mutual respect for a new international economic order. At a time when there is talk of decentralizing the centres of decision-making at all levels, it is rather paradoxical to find that every effort is being made to centralize European affairs and European decisions, which, as we know, have to be endorsed by the White House. Europe, yes — but not the Europe of the multinationals. In France, in Germany, in Britain, the workers are fighting for their livelihood in a world where so many opportunities are hidden behind so many inequalities. This is only a beginning, as Mr Bertrand said. And that is the basis for our confidence in the future of this Europe of the workers and of the people which we wish to develop.

President. — I call Mrs Walz.

Mrs Walz, chairman of the Committee on Energy and Research. — (D) Mr President-in-Office, in my capacity as chairman of the Committee on Energy and Research, I hope your period of office will be rather more successful than those of your two predecessors. Indeed, in 1978 no progress was made at all towards a common energy policy. The key questions of coal policy and refinery policy were regularly put off from one meeting of the Council of Energy Ministers to the next, and I have not heard anything about these questions today either. It is true that there were only three meetings of the Council of Energy Ministers in 1978. All the same, at these three meetings it was recognized that in view of the foreseeable shortages it was already time to introduce long-term preventive measures. The result so far, however, is a jigsaw in which no two pieces fit together. Coal, for example, is cheaper on the world market than in the Community. There are thus Member States who see no reason at all why they should pay more than is being asked elsewhere. From the national point of view this may well be right, but there is one snag: the short-term advantage of being able to obtain cheaper supplies is obvious, but on the other hand the same countries would also like to enjoy the long-term advantages of guaranteed supplies, without making any contribution to financing stocks. This means that some members are being asked to bear the burden on behalf of all.

The refinery sector which has not been mentioned today, is also off balance. As a result of entrepreneurial

decisions, and also thanks to consultations with the Commission, it proved possible to eliminate part of the dangerous overcapacity in the refineries. This year, however, there is likely once again to be surplus capacity. The United Kingdom is unwilling to revise its development plans as there is not yet sufficient domestic capacity for processing the oil extracted from the North Sea. Italy also has refineries working below capacity which are deeply in the red, but for reasons of employment policy it does not want to close these refineries.

And what is the situation with nuclear policy? Here too there is a controversy. Can or should the Commission so be involved in those problems of nuclear technology which have military implications? This situation could arise, for example, with regard to supplies of fissile materials and questions of transport and physical protection. In the middle of November the European Court of Justice in Luxembourg clearly stated that on the basis of the powers conferred on it under the Euratom Treaty the Community is on an equal footing with the Member States as a party to international agreements in the nuclear field. However, it was because of the national standpoints that the attempt to conclude a safeguards agreement with Australia, which is a precondition for receiving supplies of Australian uranium, came to nothing in the Council in 1978. Nor has anything come of the efforts to draw up a Community statement on the nuclear cycle, which is after all internationally recognized to be important. Nevertheless, it did at least prove possible to conclude a safeguards agreement with Canada at the beginning of 1978, otherwise the Community would not be getting any uranium supplies from there either.

If I have high hopes of the new Presidency, this is because in view of the present sorry situation things can in fact only get better. In the Council meeting of 21 December there was only a very brief discussion of the OPEC decision to raise oil prices in four stages in 1979, despite the fact that this will seriously affect all the countries of the Community. This House will shortly be discussing a motion for a resolution on this question, calling for the Community to be given adequate powers, as provided in the Treaties. The Community must speak with one voice in its external relations on energy matters, and it must also initiate regular, official contacts with OPEC. The accession of Greece, Spain and Portugal will further accentuate these problems. The Community's dependence on imports is likely to increase still further and could exceed the 60 % mark instead of falling below 50 % as envisaged in the Commissions' plans. For these three candidate countries are all roughly 80 % dependant on imports. I do not know, Mr President-in-Office, whether these questions are to be dealt with at the next meeting of the Energy Ministers which is to be held on 12 March, during the French Presid-

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ency, although this is a very urgent matter. Perhaps you would be so good as to say something about this.

President. — I call Mr Noè.

Mr Noè. — (*I*) Mr President, Mr President-in-Office of the Council, Members of the Commission, I want to refer briefly to that section of Mr François-Poncet's speech in which he mentioned thermonuclear energy. I feel it is useful to bring up at this point two matters which will be dealt with more thoroughly by the House when at a later date we have a debate on this subject, which is to be covered in an own-initiative report, and on the relevant proposals by the Commission to the Council. As I said, I want to raise these two points today.

The President of the Council indicated that he was hopeful and confident about this new form of energy. This is a positive attitude which I share, but I should like to point out that while there are two methods of working towards controlled thermonuclear fusion — magnetic confinement and inertial confinement — the Community decided some years ago to adopt only one of these methods. Parliament had no say in this decision because, oddly enough, we have never had a proper debate on the subject here.

The decision taken by the Commission and the Council was a reasonable one, and I have no intention at all of criticizing it. In view of the massive research costs, we chose the method which, at the time, seemed most likely to produce good results. Recently, however, considerable progress has been made with the other method, inertial confinement, especially in the United States. The two systems are now rather like two race horses which are running more or less neck and neck but with a fair distance still to go. Magnetic confinement has just got its head in front, but things could change before we get to the winning post. We must make certain, therefore, that we maintain what Mr François-Poncet called 'Europe's lead in this sphere', our position as front-runner, at least as regards the sole method we have adopted. Unfortunately — and this is the point of what I trying to say — our dilly — dallying over the choice of the JET site has resulted in our losing the leading position we had thanks to what had been achieved in your own country, Mr François-Poncet. Experimental results which led the world were in fact achieved at Fontenay-aux-Roses several years ago. We have now lost our leading position, primarily on account of the results which the Americans achieved at Princeton last August. In view of this situation, I asked to speak in order to urge the French Presidency to do all it can in the next six months, when decisions will doubtless be taken in this field, to ensure that we regain the lead with this one method we have chosen. We can do two things if we want to regain the lead. Firstly, we can speed up the JET project, which is a bit slow in

getting off the ground, by specifying here and now all the tests which will have to be carried out from the start of operations until the end of the first phase. There are no plans to use nuclear substances during this first phase, which will end with tests using tritium. We have to have a clear idea of the entire programme. The larger Princeton device, which is now being built after the one with which they got the results I mentioned just now, will otherwise achieve everything before our machine. This is a definite objective which the Commission, Council and Parliament will have to keep very carefully in mind in the coming years.

Furthermore, in the wake of the JET project, which is the development of an idea of some years' standing, some brilliant scientists have developed other methods in the field of confinement. We shall have to study and, if need be, follow up these alternatives, so that Europe — as I said — can get its head in front and win, at least as regards the method we have chosen.

President. — I call Mr Petersen.

Mr Petersen. — (*DK*) Mr President, my reason for speaking is to take up a number of the points made here before lunch. The President of the Council has been attacked fairly harshly in a number of respects and I think I should like to come to his aid. Whether he will welcome this or not is a completely different question, since I agreed with the one criticism — namely that the attitude of the President of the Council, i.e. the attitude of France, was in many ways ambiguous.

I am about to express views which I expect will be unpopular in this assembly. On the other hand, I can be glad that I have more than half of the people of Denmark behind me, and since it is Denmark and its people that I am answerable to I can feel fairly at ease. Not so long ago a Gallup poll was held in Denmark — I am sorry that people in bigger countries do not quite understand how the people in small countries think, but this is nothing new to us. This Gallup poll showed that 39 % of those questioned were in favour of Denmark remaining in the Community, but 43 % felt that this was a bad idea, and I can assure those gentlemen who find this amusing that, after the direct elections, I will be speaking not with the voice of one tenth of the Danish representatives, but at least of one third and probably of a half.

I do not agree with those who — particularly before lunch — reproached France on the grounds that it could not be bothered, so to speak, to go beyond the limits of the Treaty. I do not intend to criticize the President of the Council for not going into Cambodia, Iran and all sorts of other questions in his speech. I too feel greatly concerned about human rights and the violation of national sovereignty, but I think these are

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matters for the United Nations, and for this reason I will not criticize the President of the Council for not mentioning them.

In my view, France's attitude is in many ways realistic and hardheaded, and I cannot go along with the criticisms which have been levelled at the Council. It is very important for those of us who come from a small country to remember that the Council is not merely a bureaucratic body, which I think many people here are trying to turn it into. I strongly believe that the Council is an association of democratic countries which is answerable to the national Parliaments, and I hope that the situation is the same in the other countries as it is in Denmark, where the Danish Ministers who meet in the Council are indeed answerable to the national Parliament. We who are in favour of maintaining this responsibility vis-à-vis the national Parliament naturally think that the Council's position should be strong and that it should be possible within the Council for both the small and the big countries to say no to a particular development if they feel it is against their interests.

It is my view that democratic and national self-determination must be based on direct influence over the entire political spectrum, i.e. on national sovereignty. This basis can and should be used to establish free cooperation, free international cooperation between free states. It is therefore the view of the party I represent, namely the Socialist People's Party — even if some of you find it amusing that this is the view of over half of the population of Denmark — that as long as we remain a member of the European Community we hope to see the position of the Council strengthened. The right of veto is a safeguard for the individual countries, particularly a small country with a population of only 5 million compared with 60, 50 or 40 million.

Thus, as regards the conflict which has been mentioned here, I should like to repeat what I said in the Danish Parliament, in the Danish parliamentary bodies, namely that we too represent people whose viewpoint is also relevant here i.e. those who feel that it is important to ensure that Parliament does not overstep the limits of its competency. The President of the Council might find this a little disturbing, I don't know, but I agree with him and the Council that Article 203 of the Treaty of Rome would be meaningless if the maximum rate were exceeded without the matter being put to a special vote within the Council. I should therefore like to end by asking the President of the Council what the Council intends to do to prevent Parliament taking — as I believe it has — illegal decisions.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, ladies and gentlemen, I asked to speak again because I should

like to ask Mr François-Poncet for a clarification. On pages 4 and 5 of today's edition of the 'Dernières Nouvelles d'Alsace' there is an article with the headline in large letters 'Strasbourg to be permanent capital of Europe'. I would not dispute that journalists have a perfect right to make such claims, but this article — and that, Mr François-Poncet, is why I would appreciate some clarification — goes on as follows: 'Luxembourg already has the Court of Justice, which means that it is the judicial capital, and the Grand Duchy could easily give up the Parliament Secretariat in exchange for the title and functions of financial capital. This is currently the subject of negotiations between Gaston Thorn and Charles François-Poncet. They are both realistic statesmen and have the ability to reconcile national and European interests. Common sense should prevail.'

This leads me, Mr François-Poncet, to ask what rules govern common sense: is not the question of the seat of the European Parliament of such political importance, as a matter of the necessary respect for the directly elected Parliament, one should avoid any commitment that could de facto imply preliminary decisions? Or, to put the question more clearly, do you not think that if it is a question of rationalizing its work and making it more efficient the problem of the 'Parliament on wheels' can only be solved by seeking agreement between the national governments, in the form of the Council of Ministers, and the directly-elected Parliament in the course of the coming parliamentary session? I think a word of explanation from you could remove a certain amount of disquiet in this House at the form of a letter from your predecessor concerning the arrangements for the part-sessions of the European Parliament in the first half of 1979. The form of this letter did not in fact exactly conform to normal diplomatic practice, for which French diplomacy has always been world famous.

President. — I call Mr François-Poncet

Mr François-Poncet, President-in-Office of the Council. — (F) Mr President ladies and gentlemen, I should first like to say how impressed I have been in the course of today's debates in this House by their quality, the manner in which they are conducted, the openness that is demonstrated here, and also by the candour of the speeches made and the demonstration they give of the concern on the part of the Members of this House to take an interest in the great problems affecting the further development of Europe and at the same time pay attention to the concrete problems which, as we all know, constitute the necessary stages of this progress. I just wanted to let you know how encouraging I find this debate.

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I should also, of course, like to thank those who assured me in their speeches of their good will and, in some cases, their support. I particularly appreciated the comments made by Mr Pintat, Mr Rippon, Mr Sandri and Mr Petersen. Among a wide range of political and other opinions, I found various ideas which seemed to tally very closely with what I had the honour of explaining this morning.

Others made more critical assessment. I should not like to pay any less attention to these than to the former speakers. I have noted Mr Fellermaier's remarks, and I shall be replying to them; I also took note of the remarks made, not without verve, by Mr Alfred Bertrand, the longest-serving Member of this House, who put his name to a report of which we are all mindful. Nonetheless, I must say that I was surprised by certain remarks he made — for example his being taken aback at the fact that the Marseillaise is sung from time to time in the French Parliament. I would be more inclined to be shocked if this were not the case! Perhaps Mr Bertrand will also allow me to say that I found his reproaches somewhat contradictory: I am supposed to have touched on too many subjects too superficially, whereas he went on to regret that I had not raised certain subjects, which reminded me that I had on the contrary set out an abbreviated list of topics (I am thinking, for example, of South Africa, which is a subject of which I am fully aware of the importance but which was not necessarily a central issue in today's debate in this House). Perhaps Mr Bertrand will also forgive me for saying that he must have taken off his earphones at one point, since on the question of the three pillars — monetary, industrial and agricultural unity — he accused me of not having mentioned the social questions. He expressed surprise that this had not featured in my statement; if he had heard — and perhaps listened to — what I said he would, on the contrary, have noticed that my concern was precisely to outline the French Presidency against the background of the current economic and social priorities, which I regard as of prime importance if our debates are not appear theoretical and far removed from reality. I shall return presently to the basic question of social problems.

Following these few introductory remarks, I shall now reply to the points that have been raised, and would ask you to forgive me if, from time to time, I overlook this or that remark. I shall try and reply to the main points, sorting them into two categories: on the one hand everything concerning the substance of European policies and on the other hand questions regarding the institutions, which, as we saw this morning, constituted one of the preoccupations that came up most often. I shall end by saying a few words about political cooperation.

With regard to the substance of our policies, I would say to Mr De la Malène — whom I fail to see here on

the benches — that I share his desire, which reflects a definite involvement, to see a whole series of policies put into practice to correct the present imbalances, whether they be of a regional, agricultural or monetary nature. That is, I think, the prime concern of this Presidency, and in this we even go further than most of those who take an interest in the problems of Europe.

This brings me to what is surely one of the major problems of the moment — the establishment of the European Monetary System. I was glad to see that, despite a certain amount of critical comment, there was agreement on two points which I would claim to be essential. Firstly, it is agreed that this monetary system is not only important but necessary. Everyone sees it as an important, or even historic, step forward in the construction of Europe. Secondly, I have not seen anyone raise a finger to defend or demand the maintenance of monetary compensatory amounts. On the strategy, contrary, everyone is of the opinion that they must be eliminated — and I should like to say how pleased I am at this unanimity.

There have been criticisms and reproaches, which I have no wish to cover up — on the contrary. Mr Fellermaier asked me why we had not foreseen these difficulties, why we had not made suitable preparations, how it was that these problems arose after the European Council in Brussels, where it seemed reasonable to suppose they had been settled. Others complained — not, if I understood correctly, to the President-in-Office of the Council, but to the French Foreign Minister — that France had made this demand to impose its own terms, and I was called upon not to persist on this course and to put the monetary system into operation, without too much regard for detail, as soon as possible. Others take a different view: Mr Pintat and Mr Rippon both approved of the firmness of purpose France had shown on this point.

Allow me to say a few words here to explain to you the situation regarding the contribution made by this House. Firstly, it should be no surprise if, in establishing this monetary system, which constitutes such a new and important development, we encounter difficulties; there is no need to get impatient and nervous on account of the few problems facing us. For 20 years now there has been talk of establishing a stable monetary system; today we are more aware of and can better appreciate the need for such a system. The fact of understanding the problems involved, however, does not mean we can solve them in a few days. May I suggest, moreover, that it would be paradoxical to introduce a system for monetary stability in Europe without eliminating — in ways which are yet to be defined and over a period as yet to be decided — a system such as the monetary compensatory amounts which has its roots in monetary instability. Monetary

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compensatory amounts were never intended, in the spirit in which they were introduced, which was to cope with the monetary crisis of the moment — as an element of the common agricultural policy. They were the expression, the consequence of a monetary malaise. We are now getting round a table to treat this malaise; how could we at the same time fail to correct something that, for more than ten years, has been a consequence of this? There is a certain logic, a certain cohesion in that, and I would say that this forms a sound basis for further progress. There is no question here, as some suggest, of seeking from a constructive and thorough consideration of both past experience and future prospects for the economic and monetary development of Europe.

I would add that this problem implies a solution which must, obviously, be on a Community basis. The European Monetary System is a Community system, it has been conceived and discussed as such. That there should be an exploratory phase in which to make progress towards a better understanding of the difficulties and towards solving them, is only natural, but it is clear that after this phase it is within the Council of the Community that this solution must be thrashed out.

As regards the Regional Fund, everyone is agreed that correcting regional imbalances is one of the standing objectives of the Community and that this becomes all the more necessary, if, by stabilizing exchange rates, we eliminate one of the corrective factors which made it possible to overcome to a certain extent the existing disparities between various regions and countries. The problem in fact lies elsewhere. It is not a matter of why but of how. What funds are needed through what channels are they to be transferred? What are the procedures to be followed in this respect?

I think that when it decided on the granting of very considerable quantities of low-interest loans, the European Council made an important contribution to balance between the regions, and also that it did well to ask the Commission for a report on the use of all the Funds, and not just the Regional Fund, for purposes of correcting regional differences, as there is in fact a whole series of instruments at the Community's disposal for dealing with regional disparities. But then there is Mr Fellermaier saying: 'When the heads of State take decisions like that it is alright, but when Parliament does the same it is wrong. This is a case of dual standards.' No, Mr Fellermaier, there are no dual standards here. The problem arises when Parliament, in order to meet this acknowledged need, uses legal forms which — in our view — do not comply with the Treaty.

The political problem arises from the failure to comply with the texts as we understand them, and I gather that our understanding of this is not necessarily

shared. Such differences of interpretation, however, are quite normal from time to time.

Mention was also made of the importance of the common agricultural policy, to which Mr de la Malène drew our attention. I should like to acknowledge the truth of what he and Mr Pintat said and assure them that, on this point, we are in agreement. I talked about an achievement of the early years, but this is a feature of the Community's years of maturity and will continue to be a feature of its later years.

Mention was made of Lomé, and I was glad to see that everyone wanted Lomé II to be brought to a speedy conclusion and, once it is signed, to take its place among the permanent extensions of the Europe we have built.

A more specific problem was raised with regard to human rights. Several speakers mentioned this question. I should like first of all to say in reply that it goes without saying that, in this policy pursued by the Community towards the associated African Caribbean and Pacific States, the central objective is indeed to further the interests of the individual. That is the soul of our policy. Secondly, we have not lost sight of this problem at all and intend to insert a reference to these principles in the preamble to the document we are about to negotiate and finally sign. May I remind you, however, that the Lomé Convention involved two sides: the Community and the African, Caribbean and Pacific States, who are particularly sensitive on this point. Certain considerations which we regard as of prime importance are seen by them as interference in their internal affairs. There is no point in disregarding this. If we are to have a policy towards the Third World, we would be advised to take account of our partners' sensitivities.

On the question of multinational companies, the Council has been accused on various sides of being insensitive to the danger they present and of doing nothing to warn consumers, and more particularly small and medium-sized undertakings, of this danger. If I may say so, the action taken by the Commission and its dependent bodies to deal with the misuse of dominant positions and restrictive agreement has been most effective. The Community has equipped itself with policies for which a number of Member States have no match, and the activity, the involvement, the jurisprudence we have are far from negligible. Furthermore, however valid certain remarks made on this question may be, we must keep in mind not to weaken Europe's position in international competition.

The institutional problems drew the attention of a large number of speakers this morning and several remarks were made, generally of a critical nature, regarding the European Council. I should like to make one fundamental comment and one of a formal nature.

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The fundamental point is that, since its creation, the European Council has made an exceptionally positive contribution to European development. Without the European Council there is no doubt that there would have been no decision on direct elections to the European Parliament...

Mr Bertrand. — (F) There were plans for this election before the Council ever existed.

Mr François-Poncet. — (F) There was provision for it in the Treaties, but no decision had been taken. Believe me, Mr Bertrand, when it comes down to it, it is not the principle that counts but putting it into practice. Does anyone seriously believe that any other body could have given birth to the European Monetary System? As to the Regional Fund, in which I see Parliament has been taking an active interest in recent months, can anyone overlook the fact that the difficulties encountered in the Council were only resolved by the European Council? If I may say so, I can understand certain attitudes, but there is a need for a modicum of realism in these matters.

As regards procedure, the President of the Commission will not contradict me if I say that he attends the European Council, so that the Community is not without its representative. In fact, on Community questions the Council acts as a Community institution. It is with regard to other questions that it acts within a framework other than that of the Communities. I would point out, moreover, that the Foreign Ministers attend alongside the Heads of State, and it is they who subsequently constitute the Council of Foreign Ministers. Finally, may I remind you that the President-in-Office of the Council of Ministers — i.e., after the Council meeting next March, I myself — reports to this House on the discussions that have taken place.

I think, therefore, that whether it is a question of form or of fundamental issues, the criticism is misdirected. It was, it is true, expressed in moderate terms, and I regard that as the one point to be remembered.

On the question of conciliation, I said on behalf of the Council how anxious I was for this procedure to play its part in full and promised to try and make improvements to the existing procedure so as to avoid a repetition of the difficulties we have encountered in the past few months, which led Mr Spénale to say that the important thing was not the time element but reaching a consensus. I appreciate your concern, but this order of priorities becomes untenable if we look closely at the texts. Believe me, allowing a procedure of this sort, which is part of the Council's decision-making process, to drag on when the whole Community machinery is already slow and ponderous would neither serve the cause of conciliation nor contribute

to the development of Europe in general. The relevant text lays down a time limit of three months. We must, I think, on both sides, in a spirit of mutual respect for our respective positions, make it our duty to maintain and keep to this time limit.

As regards the budget, I do not wish to go over the problem again. On this point there is an obvious difference of interpretation, as is clear from the exchange of letters between the President of the European Parliament and the President-in-Office of the Council. I shall not dwell on this. I note that a number of those who talked about this question regard it as settled. I am sorry to say that from the Council's point of view this is not the case and that we have still — quickly, I hope — to solve the two problems involved. One concerns the 1979 budget and the other concerns the interpretation to be given in future to certain articles which present obvious shortcomings. On this point, we shall, I hope, be able to find a solution in the near future.

On the question of relations between Parliament and the Council, Mr Fellermaier said that the numerous excellent reports which Parliament was called upon to draw up were afterwards left to gather dust. I do not think this is true; I think these reports are given their due as particularly serious and thorough documents. I paid homage earlier on to precisely this aspect, this seriousness of the work of Parliament. It may well be that the Council agendas, which take account of the urgent problems posed by day-to-day events, do not always make it possible to reply as quickly as might be wished. I would merely point out that there is a very close correlation between the number of decisions taken by the Council in a year and the number of proposals submitted to it by the Commission. The two tally very closely, and I do not think there is any basis for the conclusion that the Council is indifferent or negligent with regard to the opinions of Parliament. This bears no relation to the state of mind in the Council.

The question was also raised of the three Wise Men. No, Mr Bertrand, this report is not going to be consigned to oblivion. In expressing certain opinions, the French President has no intention of influencing the views of the Wise Men — no more, I am sure, than the other Heads of State or Government who at the same time expressed other opinions. I can assure you that the French President is not the only one to pronounce on these problems in recent months.

I quite agree with Mrs Walz and Mr Noè as to the importance of energy problems. Indeed, Mrs Walz, the Community, could and should have done more in this field, as I said this morning. I can but assure you that, insofar as it is up to the Presidency, every effort will be made to see that progress is made in the coming half-year.

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The same goes for the problems in the nuclear sector, which we do indeed regard as having a high degree of priority for the years to come, and I hope that the French Presidency will be able to help ensure that, as Mr Noè wished, Europe remains to the fore in this field.

I should now like to reply very briefly to Mr Fellermaier's question about the seat of Parliament. The seat question is one which has been settled by an agreement between the governments. It seems to me that the wise course here is to respect this agreement, just as for the seat of all the institutions and for the powers of Parliament and the other institutions, with due respect for the legal process embodied in the treaties and the various supplementary agreements.

I was also asked a question on the European judicial area. I should like to assure Mr Klepsch that we attach particular importance to this question in the present context, that we shall not lose sight of it and that we are hopeful that the negotiations will be concluded in the course of the coming months so that the corresponding decisions can be taken.

Mr President, ladies and gentlemen, I have endeavoured to reply frankly and clearly to the various questions. I am well aware that, in so doing, I may have departed from the prudence that was attributed just now to French diplomacy and have perhaps aroused certain reactions here and there. I think, however, that the best way to demonstrate the esteem that the French Presidency has for Parliament is to speak here in a sincere, frank and candid fashion.

(Applause)

President. — I wish to thank the President-in-Office of the Council for his admirable contribution to this debate.

Before closing the debate, may I remind the House that during the December part-session I established, for reasons which I explained to the Council, that the procedure laid down for the budget had been completed and that the 1979 budget has been finally adopted.

(Applause from various quarters)

The debate is closed.

7. Question Time

President. — The next item is the second part of Question Time (Doc. 560/78).

We begin with the questions addressed to the Council.

I call Question No 25 by Sir Geoffrey de Freitas :

What has been done during 1978 to facilitate the transit of goods from one Member State to another ?

Mr François-Poncet, President-in-Office of the Council. — *(F)* At the end of 1976 the Council undertook a reorganization of the transit arrangements which involved simplifying them both directly and indirectly by means of implementing regulations adopted by the Commission.

Following this reorganization, the Council has not, however, given up the idea of making further improvements to these arrangements, concerning in particular guarantees to be provided by the operator.

It has become apparent however that progress cannot be made in this field unless some mutual assistance scheme between the customs authorities of the Member States is first set up in the Community to help combat infringements. The Council has accordingly been devoting particular attention to this aspect during 1978, so that concrete results may be achieved as soon as possible.

Sir Geoffrey de Freitas. — May I welcome the President-in-Office to our parliamentary Question Time and thank him for his courtesy in replying, just by chance, to my question first ? May I draw his attention to the fact that really it has been the questions from all quarters of this House over the last year or so which have got the Ministers going, and it is a good illustration of the cooperation between Parliament and the Council of Ministers ? In the next six months, will he do everything he can to remove even more restrictions on movement, so that except for reasons of security, which we all understand, we will abolish these ridiculous queues of lorries at frontiers within our own Community ?

Mr François-Poncet. — *(F)* I can give Sir Geoffrey de Freitas this assurance, but I must point out that various States traditionally hold different views on this matter from which they still find it difficult to depart.

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

What further discussions with Great Britain and foreign governments are planned about Community aid to the Falkland Islands ?

Mr François-Poncet, President-in-Office of the Council. — *(F)* On the basis of Article 136 of the Treaty of Rome, the Community grants aid to the overseas countries and territories for which the Member States have responsibility, using a series of means provided for in the Council Decision of 29 June 1976 on the association of the overseas countries and territories with the Community.

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The Falkland Islands and their Dependencies accordingly benefit from measures designed to facilitate their economic and social development and to strengthen their economic structures. Given the limited production and exports of these islands, which are sparsely populated and isolated and have no major natural resources, the measures in question mainly consist of financial and technical cooperation complementary to the efforts already being made by the relevant authorities of this territory and suited to its particular characteristics. In order to ensure that the projects undertaken with the financial support of the Community dovetail with the objectives and priorities of the territory, the relevant authorities — in this case the United Kingdom — informed the Commission, pursuant to Article 39 of the Association Decision, of the schemes for which they intended to request financial assistance. As a result a general framework was established within which the financing of projects will be placed.

Any subsequent amendments made to the development programme of the Falkland Islands would have to be notified to the Commission by the authorities responsible for the territory. For its part, the Council has not been informed of any plans for discussions between the Commission and the United Kingdom in this connection.

Mr Osborn. — In welcoming the new President-in-Office may I ask if he is aware personally that the Falkland Islands would still wish to maintain a special status with Great Britain and therefore, by inference, with the EEC, and although negotiations are making progress, they would resist too close an association with South America, and Argentina in particular? When did the Council of Ministers last discuss the current aid programme to the Falkland Isles, and does he consider that the governments of the EEC are sympathetic to the plight of the Falkland Isles? I welcome the fact that he is now in office and in a position to take an initiative. I shall put a further question to him before his term ends to find out what discussions have taken place.

Mr François-Poncet. — (F) I have taken note of what the honourable Member said, and I look forward to answering another question from him before my term of office comes to an end.

(Laughter)

President. — Since its author is not present, Question No 27 will receive a written reply¹.

I call Question No 28 by Mr Brown :

When considering energy projects to be submitted for action, what criteria are used for determining the

advantage of Community responsibility, as against the responsibility of individual Member States or international Community action?

Mr François-Poncet, President-in-Office of the Council. — (F) Community responsibility in energy matters has not been the subject of formal specific criteria to determine when, within the legal framework of the Treaty, that responsibility should be exercised in preference to action at the national or international level. The Community's energy objectives are, in particular, to make the Community less dependent on imports of energy, especially of petroleum, to achieve greater savings of energy and to exploit Community sources, including alternative sources of energy. The Council, also, in considering proposals for Community measures, takes into account the need to avoid duplicating effort or expenditure at the national or wider international level and the extent to which it is evident that the proposed Community measures will help to attain an objective not otherwise attainable.

Mr Brown. — Will the President-in-Office have a look at the proposal from the Commission regarding alternative or additional sources of energy, such as wind energy, which calls for the expenditure of about 3 million units of account, on work which is identical to the research and development being carried out by the IEA and OECD? It does seem to me that the proposal does not meet the criteria he has just laid down, namely, that there should be no duplication.

Mr François-Poncet. — (F) The Commission proposal to which the honourable Member has just referred will in fact be examined, and if this answer means that I must go back to a certain extent on what I have just said, I will naturally do so.

Mr Osborn. — Whilst welcoming the observation on the need the avoid duplication of expenditure. I would ask the President and the Council whether they think the energy ministers have adequate information on total national expenditure on energy projects, including energy development projects, to enable them to compare this with international expenditure and to deduce what should be done at Community level, and is he in a position to express an opinion on this?

Mr François-Poncet. — (F) The Commission provides the Council with very full details on this point and ensures that the information provided is accurate. It is on this basis that the Council considers the proposals and decides on them.

8. Votes

President. — The next item is the vote on the motions for resolutions contained in the reports on which the debate has closed.

¹ See Annex.

President

We shall begin with the motion for a resolution contained in the *Dinesen report (Doc. 552/78): Directive on the protection of employees in the event of their employer's insolvency.*

Mrs Kellett-Bowman, on behalf of the European Conservative Group, has tabled Amendment No 1 seeking to modify Article 3 of the proposal for a directive as follows:

Member States shall adopt the measures necessary to ensure that guarantee institutions, hereinafter referred to as 'institutions', pay the unfulfilled claims of employees arising before the onset of the employer's insolvency or before the termination of the employee's employment, whichever is the later.

What is Mr Dinesen's position?

Mr Dinesen, rapporteur. — (DK) My view is that the proposed amendment is too unclear and uncertain and that it would put employees at risk. I therefore cannot recommend its acceptance.

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

I put the motion for a resolution to the vote.

The resolution is adopted.¹

I put to the vote the motion for a resolution contained in the *Krieg report (Doc. 498/78): Draft treaties amending the Treaties establishing the European Communities.*

The resolution is adopted.¹

I put to the vote the motion for a resolution contained in the *Dalyell report (Doc. 557/78): Regulation on solar energy.*

The resolution is adopted.¹

9. Question Time (resumption)

President. — Question Time is resumed.

I call Question No 29 by Mr Dalyell, for whom Mr Fitch is deputizing:

Since November, what action has the Council taken with regard to non-utilization of appropriations for payments from the Social and Regional Funds, as illustrated in the report on the Financial Situation of the European Communities on 30 June 1978 recently submitted by the Commission to Council and Parliament, and what action does it plan to take?

Mr François-Poncet, President-in-Office of the Council. — (F) If the trend recorded on 30 September 1978 — the last date for which the Commission figures are available — continues, the utilization of appropriations for payments from the Social and Regional Funds for the 1978 financial year is clearly bound to be unsatisfactory at the end of that year. As regards the Regional Fund, it would appear that one of the reasons for the non-utilization of the appropriations was the inadequacy of the projects submitted by

certain Member States. Furthermore, since the new basic regulation has not yet been adopted, it has not been possible for the Member States to obtain payments swiftly as provided for by this new regulation. The payment appropriations for 1978 were based on the hypothesis that accelerated payments of this kind could be made. As for the Social Fund, the Council of Ministers for Employment and Social Affairs, meeting on 27 November 1978, reiterated the importance it attached to the Court of Auditors of the European Communities carrying out a detailed examination of the operation and management of the Social Fund, taking into account the new rules which entered into force on 1 January 1978 and the considerable sums allocated to the budget of the Social Fund. The Council asked the Commission to take the requisite measures to ensure that this examination takes place under the best possible conditions. These are matters of great importance for the Council, which has also learnt that a report had been drawn up by the Commission at the request of the Committee on Budgets of the European Parliament on the reasons for delays in carrying out payments in these areas of the budget.

Mr Fitch. — May I, by the way, thank the President-in-Office for that reply. Would he not agree that there are other reasons for the delay in payments. For example, would he say whether the Commission has enough officials to carry out this particular task? Furthermore if Member States are slow in making applications, would he say why this is so? Is the less than satisfactory working of the Regional Fund perhaps the reason why the Council feels that there are other ways of dealing with regional problems?

Mr François-Poncet. — (F) As far as I know the main reason for the non-utilization of the available appropriations is the failure of the Member States to submit enough projects, and not delays in examining them on the part of the relevant departments of the Community bodies, in particular the Commission. Incidentally, I would generally hesitate — and I must stress it that I am speaking now only in a personal capacity — to put the slow progress of the applications down to a lack of officials. I would be more inclined to think that the opposite is frequently the case, i.e. that the more officials there are, the slower the progress. (Laughter) However, you are perfectly at liberty to disagree with this point of view.

If, however, the Commission took the opposite view and felt that it was understaffed, it would say so, which it has not done so far.

Why then should the reason be the one I mentioned? Because drawing up projects involve considerable work, and the Member States are clearly having difficulties in drawing up projects which are sufficiently substantial, detailed and well-informed as to warrant

¹ OJ C 39 of 12. 2. 1979.

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submission to the Commission. and I must say that this situation does not surprise me, and one can see examples of it not only, if I may be permitted to say so, within the Community, but also within other international bodies outside the Community.

Mrs Kellett-Bowmann. — Would the President-in-Office accept that it is very disheartening to people who might bring forward projects, when, instead of getting the benefit from them, the governments of the Member States are apt to put the money into the national exchequer instead of passing it on the regions? It takes a lot of time, as you have just this moment said in your second reply, to draw up these projects. In the United Kingdom, local authorities have been forbidden to undertake any additional projects by reason of the fact that they get help from the Regional Fund. If they have gone to a lot of trouble drawing up projects, they are going to find this a considerable disincentive. Could this be one of the reasons why enough projects are not coming forward?

Mr François-Poncet. — (*F*) I am not sufficiently familiar with the situation in the United Kingdom to answer your question, nor does it come within my competency. The Court of Auditors of the European Communities has been instructed to study the practical operation of these funds and to check that the rules laid down are in fact being observed. I think this is a guarantee which will provide a basis for a precise assessment of the situation.

Mrs Squarcialupi. — (*I*) Are not these delays in presenting projects, or the total failure to present projects, in some cases due to the fact that the Member States are not informed in good time of the new guidelines adopted by the Council for the allocation of these sums? If so, are the Member States informed in good time of any changes made regarding the allocation of these sums, so that they are not wasted?

Mr François-Poncet. — (*F*) As far as I know, this is not the case. The Member States are provided with full information in good time, and responsibility really lies at national and local level.

Mr Brown. — Would the President-in-Office not agree that in the case of the energy-saving projects it was in fact from December 1977 until July 1978 before the Council of Ministers found themselves able to make a decision, so that quite clearly money put aside for those projects could not be spent on time? Surely he must accept that it is the Council's responsibility to ensure that the Regional Fund money is spent. Might I suggest to him that, if this money cannot be spent, there is a constituency in London called Hackney which desperately needs the money and I would willingly take it home in my bag tonight in order to give it to them?

(*Laughter*)

Mr François-Poncet. — (*F*) I would be very glad to put the money in the honourable Member's bag if I was able to do so.

(*Laughter*)

Unfortunately, I do not have these funds at my disposal nor is it up to me to allocate them. I can only repeat what I have already said, i.e. that it is up to the Council to inform the Member States of the sums available and the criteria governing their utilization. There is no way of compelling the Member States to submit projects corresponding to the criteria laid down and in good time.

IN THE CHAIR: MR YEATS

Vice-President

President. — I call Question No 30 by Mr Ryan:

In relation to proposals for a European Monetary System, can the Council state the extent of agreement (if any) for the real transfer of funds from the better-off to the less-well-off regions of the Community to enable a European Monetary System to survive?

Mr François-Poncet, President-in-Office of the Council. — (*F*) In its Resolution of 5 December 1978, the European Council agreed on certain measures in favour of the less prosperous Member States effectively and fully participating in the exchange and intervention mechanisms of the European Monetary System. These measures provide for making available to such countries for a five year period loans of up to 1 000 million EUA per annum which may be accompanied by interest subsidies of 3 %.

The total cost of this measure divided into annual instalments of 200 million EUA each, may not exceed 1 000 million EUA for the period of five years. Funds made available in this way should be devoted mainly to financing selected infrastructure programmes, on the understanding that the direct or indirect distortion of the competitive situation of specific industries within the Member States is to be avoided.

The implementation of these measures now depends on proposals from the Commission. As soon as such proposals are submitted, the Council will examine them as a matter of priority. I would like to point out in this connection that the European Council specified that the measures in question should take effect no later than 1 April 1979. Furthermore, the European Council has invited the Commission to study the link between increased convergence of the Member States' economic development and the use of Community instruments, particularly of funds, to reduce structural imbalances. The results of the Commission's studies

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will be examined by the European Council at its next meeting.

Mr Ryan. — I am grateful to the President-in-Office for his answer so far as it goes, but I would like him, if possible, to give us some further information. It is generally understood that the purpose of the proposals is to assist the less-developed Member States to withstand the depressing effect upon their economies resulting from observance of the disciplines of the European Monetary System; but having regard to the fact that the most depressing consequences are likely to occur in the industrial areas by reason, of the erosion of export competitiveness resulting from the elimination of currency adjustments which would previously have been made, how can the limitation of the aid to infrastructure developments assist the industrial area, which is the one which is most likely to be affected? Can the President-in-Office inform us what changes, if any, occurred between the European Council on 5 December and the subsequent agreement by the governments of Italy and Ireland to join the system, in relation to what were announced as easements of the restrictions on the type of investment which could be aided? What easement was offered, and could we be given details of the removal of the restrictions, please?

Mr François-Poncet. — (*F*) I am a little surprised at your remarks since, like you I presume, I am an elected local representative and am obviously concerned with the development of industrial projects in the region I represent. I cannot accept your statement to the effect that expenditure on infrastructure projects, such as roads, airports and ports, does not affect industrial development. Indeed, the opposite is true. Amongst the requests put forward each day there is one field which should be given priority by the public authorities, namely infrastructures. When the public authorities get involved in aid in the form of subsidies to private concerns, there is a risk of distortion in the competitive situation and it is this consideration which guided the European Council in its choice. Although its effects on industrial development may be less direct, I nevertheless feel that this constitutes a course of action which is at the same time more neutral as regards competition and, probably, more efficient in the long term, since it creates the basis for a healthy development of industrial activity.

That is what I wanted to say. As to why two governments which had shown some concern and hesitation at the time of the European Council should have finally given their agreement to the European Monetary System, I suggest that the honourable Member ask these governments directly, since I am not in a position to reply on their behalf.

(*Laughter*)

President. — In the absence of its author, Question No 31 will be answered in writing.¹ Since they deal

with the same subject, I call jointly Question No 32 by Mr McDonald:

In view of the declared attitude of the French Government to the system of monetary compensatory amounts, what period does the President-in-Office of the Council think will be necessary to arrive at their abolition?

and Question No 37, by Mr Bordu:

What does the Council intend to do to prevent the creation of new monetary compensatory amounts and to abolish the existing monetary compensatory amounts, which are responsible for intolerable discrimination between the Member States and heavily penalize French farmers in particular?

Mr François-Poncet, President-in-Office of the Council. — (*F*) The Council is aware that the prolonged use of monetary compensatory amounts gives rise to distortions; indeed, it arrived at this conclusion as early as 1975 when taking stock of the common agricultural policy.

At every review of agricultural prices the Council has reviewed the green parities, and the effect has been to reduce the monetary compensatory amounts and the drawbacks which could arise from their implementation.

The European Council has also stressed the importance of henceforth avoiding the creation of permanent compensatory amounts and progressively reducing the existing ones in order to re-establish unity of prices under the common agricultural policy, while taking due account of price policy. The Council has so far been unable to agree on detailed arrangements for implementing this Decision, but the problems raised in the questions by Mr Bordu and Mr McDonald are due for examination by the Council in the near future. You will understand that I cannot say any more at this stage.

Mr McDonald. — Would the President-in-Office not agree that the countries who benefit from the highest MCA protection are in fact the countries who are making a totally disproportionate contribution to Community stocks, always remembering that my own country have almost no stocks in intervention and, for instance, we receive exactly half the price per tonne sterling for our butter which, shall we say, Germany does? Surely the President-in-Office must agree that it is deplorable, and must surely affect the credibility of the EMS in the minds of the people of the Community, for his own governments to introduce the tactic of linking the implementation of the EMS to the problem of MCA, which is with the Community for a considerable time. While I share the Minister's concern, surely he might be able to give us some indication of the time schedule that he visualizes for the solution of the MCA problem?

¹ See Annex.

Mr François-Poncet. — (*F*) I thought I had already answered Mr McDonald's question, but I should be glad to sum up what I said.

We agree that the monetary compensatory amounts can grossly distort competition in the agricultural sector. The question on which we do not agree entirely appears to be the linking, on the part of my country, of the elimination of monetary compensatory amounts and the implementation of the European Monetary System. I hope the honourable Member will permit me to remind him that, even though monetary compensatory amounts have in fact been part of the European landscape for ten years now, they were originally introduced with a view to coping with monetary instability, not as a result of a decision concerning the common agricultural policy, and it would be more than paradoxical, it would be incomprehensible — at least to the general public — if, now that we are hoping to move towards a stable monetary system for the future, we did not at the same time abolish the major result of instability, i.e. the monetary compensatory amounts. This could only mean one thing, namely that harmonized prices only applied in the case of industry, and that the agricultural sector was being, as it were, given a special status. This is a situation which not only my country but Europe as a whole, if it had any sense, could not support. In other words, the European Monetary System would hardly have any credibility if we were to accept its implementation under conditions such as these.

Mr Bordu. — (*F*) Mr President, I must stress that the patience of the farming community, particularly in France — which was seriously affected by these amounts and is waiting for their abolition — is running out.

My question, therefore, is as follows. When do you think we can expect these amounts to be totally abolished?

Mr François-Poncet. — (*F*) I am afraid I am not enough of a fortune teller to be able to say when such and such a thing will happen.

For the rest, one should distinguish, as the European Council has done, between new monetary compensatory amounts which might be introduced in due course — and which the Council has decided may not be introduced on a permanent basis — and existing monetary compensatory amounts which are to be eliminated. Clearly, it will only be possible to eliminate them gradually, however quickly we would like to get rid of them. I am just as concerned about this matter as you are, but I think one should bear in mind the general economic consequences which would inevitably result from our eliminating these compensatory amounts over a very short period, and therefore accept the idea that it will take time. How long exactly? This will, I hope, soon emerge from the negotiations.

Mr Mitchell. — Would the Minister that it is not the MCAs which form the major source of instability but the whole structure of the common agricultural policy itself? He said that the Council were going to have discussions on the future of MCAs shortly: can he give us the assurance that this will not be done in isolation but that will be done in a general review of the common agricultural policy?

Mr François-Poncet. — (*F*) I do not think that the monetary compensatory amounts are the only problem in the common agricultural policy, but rather that the problem of the monetary compensatory amounts arose in connection with the monetary stabilization system envisaged by the Member States meeting in Brussels, particularly those who intended to play an active part in it. I think, therefore, that we should solve our problems one after the other. I do not think one stands to gain very much in this life by trying to solve all one's problems at once — indeed, this is often a way of getting nowhere.

Mr L'Estrange. — I would like to ask the President-in-Office, is he aware that MCA anomalies have cost Ireland 30 million per year for the past three-and-a-half years, that the method of calculating the MCAs has penalized the Irish meat-processing industry, and that the Irish share of the 'vac and pack' market in the United Kingdom has decreased from 600 000 tonnes to 200 000 tonnes in the past 3 years? Is he further aware that over 400 000 Irish cattle could have been boned out in Ireland, giving employment to over 1 000 Irish people in meat, ancillary and servicing industry if the anomalies in the MCAs did not exist? Is it fair to penalize a small nation like this and could any immediate action be taken to rectify the position?

Mr François-Poncet. — (*F*) The honourable Member has brought up further arguments in defence of my thesis, including details with which I was not completely familiar. I should like to thank him for providing me with this information. Our aims are similar, and although I am not in a position to tell him what immediate measures might be taken, I am convinced that the situation he has just described is a typical example of the consequences to which the system of monetary compensatory amounts has frequently given rise over the past few years.

Mr Klinker. — (*D*) Mr President of the Council, you are no doubt aware that the system of monetary compensatory amounts currently in operation was introduced ten years ago at the proposal of the French Government, and it surprises me somewhat that, without going into the political interests of other countries, you can say quite simply here that the monetary compensatory amounts must be eliminated. You can rest assured that I myself agree with this point of view,

Klinker

but they must be eliminated gradually as the currencies converge. It is not right that the hard-currency countries which have a stable currency policy, should be penalized, while the soft-currency countries should be put at an advantage. This is unacceptable.

I therefore feel that, if the new policy is to be successful, we can only phase this system out gradually, and I would be very grateful if you would make an explicit statement on this point, since in my view it will be politically possible to reach agreement only if account is taken of the interests of countries with hard currencies, and not only those with soft ones.

Mr François-Poncet. — (*F*) We could go on talking about this for ever, but I will try to answer your question briefly.

It is true that France originally accepted the introduction of monetary compensatory amounts for a limited period, and that we are still prepared to accept them for a limited period today. What we are not prepared to accept are permanent monetary compensatory amounts which have unfortunate consequences. There is, therefore, no difference between France's current attitude and the position it adopted ten years ago. It has consistently criticized this situation. Certainly, we are aware of the political problems which could arise from the abolition of monetary compensatory amounts, and we are prepared to take account of them. This is why it was decided in Brussels that the monetary compensatory amounts should be phased out gradually. Otherwise, we would definitely have requested immediate abolition as advocated by your neighbour.

For the rest, it is not a question of penalizing the countries with strong currencies, nor is it a question of putting them at an advantage, at least this should not be the case. And while we are on this point, may I draw your attention to the way in which positive monetary compensatory amounts operate in the case of countries with strong currencies. These are countries which, by virtue of the strength of their currencies, are in a position to buy supplies necessary for their agriculture on the world market on much more favourable terms. And you should know that, currently, the proportion of imported materials used in, for example, animal husbandry, is over 50 %. The advantage of having a strong currency is the same in the case of soya as in the case of oil. Consequently, a country which can benefit from the revaluation of its currency in the purchase of supplies and which, in addition, has monetary compensatory amounts which enable it to cancel out the negative aspect of the revaluation is in the fortunate situation of having all the advantages and none of the disadvantages. Allow me to congratulate you on the fact that it is your country which finds itself in this situation.

(*Laughter*)

However, what we must do is establish a situation which is reasonable for everyone concerned and

which satisfies the basic requirement of the common market, namely fair competition. In addition, the way in which economic activity develops must depend on the intrinsic suitability of certain countries and regions for certain types of production, and not on a system of aids which distorts competition.

Mr Soury. — (*F*) This is an important debate, and we have listened with great interest to the details you have given. What struck me in particular just now was your statement to the effect that you are afraid that there could be serious economic consequences if the monetary compensatory amounts were phased out too quickly.

I should like to draw your attention to the economic situation in France with which you are very familiar. If we wait much longer, some of our producers, particularly in the pig sector, will not be able to hold out. In addition, producers in the bovine sector have, as you know, also just sent out an SOS to all the French Members of Parliament.

Consequently, we cannot look at the economic consequences of this difficult problem from only one angle.

Do you not think that the situation whereby French producers might be put out of business could also have serious consequences for the French economy, and indeed for the overall economic equilibrium of the Community?

Mr François-Poncet. — (*F*) I believe this so strongly that I thought I had clearly explained to the House that the French Government was in favour of phasing out the monetary compensatory amounts...

Mr Soury. — (*F*) But when?

Mr François-Poncet. — (*F*) ... As soon as possible in the light of the situation of the various parties concerned. At least give credit to the French Government for the fact that it brought up the problem!

Mr Howell. — Mr President, may I congratulate the President-in-Office on his very robust replies and for the keenness with which he wishes to abolish the green currency system, and can I draw his attention to the grave damage which this system is doing to British agriculture just as it is to Irish agriculture. I would like to offer him all support in the early abolition of the green currency system.

Mr François-Poncet. — (*F*) I thank the honourable Member for his offer of support which I will gladly accept.

(*Laughter*)

President. — Since the author is not present, question No 33 will receive a written reply.¹

¹ See Annex.

President

I call Question No 34 by Mr Howell :

Following the Commission's unsatisfactory answer to my questions on this subject in the first October part-session and the November part-session, and the Council's unsatisfactory answer in the December part-session, will the Council state what information it has received about the allocation of the 1 million EUA given by the Commission as emergency aid to East and South-East England following the storms of 11-12 January 1978, and will it state what action it proposes to take to ensure proper accounting by Member States for such grants of Community funds ?

Mr François-Poncet, President-in-Office of the Council. — (F) I can only repeat the reply given to the honourable Member's question in December, since I regret that there have been no further developments in the situation. This means that I must reiterate that intra-Community emergency aid is decided upon by the Commission within its powers. It is therefore for the Commission to ensure that funds granted in this way are in fact used for the purpose intended. Consequently, it is also for the Commission to obtain from the Member States any information required to check that the funds granted are used for the purpose intended.

Mr Howell. — May I draw the President-in-Office's attention to the fact that I have asked a similar question of the Commission in the last three sessions and have received no satisfactory reply. The money was granted to the East and South-East of England in consequence of storms on 11 and 12 January last year, but no money has been paid out so far, neither has the British Government told the Commission how it intends to distribute this money. Now the money was specifically awarded for the East and South-East of England, and yet the British Government has announced its intention of spreading it over two other disasters, one which occurred a month afterwards in the South-West of England, and another disaster which occurred two months earlier in the North-West of England. Now, it seems to me that this money is not being used as it was intended. Is the President-in-Office aware that not only has the British Government not supplied the information to the Commission, but the Commission itself has failed to see that this money is being used correctly? Can this matter be referred to the Court of Auditors so that this misappropriation of Community funds can be fully investigated ?

Mr François-Poncet. — (F) I have listened very carefully to this additional information, but I am afraid I can only repeat that this is a matter for the Commission which should therefore be approached on this point. As regards referring the matter to the Court of Auditors, this would most probably be possible, and it is up to you to set things in motion.

Mrs Kellett-Bowmann. Is the President-in-Office aware that the last speaker is wholly wrong when he

says that this money was not intended to assist the North-East? In point of fact water is just as wet when it happens to come over the sea wall in November and December 1977 in the North-West, as it is when it comes over in January in Norfolk, and it was specifically clear to the Commission that that money was to be equally available to the North-West and not to be greedily lapped up by the East of England.

(Loud laughter)

Mr François-Poncet. (F) I have taken due note of this observation but I must point out yet again that I am the innocent victim of your anger which should be directed at the Commission. I am dreadfully sorry to see that this situation can arouse emotions of this kind in you, but I am unfortunately powerless to appease your anger.

(Laughter)

Mr Spénale. — (F) I should like to mention something which happened even before the events we have just been discussing, namely the catastrophic floods in South-West France in July 1977. Not all of this money has yet been distributed to the persons involved, and I should like to warn you, as a matter of courtesy, that there will be a question on this subject at the next Question Time.

Mr François-Poncet. — (F) I know that your courtesy was that of a neighbour from the South-West and that you are pointing out to me that there was some manna from heaven there which I would do well to keep an eye on.

(Laughter)

I will make particular efforts to prepare myself for your question.

President. — I call Question No 35 by Mr Kavanagh :

As part of its contribution to the International Children's Year, will the Council make a comparative study of the legislation relating to children in the Member States, in order to ascertain differences in treatment and opportunities for the Community's children, with a view to eliminating them ?

Mr François-Poncet, President-in-Office of the Council. — (F) A study as advocated by the honourable Member is a matter for the Commission. I have been obliged to give this answer to other questions, which shows the extent to which the Council respects the roles assigned to the various institutions, in spite of the criticisms sometimes levelled at it in this respect. The Council does not at present have before it any proposal or communication from the Commission on this subject.

Mr Kavanagh. — In view of the existing differences in the legislation relating to children throughout the Member States, such as the age of criminal responsibility, the rights of parents, adoption laws, education

Kavanagh

laws, the treatment of young offenders, maternity leave and parental leave, does the President-in-Office not agree that as long as such differences continues to exist they make a complete mockery of the idea of European integration?

Mrs Squarcialupi. — (I) Even if, as the Council maintains, it is for the Commission to submit proposals on this matter to the Council, does not the Council feel that it is impossible to divorce a policy regarding children from the general policies forming the very basis of the life of the Community, for example the policy regarding redistribution of wealth in the various regions? The infantile mortality rate is in fact higher in the poorer regions and countries of our Community. These policies do not depend upon the Commission but upon the will of the Council. I should therefore like to know what the Council intends to do on this matter.

Mr François-Poncet. — (F) It is certainly possible to isolate the question of children from its social or economic context, and I have taken due note in this connection, of what has just been said regarding infantile mortality, a subject about which we are all naturally concerned. Nevertheless, the fact unfortunately remains that, as I said before, the Council can only make statements on the basis of proposals received. The Council is certainly concerned with the problem of children and regards it as important, but the fact remains that the treaties are what they are, and that the Council can only make statements on proposals submitted to it by the Commission.

Mr McDonald. — Am I to understand from the replies of the President-in-Office that the Council of Ministers has no proposals, and has decided to take no special initiative to mark Children's Year as suggested by the United Nations Surely it should be within the competence of the Council of Ministers to embark on an examination of legislation, as has been suggested by the questioner Mr Kavanagh. I am rather shocked to hear the President-in-Office say that they do not propose to do anything about Children's Year pending proposals from the Commission.

Mr François-Poncet. — (F) I think there has been a misunderstanding. You appear to think that both the Council and the Commission can take initiative is restricted to the Commission. If the Council were to take initiatives it would be going against the Treaty which, as I have explained this morning, we respect. Following the discussion which has just taken place, the Council will sound out the Commission — which, moreover, is represented in this House — concerning the preoccupations of this Assembly and will do its best. I am sure that the Commission will take steps to submit an initiative or proposals, and I assure you that, if it does so, the Council will deal with it without delay.

Mr Mitchell. — If the Council of Ministers cannot take initiatives, how did the European Foundation come into existence?

Mr François-Poncet. — (F) The European Foundation did not result from a Community initiative. It was a proposal put forward by the European Council and subsequently examined by the Council of Ministers, which could probably not have taken the initiative itself.

President. — I call Question No 36 by Mr Soury:

What is the Council's opinion for the report on the common agricultural policy which the Commission submitted to it on 4/5 December 1978 and in particular of the proposals it contains concerning, for example, a general price freeze during the 1979-1980 marketing year?

Mr François-Poncet, President-in-Office of the Council. — (F) The Council has not discussed the communication in which the Commission informed the European Council on 4 and 5 December 1978 of its considerations on the future development of the common agricultural policy. Regarding agricultural prices in particular, the Council will shortly be receiving the Commission's proposals on agricultural prices and related measures for the 1979/1980 marketing year. It is on the basis of these proposals, on which Parliament will be required to give its opinion, that the Council will take its decisions.

Mr Soury. — (F) The reason I put this question is that it strikes me as important in the light of what I have been hearing for some time now concerning the need for a total revamp of the common agricultural policy. The Treaty of Rome spoke of raising the standard of living for agricultural workers. Now you know as well as I do that agricultural incomes in France have been falling steadily over the past five years. What does the Council intend to do to remedy this situation?

Mr François-Poncet. — (F) The Council will decide on agricultural prices when it has received the proposals from the Commission, which will be in the near future. Furthermore, this central issue, i.e. agricultural incomes, is always borne in mind by the Ministers of Agriculture when they discuss problems concerning the common agricultural policy.

Mr L'Estrange. — Would the President-in-Office not agree that, if other sections of the Community are getting wage increases of from 5 to 20 %, the farmers, who work seven days a week, very often for 52 weeks a year, whose costs of production are increasing, are entitled to justice and a fair return for their labour and their produce? Now would you not further agree that it is completely wrong to have a freeze on agricultural prices without having an all-round freeze?

Mr François-Poncet. — (*F*) I have taken due note of these remarks which highlight one aspect of the very real problems facing agriculture in some of the Member States. I am sure that the Members of the Council will bear these considerations in mind when taking decisions regarding the agricultural policy for 1979-1980.

Mr Cunningham. — Would the President-in-Office confirm that, over the last few years, farmers in Ireland, as in many other parts of the Community, have enjoyed an enormous increase in their incomes at the expense of consumers.

(*Mixed reactions*)

Mr François-Poncet. — (*F*) This is a piece of conflicting information of which I shall take due note, but it is not a question which calls for an answer from me.

President. — I call Sir Geoffrey de Freitas on a point of order.

Sir Geoffrey de Freitas. — Mr President, in view of what has happened this afternoon and the sense of frustration that some of us have felt that the questions were addressed to the wrong institution, I wish formally to ask you whether you would set in motion a study as to whether it would be possible for the President, on the advice of the Secretariat in consultation with the Commission and the Council, to direct questions which are put down to the correct institution?

(*Applause from various quarters*)

President. — Certainly, on the national level steps would normally be taken to send questions to whoever was responsible, so I cannot see why it should not be done here. I will look into the matter.

We shall now consider the questions to the Foreign Ministers of the nine Member States meeting in political cooperation.

Since the author is absent, Question No 38 will receive a written reply.¹

I call Question No 39 by Mr Dalyell, for whom Mr Mitchell is deputizing:

What progress has been made by the Foreign Ministers in combating terrorism, and in particular has there been progress towards preventing the import by means of the diplomatic bag of weapons into the EC, and in preventing similar abuses of diplomatic privileges of certain representatives in the capitals of the nine Member States?

Mr François-Poncet, President-in-Office of the Foreign Ministers. — (*F*) In its statement of 8 April 1978, the European Council recalled that high priority should be accorded to measures aimed at intensifying cooperation between the Nine with a view to defending our societies against terrorism.

Consultations between the Nine on this matter are proceeding actively. After having drafted an agreement dealing specifically with acts of terrorism, the Nine are currently studying a draft convention aimed at strengthening their cooperation on criminal jurisdiction on a more general level. The outcome of this work could constitute an initial step towards the establishment of a European judicial area. In addition, the Nine are examining various practical problems including the question of possible abuses of diplomatic privilege.

Mr Cot. — (*F*) I was interested to hear the President-in-Office of the Council describe the fight against terrorism as the initial step towards the establishment of a European judicial area. I should therefore be grateful if he would be more specific on a number of points. Firstly, does he mean to say that this is basically what the concept of a European judicial area is all about? Secondly, what actually are the texts which will be submitted to the European Institutions in the course of the next few months concerning this whole question of the European judicial area? Thirdly, would the President-in-Office of the Council agree that progress in combating terrorism must go hand in hand with the defence of human rights in Europe or does he regard these as two separate problems?

Mr François-Poncet. — (*F*) The two problems must be considered separately, in so far as the European judicial area comes under a convention on cooperation on criminal jurisdiction between the various States. Secondly, this is a matter which the Ministers of Justice are considering and on which they will report to the European Council. Even though the two problems are naturally related and stem from a similar preoccupation, they must be tackled separately.

Mr L'Estrange. — Is the President-in-Office aware that although Ireland does not produce guns or ammunition terrorists unfortunately are getting guns and ammunition into the country to murder fellow Irishmen, and does he not agree that all avenues should be sealed off as quickly as possible?

Mr François-Poncet. — (*F*) I can understand the honourable Member's concern, but I cannot claim that this problem is strictly speaking one which comes under political cooperation. It is a problem of a completely different kind.

President. — I call Question No 40 by Mr Ryan:

Can the Foreign Ministers state what Member States have ratified:

- (a) the United Nations Covenant on Civil and Political Rights,
- (b) the United Nations Covenant on Economic Social and Cultural Rights,
- (c) the United Nations Convention on Racial Discrimination

¹ See Annex.

President

and what steps are being taken to expedite ratification procedures so as to present a common Community approach to such important principles?

Mr François-Poncet, President-in-Office of the Foreign Ministers. — (F) The ratification of international covenants on human rights and the convention on the elimination of all forms of racial discrimination is a matter for each individual Member State and has not been the subject of coordination under European political cooperation.

However, I should like to inform the honourable Member of the current situation of the Member States *vis-à-vis* the international agreements in question. The Federal Republic of Germany, Denmark, Italy, the Netherlands and the United Kingdom have introduced the acts of ratification. The French Government recently decided to put bills authorizing ratification before Parliament at its next session. In Belgium, a bill has been put before Parliament for the authorization of the ratification of the two Covenants. Furthermore, certain countries have ratified the optional protocol relating to the international Covenant on civil and political rights and deposited the declaration provided for by this Covenant.

All the Member States have signed the Convention on Racial Discrimination, and eight countries have ratified it. The position of the Nine with regard to human rights was recently expressed by the permanent representative of the Federal Republic of Germany at a commemorative sitting of the United Nations General Assembly on 11 December 1978, which was the 30th Anniversary of the Universal Declaration of Human Rights.

Mr Ryan. — I am grateful to the President-in-Office for the information contained in his reply, although I am sure I express the regrets of many Members, including my own, that so far the subject of human rights has not been considered as a subject of political coordination at the Council of Foreign Ministers. Would the President accept that the failure of all Member States to ratify the covenants raises suspicions throughout the world that some Europeans are lacking in respect for civil and political rights, and economic, social and cultural rights, and that they are lacking in sufficient condemnation and readiness to take steps against racial discrimination? Would the Council consider setting a time-limit, or would the Council welcome a recommendation from Parliament that a time-limit should be set, for all European countries to ratify these very important international documents which have such a vital effect on the way in which we treat one another in this world?

Mr François-Poncet. — (F) I have taken due note of these comments but I am not able to make any statements on behalf of the Ministers of Foreign

Affairs since, as you know, they consider that these problems do not at this stage come under political cooperation.

I should merely like to make one observation. I do not think that one could seriously defend *vis-à-vis* the world outside the Community the idea that our countries do not, in the modern world, respect human rights. Even if certain conventions are not ratified as swiftly as might appear desirable — and I can understand what might be the attitude in certain quarters in this respect I nevertheless think that, as regards human rights, our Member States remain exemplary from all points of view in the modern world. There is always room for improvement, but let us not allow what I regard to be a distortion of the truth to gain ground.

President. — Question No 41 by Mr McDonald on refugees from Vietnam and Cambodia will not be taken, but the author will have the right to speak first in today's debate on the subject.

The second part of Question Time is closed.

10. Arrangements for counting the votes in direct elections

President. — The next item is the oral question without debate (Doc. 526/78) on behalf of the Political Affairs Committee to the Council:

Subject: Arrangements for counting the votes in direct elections

Since it is important that direct elections should make an impact on the citizens of the Community, it is vital for the counting of votes to begin as soon as polling has closed in the last Member State, on the evening of Sunday, 10 June 1979.

Provided that is possible and the results can be announced on that same evening, the radio and television networks of the Member States are contemplating broadcasting a multi-national programme, covering the election results, which would convey to viewers and listeners the significance of these direct elections.

However, if it turns out that too few countries will be announcing the results that evening, the networks would not be prepared to broadcast a programme of this nature.

Given this situation, the Political Affairs Committee requests the Council of Ministers to state:

1. What requests have been made to the Council to ensure that the results of the direct elections are announced on the same day in all Member States?
2. What discussion has there been on this matter in the Council? What was the outcome?
3. What steps will the President-in-Office take to ensure that the results of the direct elections are announced on the same day in all Member States?
4. What, in the Council's view, would be the most fitting date and time for announcing the results?

I call Mr Patijn.

Mr Patijn. — (NL) Mr President, the implementation of the Act concerning the European elections is a national matter, and consequently the Council and Parliament have rarely been called upon to take a decision on this in the past year and a half.

However, a number of questions have not yet been finally settled, for example the voting rights of European citizens living outside their country of origin — i.e. whether they should be entitled to vote in their country of residence or in their country of origin. These matters have still not been settled, the excuse being that they are a national prerogative, with the result that a considerable number of European citizens will be unable to take part in the elections.

The question raised by the Political Affairs Committee, on behalf of which I am addressing this House, is the result of a request made by the European Broadcasting Union and concerns the following: we now know that the European elections will be held on a Thursday in four Member States, and on the following Sunday in the five others, and that the results will not be announced in the four Member States until the results have been made known in the country which closes its polling booths. This will probably be Italy. The European Broadcasting Union has indicated — and this is a highly commendable idea — that on the evening on which voting closes, namely Sunday 10 June, it will broadcast a multi-national television programme in which the results will be announced simultaneously in all Member States. This is a very welcome step, as it means that the people of Europe will be informed of the outcome of the elections in the nine countries and of the overall results of the elections to the European Parliament and the distribution of seats.

But this calls for coordination, and that is the subject of the question by the Political Affairs Committee.

The European Broadcasting Union has asked the Council of Ministers to study this matter and to state its views. The programme which the EBU wishes to broadcast can only serve a useful purpose if the results are announced in all Member States at about the same time. If one country starts to announce the results at 6 p.m. while another starts at 11 p.m., it would be pointless for the EBU to broadcast the programme, as the results should be made known at approximately the same time, so that a multi-national programme can be broadcast on the nine networks.

The openness, indeed the future of the European elections are at stake, as the campaign for the European elections begins as soon as the first elections are over. And so we need coordination, because the national provisions vary widely. However, in the light of the national legislation the Political Affairs Committee believes that it should be possible to broadcast the programme if the countries voting on the Thursday

are prepared to wait until the Sunday evening before announcing their results.

You will appreciate that the EBU is pressed for time and is anxious to hear from the Council today whether it should begin the very time-consuming preparations for the programme. On behalf of the Political Affairs Committee, I very much hope that the President-in-Office of the Council will be able to tell us that the nine foreign affairs ministers have agreed on a time for the start of vote counting.

I should like in this connection to mention a small problem. In Italy, work is continuing on the Italian law, which is the only one not yet completed. Article 16 of this law stipulates that voting is to end in Italy at 10 p.m.

If this goes through, we might as well forget about the EBU programme, because 10 p.m. is much too late to start a programme on the election results, while voting elsewhere will presumably have ended at 7 or 8 p.m. I hope that the President-in-Office of the Council can give us an assurance on this point. The Political Affairs Committee greatly appreciated the European Broadcasting Union's initiative in referring the matter to the Council and decided to take the matter up. On behalf of the Political Affairs Committee I earnestly hope that the President-in-Office of the Council can reassure us that the EBU programme can go ahead as planned.

President. — I call Mr François-Poncet.

Mr François-Poncet, *President-in-Office of the Council.* — (F) Mr President, I hope that my reply will set Mr Patijn's mind at rest. Within the Council the Member States have, in fact, exchanged information on the time at which we shall be able to begin to announce the results.

During these consultations it was noted that, in accordance with Article 9 (2) of the Act of 20 September 1976, that 'the counting of votes may not begin until after the close of polling in the Member State whose electors are the last to vote within the period 7—10 June 1979'. The provisions are sensible. It was also noted that the polling stations will close at 7 p.m. normal time or 8 p.m. summer time in the three Member States whose electors will be the last to vote, i.e. Germany, France and Italy.

In practice this means that in all the Member States except Ireland, which has not yet decided on the arrangements but hopes to do so very soon, the announcement of results will begin at 7 p.m. normal or 8 p.m. summer time.

We have kept in touch on the matter with the European Broadcasting Union, which, as you might expect, intends to give the largest possible coverage to this event.

President. — I call Mr Patijn.

Mr Patijn. — (NL) Mr President, I should like to draw the attention of the President-in-Office of the Council to a problem to which I have already alluded.

I should like to thank him very much for his most reassuring reply concerning Italy. You stated that voting would end at 8 o'clock: I am very pleased to hear it, as it means the EBU can begin its preparations. The problem is just that the Italian law, which has not yet been passed, stipulates that voting should end at 10 p.m. I am not sure whether you made allowance for this in your reply.

President. — I call Mr Francois-Poncet.

Mr François-Poncet, President-in-Office of the Council. — (F) I am aware of what Mr Patijn has just mentioned. I would simply say that we have taken the matter up with the Italian Parliament and that its attention has been drawn to this problem. I am sure they will act on what we have told them.

President. — This item is closed.

11. Prospects of enlargement of the Community

President. — The next item is the report (Doc. 479/78) drawn up by Mr Pintat on behalf of the Political Affairs Committee on the prospects of enlargement of the Community — Part I: Political and institutional aspects.

I call Mr Pintat.

Mr Pintat, rapporteur. — (F) Mr President, the debate which we are about to hold in this House on the accession of southern European countries to the Community is at once fundamental, difficult and timely.

It is fundamental because it deals not only with the mechanisms, methods and technical aspects of Europe, but also directly with its substance, nature and aims.

It is difficult because it requires us to leave our emotions and passions aside, because what is at stake is nothing less than the future of Europe. How are we to steer a course between the two extremes of, on the one hand giving priority to the political aspect at the expense of the economic one and, on the other hand, basing everything on economic considerations at the risk of jeopardizing the political element?

Lastly, the debate is timely because, before the accession agreement with Greece is signed and before negotiations with Spain are formally opened, our Parliament, which under the terms of the Treaty is made up of representatives of the peoples of the Community Member States, ought to let the Council and public opinion know its general attitude to the accession of southern European countries.

It is undeniable that, politically, enlargement is a must, but it also raises serious — though not insoluble — economic problems and calls for institutional adjustments in accordance with the Treaties.

The report on the prospects of enlargement of the Community deals both with the political and institutional aspects of this question and with its particular technical aspects. However, since not all of the committees consulted — the Committees on Agriculture, Budgets, External Economic Relations, Transport, etc. — had submitted their opinions by its meeting on 20 and 21 November 1978, the Political Affairs Committee decided initially to adopt a motion for a resolution to be put before the House this evening as Part I of this report, dealing only with the strictly political and institutional aspects and not going into those aspects which we have yet to deal with in Part II, which will be submitted to the House during a later part-session.

This decision was reached by the Political Affairs Committee, after numerous lengthy deliberations, in view of the wide-ranging and complex nature of this subject, but it is still necessary for the European Parliament to state its views at least on the main principles which must govern enlargement before the initial negotiations have progressed very far. A second stage already well under way in committee, will involve the drawing up by the Political Affairs Committee, on the basis of the opinions of the committees consulted, of Part II of this report, which will deal with the sectoral aspects of enlargement. In short, the Political Affairs Committee's decision to postpone the adoption of Part II means that in this second part it will be able to take account more fully and with full knowledge of the facts of the options chosen by Parliament's other committees. I repeat that Part II could not be prepared for this evening because the consultation process is so long.

With regard to institutional aspects, which we shall be dealing with this evening, the Political Affairs Committee has concentrated on a certain number of main principles which can be summed up as follows. The Political Affairs Committee considered that with regard to enlargement it was necessary first of all to draw attention to the principles actually contained in the preamble to the Treaty, where the Member States declare themselves — and this quotation from the preamble can be found in the motion for a resolution — 'determined to lay the foundations of an ever closer union among the peoples of Europe' and 'resolved by thus pooling their resources to preserve and strengthen peace and liberty' and call on 'the other peoples of Europe who share their ideal to join in their efforts'.

Pintat

These are the provisions on which must be based the political will of the present Member States to enlarge the Community to include countries which are indissolubly linked to them by history and which, after the dark years of dictatorship, have rejoined them as countries of the free world. The enlargement of the Community must be above all an act of faith in democracy in Europe. The Political Affairs Committee considered that this act of faith must be supported by a joint undertaking by all the Member States and the applicant states to adhere to the principles of pluralist democracy.

For the better safeguarding of these principles, the report before you this evening proposes that, on the model of the mechanisms for imposing legal sanctions in the case of infringement of the Treaties, the Court of Justice should be able to establish the failure of a Member State to respect these principles of freedom and pluralist democracy. After lengthy discussion, our committee even felt it should go as far as asking that, under the guarantee of the judgment of the Court of Justice, any such failure should be incompatible with membership of the Community. Our committee then concentrated on the philosophy underlying the accession of new Member States, namely that it must contribute to the strengthening and progress of the Community as a whole, including of course the acceding state. It seems essential that this should be stipulated in order to prevent accession being considered as an entitlement to receive permanent aid or to make unilateral demands. It must, on the contrary, be considered as entry to a vast commonwealth of solidarity in which each country shares rights and duties with the others.

Our committee then defined the substantive conditions which should govern accession. It considered first of all that, since a community is involved, the accession negotiations, although conducted separately, should be pursued on the basis of an overall approach. For the same reason, your committee considered that the progress of each applicant country towards full membership of the Community should take place gradually in two stages: a 'preparatory period' from the time the Treaty is signed until its coming into force, and a 'transitional period' which starts with the coming into force of the Treaty and leads the acceding country towards full participation in the Community process.

During the preparatory period, the applicant country must be able to take an appropriate part in Community procedures. This is, in fact, what happened at the time of the first enlargement, and this is what is happening already in the context of political cooperation, where the applicant countries are included in information and concertation procedure from the moment the accession negotiations begin. In this connection I should like to take advantage of the presence of Mr Jean François-Poncet, the French Foreign Minister, who is attending this debate in this capacity

as President-in-Office of the Council and of the Foreign Ministers meeting in political cooperation, to ask him — and I also address this question to the Commission — whether, during the negotiations, and more generally whenever the question of enlargement was raised, any attention was given to the attitude of the applicant states with regard to foreign policy. Indeed, if there is a desire to involve these countries in the procedures of political cooperation and to give them information, they must be expected to show willingness to align themselves more with the Member States of the Community in this field.

It can be said that hitherto — and the Parliament departments have carried out many studies on this subject — there has been increasing convergence in foreign policy between the nine present Member States of the Community, whereas the applicant countries very often adopt considerably differing positions. If you look, for example, at the votes cast in the UN General Assembly during recent years, you will notice that, on the major questions of foreign policy, Greece, Portugal and to a lesser extent Spain very often vote differently from the nine Community members. But it is not simply that all the Member States and all the applicant States vote differently at the UN. The latter seem to be divided even in the way they view the international scene, since they do not all recognize the same States — and here I am thinking particularly of the State of Israel with which Greece and Spain have no diplomatic relations. What do the Foreign Ministers think will be the effect of this when Greece and Spain take over — as is perfectly normal — the presidency of the Community's ministerial bodies? I think that this raises questions of great importance for the future of the Community and for the very success of the whole concept of enlargement. For my part, I hope, as I am sure all the Members of the European Parliament do, that the Presidency will give us the clearest assurances on these points.

With regard to the information measures and concertation on Community procedures, the Political Affairs Committee's motion states that we should like to see the applicant countries adopt an attitude in keeping with the concerns of the Community, and in particular that even before accession they should adapt their policies and laws to those in force in the Community and consult the Commission whenever they wish to take measures which might interfere with these policies and laws.

The second stage, involving an applicant country's phased progress towards membership of the Community, corresponds to the famous transitional periods which begin as soon as membership comes into force and which are intended to lead to the achievement of full membership in all its aspects. Our committee felt that it must apply a political principle to the fixing of these periods, despite the highly technical nature of the procedures involved, which it is of course up to the negotiators to decide on.

Pintat

In fact, whichever formula is chosen, it is essential that the transitional periods should adequately perform the task for which they are intended, namely to determine whether the applicant country should be integrated quickly and fully into the Community. However, it is particularly important to ensure that this accession does not involve any political, institutional, economic or social difficulties for the Community as a whole, which would of course be self-defeating. While an element of dynamism and originality will result from the accession of a new Member State, its entry nevertheless must not be allowed to disrupt the Community in any way. In support of this principle, our Political Affairs Committee thought fit to stipulate that all the states signatory to the accession treaties should undertake to defend and extend the existing achievements of the Community, which may be formally defined as comprising not only the formal undertakings made under the Treaties establishing the Community and the legal acts deriving from them, but also the many undertakings made over the years as part of the institutional agreement, as well as the usages and customs which have become part of everyday life and of Community practice. In this connection I should like to know whether the Commission and the Council intend to inform the applicant States of those Community achievements not covered by the texts governing Community action, so that their undertaking to respect them can be made in full knowledge of the facts.

Lastly, Part I of the report on enlargement before us this evening ends with particularly important provisions concerning the Community institutions, since it clearly states the need to improve the decision-making mechanisms of the institutions by adapting them to the present-day Community. We also recommend that after enlargement the same principles be applied to membership of Community bodies as are applied today. In practical terms, this means that the membership of the European Parliament will be in accordance with the weighting laid down in the Act of 20 September 1976 and that the number of Members of the Commission will be adapted to cope with its increased workload.

Before finishing, I should like to say that the Political Affairs Committee considered that, in a matter of such importance for the whole Community as enlargement, the role of the European Parliament must be emphatically reaffirmed, not only because it must be called on to give its opinion on every stage of enlargement, but also because, via the contacts which it maintains — and which must be extended — with the elected representatives of all the applicant countries, it must enable the best possible preparation to be made for the approval of each stage, i.e. democratic approval by the will of the people. There is room for new partners in this Europe which is being constructed, and enlargement can and must give the Community the new impetus which it needs.

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

Mr Dankert. — (NL) Mr President, I would like to begin with a preliminary question, as the reply to it will largely determine the points I shall be raising here today on behalf of my group.

As you know, I have tabled a large number of amendments to the motion for a resolution by the Political Affairs Committee. These amendments were prompted by the committee's statement, in its introduction to the motion, that enlargement could be debated under separate headings — political and institutional aspects on the one hand, and sectoral aspects on the other. This creates a lot of problems. I gathered from Mr Pintat's introduction that the Political Affairs Committee did not wish to discuss procedural matters in this first debate, as they are due to be discussed in the second debate. If I can be sure that the Political Affairs Committee really does intend to discuss procedural questions in a second motion, I shall let my amendments stand until the debate on the second part of the Committee's report. But I am not sure about this, and I would ask the Political Affairs Committee for further information, so that I know what to do with my amendments and how to word my speech.

President. — I call Mr Bertrand, just to answer this question.

Mr Bertrand, Chairman of the Political Affairs Committee. — (NL) Mr President, Mr Dankert has adopted a very sound approach in raising the question of the amendments first. I can assure him that in asking for permission to draw up an own initiative report on Community enlargement the Political Affairs Committee intended from the outset to submit to parliament a complete report on all aspects of the problem. However, because the other Committees, which would normally be required to submit their opinions to the Political Affairs Committee did not do so until very late, we ran rather short of time, as we wanted at all costs to hold a debate in this House before the completion of negotiations with Greece. Parliament wanted to be able to determine its position on questions relating to enlargement. The general public would find it inconceivable that a Community institution should not state its view on one of the major political problems affecting the Community's future.

We were therefore obliged, through lack of time, to divide the report up. In the first report we wanted to give a general idea of the overall political aspects of enlargement, using the 'fresco' produced by the European Commission as a basis. So today we are discussing the report, which does not deal with procedural matters. Next Monday we shall be discussing in the Political Affairs Committee the second report with the rapporteurs of all the other Committees, which

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will by then have submitted their opinions. We hope to be able to present this report to the House in April

Obviously, when the second report is discussed and drafted the general political and institutional problems should again be considered alongside procedural matters, and obviously the opinion of the Committee on Budgets, which is a general opinion on financial aspects should be seen in the context of the institutional and political aspects as a whole, and not regarded as a sectoral aspect. I can therefore assure Mr Dankert that the amendments which he has tabled will be discussed fully and conscientiously by the Political Affairs Committee when it discusses the second report, which will deal not with sectoral aspects but with all the political, institutional and other problems connected with enlargement. Now that I have given this clear assurance, I would ask those who tabled the amendments to submit them to the Political Affairs Committee, which will discuss them with those who submitted the amendments. I think Mr President, that this is the best way of dealing with the matter.

President. — I call Mr Dankert.

Mr Dankert. — (NL) Mr President, the aims of the Political Affairs Committee were not altogether clear to me on reading Mr Pintat's report, but Mr Bertrand's comments have removed my uncertainty, and I can support the committee's aims. I am also prepared to withdraw the amendments or to refer them to the Political Affairs Committee. We can thus shorten our discussions in this House still further. But I am beginning to wonder, Mr President, what the purpose of this debate now is.

My group is of course very pleased to state, yet again, that it is politically in favour of the applications of Greece, Portugal and Spain to join the Community, although I did not think that there had ever been any difference of opinion in the House on this matter. We also agree with the general policies adopted by the Community in this area. However, the important thing for this House is to determine whether these policies are being adhered to, and to find out where there have been infringements or grounds for criticism. What is relevant to parliamentary discussion is not the principle of the negotiations but the procedures governing them, and I am extremely sorry that owing entirely to our own actions that will now be postponed for another few months. According to the French President-in-Office Greece may already have signed its accession treaty by the time the debate is held. A parliament which reacts so slowly is either politically incompetent or adopts unsuitable procedures, and the one fault is as serious as the other.

Mr President, my comments, or rather my questions to Mr Bertrand, were prompted by the fact that I find it difficult to appreciate why a distinction has been

drawn between the sectoral and the political and institutional aspects, because sectoral aspects, especially in the case of the three Mediterranean countries applying for membership, are of course to a large extent also political.

The political will of my group and, I believe, of Parliament, with regard to enlargement has always been present and always will be. I do not feel it necessary for Parliament to express its political will again. However, Mr Pintat makes a proposal to this effect in his motion for a resolution on behalf of the Political Affairs Committee. Voting against this would create a politically false impression. I do not think, therefore, that we can reject Mr Pintat's proposal in paragraph 1, and my group will therefore vote in favour of it.

However, the situation is much more difficult as regards the other paragraphs, which deal with general points of principle concerning accession. It is impossible to discuss the principles of accession without at the same time elaborating these principles into a policy and without discussing political matters. I thought that talking politics was Parliament's job.

After reading the text of the motion, in particular paragraphs 2 to 14, I can only conclude that the Political Affairs Committee has nothing to say. The text is simply empty rhetoric, probably because we are trailing along in the wake of the negotiations with Greece, and we want to ensure as a Parliament that we say something before the negotiations are over, in order not to appear complete idiots. While it is one of Parliament's tasks to voice political reaction, it should not do so with this kind of vague declaration of principle, which does not do justice to the political and institutional problems of enlargement.

Mr President, after reading the text, in particular paragraph 4 concerning the continuation of negotiations on the basis of an overall approach, I am forced to conclude that Parliament does not agree to the setting up of a committee of 'three wise men', whose sole purpose, as I understand it, is to investigate different institutional possibilities for the accession of Portugal and Spain from those applicable to Greece's accession. There must be no overall approach, because if we go on as we have done in the case of Greece, insurmountable institutional problems will arise. This is how I understand the European Council's decision concerning the 'three wise men' and the inclusion of paragraph 4 as it now stands is no longer of any political relevance, but has been undertaken by this decision.

Exactly the same applies to several other paragraphs. In paragraph 9 reference is made to 'Community achievements'. What does that mean? Does it mean the agricultural policy as it now stands, a policy which is clearly to the advantage of the northern part of the Community, or does it mean a more balanced agricultural policy, which is not yet an achievement but

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which, along with other Community objectives, may one day become one? This is another vague statement which does not provide Greece, Portugal or Spain with any information on Parliament's wishes or on the forms it thinks the enlargement ought to take.

Another important problem which the rapporteur mentioned a moment ago is that of European cooperation. He raised this point in connection with the absence of diplomatic relations between Madrid and Jerusalem and between Athens and Jerusalem. This question concerns the Community's political achievements, and the declarations of principle which have been made and the basic documents and so on which have so far been produced in the context of European political cooperation. This was an extremely vexed question in the relations with Greece, and the same could also apply to our relations with a number of other countries which are involved or about to become involved in the information and consultation processes of European political cooperation. The Political Affairs Committee, which claims to be concerned with general political problems, has not dealt with this matter, but I feel that it cannot be overlooked.

The same applies to our approach to the problem of the transitional period. In the fresco, and in greater detail in the document on Spain and Portugal — I cannot remember the Greek document — a number of comments were made on the need to adjust Spain's industrial capacity — to give a concrete example — prior to its negotiations with the Community in order to coordinate policies or sectors in which structural difficulties exist at present — shipbuilding, steel, and so on. But this presupposes a very different approach to the problem of the interim period from that which has been adopted hitherto. If we virtually compel Spain to ensure that the negotiations produce a meaningful result in order for it to join the Community, we are at the same time committing ourselves more or less automatically to allowing it to join. Otherwise we have no right to put pressure on a country to change its industrial structure. However, I feel that a Political Affairs Committee with any political sensitivity should have an idea of the general principles to be applied to the negotiations. Whether or not its ideas are sound can always be discovered by discussing them.

The principles set out by the Political Affairs Committee apparently imply that a two-tier Europe is to be avoided. This, at any rate, is how I interpret certain paragraphs. I agree with the Political Affairs Committee on this point, but can this subject be discussed in isolation, can we make such statements without touching upon other areas of policy which are important with respect to whether or not a two-tier Europe will develop? This is, in my view, the reason for the extreme artificiality of the distinction which has been drawn, a distinction which I feel can lead to

misconceptions as to what should happen in the accession process. I therefore believe, as does my group, that in situations like this we should discuss the real political issues and give our views on them; should be careful to avoid constantly repeating declarations of principle which have no bearing on our policy as such and which lull us to sleep. Our job is to keep a very close watch on the progress of negotiations, to see what is going on and to find out what criteria are applied in assessing them. The assurances given by the chairman of the Political Affairs Committee suggest that the second report will give a clearer indication of what Parliament and the Political Affairs Committee think of the actual political and institutional developments, and what policies they think should be adopted. However, it is a pity that the second report has to be preceded by this first report, which says nothing about our wishes. Indeed, it merely gives us the impression — as Parliament does all too often — that Parliament has discussed enlargement, while it has merely made a brief reference to certain vague, general principles which are applicable to virtually anything.

Once again, Mr President, my group can do without this report and the motion for a resolution. However, we do not wish to give the impression that we are opposed to enlargement. We are therefore obliged to vote in favour of paragraph 1 as it stands, but the other paragraphs are worded in such a way that it is impossible to be for or against them. We shall therefore abstain from voting on the other paragraphs and await further information from the Political Affairs Committee and the other committees in the debates in March or April.

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

Mr Bertrand. — (NL) Mr President, the Christian Democratic Group has examined very carefully the motion for a resolution by the Political Affairs Committee and has found there much the same answers as the Members of our group gave to the questionnaire which the rapporteur sent to all the groups on behalf of the Committee. I should just like to emphasize that on this occasion we applied a procedure which permitted direct and close cooperation among all the groups in this House, something which has seldom if ever happened in a parliamentary committee. All the groups were sent a questionnaire on the various problems under discussion. I must say that detailed replies were received from all the groups except the Socialist Group, which did not answer any of the questions and which is therefore completely free to do as it wishes. I shall not go into the reasons for this, as they do not concern me, but that is the situation as it stands.

Bertrand

Of course, the Christian Democratic Group supports the motion for a resolution with complete conviction as its contents largely coincide with the replies it gave to the questionnaire. It sees the text of the motion as a preamble to the debate on the problems of Community enlargement.

I would point out to Mr Dankert that the problem is no longer whether or not we should accept an applicant country. The Council has taken the political decision to grant membership to the three applicant countries. The political decision has therefore been made, and we cannot go back on it. As a result of the Council's decision, the Commission was asked to draw up an initial opinion on the applications for membership. When this was completed Greece was dealt with first some time ago. Followed by Portugal and Spain — the Council instructed the Commission to begin official negotiations with these countries. The question of whether we can accept the application of any of these countries is no longer at issue, as the political decision to accept them has already been taken. The problem is now, in negotiations, to determine the conditions under which the applicant countries can join the Community by signing an accession treaty. A number of general political questions of principle have arisen which are the same for all three countries, quite apart from the particular difficulties which will be encountered with each country during negotiations and which must be overcome. One of these general questions of principle is that discussed in paragraph 2 of the motion for a resolution, which states that the nine Community countries undertake to uphold the provisions governing civil and political rights and pluralist democracy embodied in the national laws of the nine Member States and of the three young democracies, and in international treaties; where failure to respect these provisions is established by the Court of Justice — and a loophole in the Treaties is thus eliminated — this constitutes incompatibility with membership of the Community. This applies not only to three applicant countries but also to the existing members. Future Member States will therefore have to uphold democratic and pluralistic parliamentary democracy as it now exists. Those are the contents of paragraph 2 which I wanted to draw to your attention.

Secondly, we should also adopt certain principles with regard to the transitional measures. The next report must give a very clear indication of the duration of these measures for each country. In the present report we merely state the principle that such measures are necessary and that they should take account of the wishes of the applicant countries and of the political need to integrate them into the Community as rapidly as possible, although this must not lead to insuperable economic, social, institutional or financial difficulties for the country concerned or for the Community.

These transitional measures are a most important principle, as is our stipulation that the achievements of the Community should be respected. We discussed this last point at great length in the Political Affairs Committee.

The term 'Community achievements' is to be applied in a limiting and very restrictive sense. It is up to the institutions to determine what these achievements are during the negotiations. For example, the existence of an economic and monetary zone is an achievement which the three countries must take into account if they wish to join the Community. The Regional Fund is a Community achievement based on Article 235 of the Treaty, and so on. We stipulated that Community achievements should be respected because we have not yet forgotten the lesson of the first enlargement. We omitted to include this in the accession treaties, and one of the first statements made by a certain country was that it was not bound by the development towards Economic and Monetary Union and that it would not accept it.

We don't want to make the same mistake again, and so we intend to safeguard these Community achievements the next time the Community is enlarged. Those, Mr President, are the reasons why the Christian Democratic Group wholeheartedly approves of this motion for a resolution, the more so as its contents coincide with our own replies to the questionnaire.

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

Mr Berkhouwer. — *(NL)* Mr President, I should like to follow the comments which my group chairman, Mr Pintat, made earlier in this debate on the political and institutional aspects of enlargement, by repeating once again that my group is unanimously in favour of welcoming Greece, Spain and Portugal into the Community.

We believe, Mr President, that this is an irrefutable political imperative, given the appeal made in 1957/1958 by the Six to the other countries and peoples of Europe which shared their ideals. It is a political imperative because we have always told these countries that they could join the Community if they did away with their totalitarian regimes and restored parliamentary democracy. We feel, therefore, that we must accept them ungrudgingly.

Following on from what Mr Bertrand said in reply to the comments of Mr Dankert, I must say that I fail to grasp Mr Dankert's position. He maintains that the motion for a resolution by the Political Affairs Committee is just empty words, and though he agrees

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to paragraph 1 on enlargement, he said that for the rest he would wait and see. What political significance can we attach to this, Mr President? Will the Socialists perhaps ultimately say no? They agree with the main issue, but they are waiting for further information on the others. Are we to assume that the Socialists may back down in the light of future developments? I cannot understand this, Mr President. But what I do understand is that various people are raising all kinds of difficulties in connection with enlargement. Of course, difficulties do exist. There were problems in 1973 when the Six were joined by three new members — and in some cases not all the difficulties have yet been ironed out. We will have to solve all the sectoral problems now facing us — for example, agriculture and employment, to name but two. That's politics: it is our job and our duty to overcome these problems. Our main political duty stems from the fact that we have called upon all the parliamentary democracies in Europe to join our Community. This is a marvellous thing, it is our vocation as Europeans! This vocation can surely not be denied to Spain, Greece and Portugal. So what's the point of all this?

Of course, we are having difficulties with migrant workers and with agriculture. But haven't we difficulties with agriculture already? When Mr Dankert says that the agricultural policy is to the advantage of northern Europe, where does he place France, north or south? France also benefits from the Community's agricultural policy? And French farmers are not the only ones we benefit from this policy, Mr Dankert, the Dutch do as well. Indeed, all European farmers profit from the agricultural policy — not just the northern countries but France, Italy and the other countries as well, so I fail to grasp your reasoning.

As for the 'three wise men' — the Council has now confirmed this plan — they have now been appointed. I am very pleased that two of them, at least, are committed Europeans. I am referring to Mr Marjolin and Mr Biesheuvel — I don't know anything about the third gentleman; perhaps you know more than I do. In any case, I am pleased that two of them are staunch Europeans, and so I look forward to their report with optimism. Perhaps this point may have escaped you, Mr Dankert, but I can put your mind at rest by assuring you that it is expressly stipulated that their activities must not in any way delay Community enlargement. Negotiations will therefore go ahead as planned.

I would like to ask the President-in-Office of the Council whether we in the Political Affairs Committee will be able to discuss the agreement with Greece to be signed in the spring, so that we can exercise our right to deliver an opinion. I have also tabled an amendment on this general point, but I think we can be pleased that negotiations with Greece are

nearly completed, and I think that this House should make its feelings known on this.

On reading the Treaty we find that all Parliament's activity depends on cooperation between the Council, Commission and Parliament, i.e. between the institutions. Indeed, the Treaty makes absolutely no reference to 'consultation' of Parliament.

It is a remarkable fact that under the Luns procedure Parliament's opinion must be heard with regard to association — it must give its prior approval. As for enlargement, the same procedure is applied as in a club: if someone wants to join a club, his application for membership normally has to be approved by the existing members. The Treaty works in the same way. The Netherlands parliament will also be examining the accession treaties, so you will be able to exercise your prerogatives. For once the accession treaties are completed they must be passed on to the nine national parliaments. Under the Treaty all our dealings, first with Greece and then with Portugal and Spain, must be approved by our national parliaments.

Interruption by Mr Dankert. — The speaker continued:

No, Mr Dankert, that is what I am doing now, and I take issue with you on it. You say: I agree with paragraph 1. That reminds me of what is known in medical circles as the rhesus factor, which prevents babies from being born because the red and white blood corpuscles destroy each other. And that is what you are doing now. You say you will go along with paragraph 1, but as far as the rest is concerned you will wait and see. I thought you were a politician, Mr Dankert. We are trying here to voice Europe's political will to allow the three young democracies to join the Community. And they sorely need to join us, especially if we consider the example of Portugal, which is in such dire straits that its economic situation is even worse than it was under the dictatorship. I have no desire to praise the Portuguese dictatorship, but that is nonetheless a sad fact, and Spain is not without its problems either, as I am sure you will agree. We should state our views on these matters, and express the political need for the Twelve — not the Three or Nine — to adopt a united stand, and the young democracies can only prosper if we lend them a helping hand. The situation in Portugal may even warrant our helping that country before its accession by offering it the necessary economic aid to overcome its appalling difficulties.

In conclusion, Mr President, if the accession of the three Mediterranean countries creates greater balance between the northern, or Germanic half and the southern or Latin half of Europe — and this is politically desirable — we shall have to accept two consequences. Firstly, we shall have to devote greater attention to our relations with the other Mediterra-

Berkhouwer

nean countries, and secondly, we shall have to try to ensure that all the members of the enlarged Community of Twelve adopt the same position with regard to the Mediterranean countries, especially Israel. I am referring to the situation of two applicant countries, namely Spain and Greece, which do not yet have diplomatic relations with Israel. I hope, Mr President, that the process of accession will enable all Community countries to adopt the same position in their relations with the Mediterranean countries.

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

Mr Normanton. — On behalf of the European Conservative Group, I should like to compliment and congratulate Mr Pintat, if I may, on the very broad-brush approach with which he has prepared the report, and also, if I may say so, on the succinctness with which he has presented it for the debate.

I am encouraged by the statements which have been made from other participants in this debate, and, if I may say so more particularly from Mr Bertrand, that we are to be offered a second edition and one which, we hope, will be very much more comprehensive than that we have had so far.

My own particular contributions to this debate are aimed really at being brief, at reinforcing some of the points that Mr Pintat has made and adding one point to his proposals, and covering a point which he may not have — and in my opinion certainly has not — reflected adequately in the motion for a resolution.

I take note, of course, Mr President, of the procedural points which you made when you asked Mr Bertrand how the Political Affairs Committee were wishing to deal with this important political subject. And I am bound to say that I deeply regret that only at this stage, or rather only very recently, one of the committees on which I serve, the Committee on Energy and Research, has been asked, or at least has volunteered, to make an attempt to contribute to the depth with which this important subject should be treated.

May I respectfully commend to the House for very careful consideration the parable of the prodigal son: he returned, if I may remind the House, to the family hearth and received a favourable and indeed a preferential treatment above and beyond that which his fellows and the rest of the family, those who had not strayed from the home, had been receiving for a long time. I really feel that we should bear this in mind, particularly when we consider that the Community family relations and relationships are numerous, extensive and varied, and they have all, each and every one of them, taken a very long time and an enormous amount of effort on the part of everyone to establish. I therefore hope that the new members of the Commu-

nity will not be given preferential treatment over existing relationships which have been the subject of development, particularly where these are based on bilateral treaties with the Community. I do not think I need to on this occasion list many or indeed any of them, but as a matter of political principle I certainly feel that the Commission and Council should before long reassure those states which are parties to treaties with the Community on this profoundly important point. And I earnestly hope that the Political Affairs Committee will evaluate and emphasize strongly the importance of this particular point. Many amendments have been tabled to the Pintat report, and some of them, I am bound to say, will not command support by my particular group. But that standing in the name of Mr Krieg and Mr Kasperreit will be supported, if you Mr Kasperreit will be supported, if you Mr President, decide that it should come to a vote, since it would, in my opinion — and no doubt in the minds of more than one of those who have contributed to this debate so far — be quite unthinkable for a Member State of the Community to opt out unilaterally by default or with a purpose from existing Community Treaty commitments. The sooner, therefore, that Greece and Spain deal with this and establish official diplomatic relationships with Israel the better it will be for all parties. May I urge the Commission also to make it as widely known as possible among the many organizations accredited to the Community — and I think there are something like fifteen or sixteen hundred institutions officially listed — that it is of crucial importance that they should now, as of this day, open their doors wide to those interested opposite numbers who in fact have a community of interests in the working of the Community institutions when their State joins the European Community. It is indeed of profound importance for a number of reasons, the least of which is in fact the importance of making sure that enlargement is a successful enlargement.

I fear, and I fear very genuinely, that there are many who are looking forward to their state joining the European Community as if it is going to be the high road which is going to lead to El Dorado and bliss.

It will not, and I think it will be extremely dangerous if lack of knowledge and lack of involvement in cooperative and collaborative exercises prior to entry into the European Community are the cause of disappointments later. It is important that we should not allow the attention of the Community government to concentrate on the applicant state governments. We should be drawing in peoples, institutions, industries and traders and all sorts of existing institutions in the applicant countries. There are certainly some supporters who, as I said, regard accession to the Community at some not too distant date as if it were more a

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wedding rather than a matter of making a success of a marriage. The marriage will be a success only if both parties, the Community and the applicants, prepare for that marriage before the nuptial ceremony takes place. The human marriage ceremony in some Member States frequently includes a commitment by both parties to enter into the contract, and I quote, 'for better, or for worse'. Unlike marriage, Mr President, we cannot allow the new Member States to say, after the honeymoon, that they discovered that they made a great mistake. The new Members must join the European Community, they will be welcomed in joining, and they must be given every conceivable assistance to make sure that this political marriage is a success. If a new applicant country fails to benefit from its accession this will be a political disaster not only for the applicant countries, but, possibly, for the Community as well.

We the European Conservative Group, are convinced that enlargement can and must be for the better, and for the benefit of all parties to the commitment. Mr Pintat's report is, in our opinion, a valuable but initial contribution to that end, and I think we should, as a matter of procedure, restrict our debate and our voting to the report itself, and take note — or commend to the Political Affairs Committee that they take note — of the many points raised in connection with this debate in preparing the really important, solid document upon the basis of which we hope that the marriage, the creation of the wider and broader Community, will be a success for all concerned.

President. — I call Mr Spinelli.

Mr Spinelli. — (*I*) Mr President, on behalf of the majority of the Communist and Allies Group, I should like to make some comments.

The Community countries have from the start appealed to all the other peoples of Europe, inspired by the same ideal, to join in their efforts. To Greece, Portugal and Spain which, having freed themselves from dictatorships, have introduced democratic government in their countries and have subsequently knocked at our door asking for admission to the Community, our answer must therefore be an affirmative one. Thus we are in full agreement with the first point of the motion for a resolution, in which the political will that these countries be united with the Community is unequivocally expressed.

Yet as regards the rest of the motion for a resolution, I have to express our disquiet, for reasons similar to those put forward by the spokesman for the Socialist Group.

The accession of these countries to the Community is a significant event, first of all because it makes it necessary for us to deepen and enrich the common

policies and go more deeply into the political and institutional problems which are basically a consequence of the common policies to be followed.

It is therefore quite difficult to assess the institutional consequences which we have to face without first having a clearer idea of the scope and general characteristics of the common policies. I talk of common policies rather than sectoral policies, the latter being merely an aspect of the numerous common policies which we would have to work out together with the new Member States.

It is clear that, by incorporating in practice several of the Mediterranean countries — whose economies are more problematic than those which make up the present Community, or the majority of them, and which have more complex social and regional problems and less stable democratic structures — we shall inevitably be led to provide for greater aids, and considerably greater regional harmonization than we have at present; we shall have to face more complex problems of social policy as well as of general and foreign policy.

Without going into these problems, it seems to me that the reply given to Mr Dankert by the chairman of the Political Affairs Committee is clear: the Political Affairs Committee will deal with these problems as a whole and draw up the opinion to be submitted to Parliament with a view to achieving an overall understanding of them.

We can say straight away that these problems bring about both a quantitative and a qualitative change in the nature of our policies. No basic Community policy can remain as it was before. Even though it may still be possible in the transitional stage, when we are dealing with the imminent accession of Greece, to put off the inevitable day, the question will take on a different aspect when we are dealing with the accession of Spain and Portugal, countries which have much more serious economic and social problems than Greece.

In this situation, we must of course allow a preparatory or transitional period for these countries; but to be absolutely frank, the Community must also regard this as a transitional period for itself. During the whole time in which these countries need to implement their policies, and to adapt them satisfactorily to Community policies, the Community itself must undertake a series of policy changes — and it is our job to indicate what they should be.

We should therefore examine whether these changes can be introduced and maintained with the necessary continuity and impact on reality using the institutional instruments at present available to the Community. This is the problem to which we must find an answer.

Spinelli

I do not want to try to prove now that we must have much stronger and much more efficient instruments based to a much greater extent on democratic structures — i.e. structures which ensure a consensus between the rulers and the ruled — than we have at present. But it is certain that this problem will arise. No mention is made of all this in the resolution. It refers to trivialities such as exchanges of opinion to be carried out in the preparatory period; it states that these countries must be invited to adopt common policies. It has rightly been pointed out here that we should tell the Greek and Spanish governments that they too, like all the others, should have diplomatic relations with Israel, which already implies greater consistency in the foreign policies of our countries, since with the present economic cooperation structures, it is quite possible for a Member country of the Community to have diplomatic relations with a third country with which other member countries are not so linked.

The motion for a resolution mentions the need to defend the Community achievements rather than modify them, in order to create a new and distinctly different Community, continuing that of the Nine but going beyond it. It mentions the need for a transitional period but does not clarify the fundamental point which it would perhaps be worth defining straight away, namely the participation of these countries in the whole decision-making process from the start — even in the transitional stage — rather than the offer at that stage of a kind of semi-accession.

I should like it to be clearly stated that the acceding countries must participate from the start in the work of developing and perhaps changing the Community itself.

Now if we as a Parliament do not give this kind of guidance, if we do not seek to understand that we are faced with a political event of great importance, we are failing in our duty. That the Community must change itself is something which at least the Heads of Government realized when they accepted the French President's proposal to entrust three 'wise men' with the task of putting forward proposals on the changes to be made in the Community institutions.

Must we also wait until the three 'wise men' have given their opinion on the subject which now concerns us? The history of the Community is a graveyard of opinions by 'wise men', and we would only be adding one more cross to that graveyard if we waited. Even when these three 'wise men' have expressed their equally wise opinions — just as wise as those of Werner, Tindemans and many others — the common political will to put the ideas into practice will still be lacking.

My view is that at this stage we should perhaps link the prospect of a Parliament strengthened by direct elections with the need to debate the necessary institu-

tional reforms in the light of the policies to be developed.

The enlargement of the Community gives greater urgency to a problem which would in any case exist without enlargement, but which now becomes more serious, given that in six months' time we shall have 14 Commissioners, with the accession of Portugal 15, and with that of Spain — since one cannot have 1 1/2 commissioners — we shall have two more, giving a total of 17. It is clear that something must change in the policy-making and mode of operation of the executive.

Of all this — I repeat — there is no trace in the motion for a resolution. We shall therefore follow the example of the Socialist Members in voting in favour of the first paragraph of the motion, so that it will be clear that the criticisms I have expressed do not indicate any mental reservations about the accession of these countries. Nonetheless, we shall abstain on the rest of the motion for a resolution, because it is beside the point — i.e. it does not tackle any basic aspect of the problem.

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

Mr Krieg. — (*F*) Mr President, I should like first of all to tell Mr Pintat that my Group is grateful to him for the work he has done and the report he has submitted. We have only one regret concerning this report, namely that only the first part is available, and we are looking forward with some impatience to being able to discuss the whole of his text.

Mr President, ladies and gentlemen, the Group of European Progressive Democrats believes that enlargement of the Community will give Europe its true dimension and thus a harmonious balance and will, we hope, be in keeping with the Community's natural vocation, which is that of uniting democratic nations linked by history and the common character of their civilization.

It is obvious that culturally, sociologically and historically Greece, Portugal and Spain are part of Europe, and their return — recent in the case of some of them — to a pluralist democracy removes all possible political obstacles to their membership of our Community.

But we cannot ignore the fact that this enlargement poses a certain number of political and institutional problems. Our rapporteur was well aware of this, since in paragraph 2 he asked that any failure established by the Court of Justice to respect civil, political and democratic rights should constitute incompatibility with membership of the Community.

However, I should like great care to be taken here, and I would point out to the rapporteur that this innovation would indeed mean that the Court of Justice of the European Communities would be given a political

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role far exceeding the powers conferred on it by the Treaty, and we feel that this is undesirable. And it is all the more undesirable in that the Court of Justice itself has for some time been exerting itself rather assiduously in this direction. The Member States have decided that the only absolute obstacle to membership is a country's failure to respect pluralist democracy.

However, we feel that, now that we are planning to accept new Member States, it is inappropriate to introduce at the same time clauses providing for suspension or exclusion. Such an attitude of distrust towards young democracies is tantamount to doubting their sincerity and good faith, which is something we cannot do. We would add that a country which decided to abandon pluralist democracy would *ipso facto* exclude itself from the Community, and the question would thus be settled.

For our part, we are pleased that the motion for a resolution includes a certain number of suggestions made by the Group of European Progressive Democrats in its paper entitled 'Integration or enlargement?', particularly with regard to the overall conception on which the negotiations must be based, the upholding of the Community's existing achievements, the adjustments during the transitional period and the obligation on the applicant countries not to pass laws or regulations which are contrary to Community policies. But when the existence of Europe is at stake, we feel that the greatest care is called for.

Without generalizing, it is more than ever necessary to take account of the future implications and repercussions — even indirect ones — which this enlargement might have. It would be very imprudent, not to say unbelievably negligent, to commit ourselves to a course of action on which the future of Europe depends without taking the time to weigh things up very thoroughly.

If we are not careful, the Community will run the risk of being diluted to a vast free-trade area, which would of course mean a weakening of its decision-making process.

Indeed, the inability of the Nine to put right the economic imbalances in Europe constitutes a permanent threat to the Community's main achievements.

It is therefore reasonable to ask whether enlargement is a wise thing at a time when the existence of the European Community as a significant factor on the international scene, which is where its destiny lies, depends on the implementation of coherent common policies in the key sectors in which its dependence and vulnerability are apparent?

Will the cohesion of Europe be jeopardized? It seems that the accession of three new members may have

just such an effect. Indeed, the first enlargement of the Common Market, which it must be admitted has not yet been properly assimilated by the six founder members, has brought about a state of affairs which could lead to dilution.

In practice the European Economic Community has thus become a free-trade area which dares not speak its name. The customs union has incontestably lost part of its initial binding force between the Member States, and the Common Agricultural Policy, that other cornerstone of the Community, is in the process of collapsing under the weight of monetary compensatory amounts.

A further extension of the Community to include certain southern European countries, namely Greece, Portugal and Spain, at a time when we have not yet overcome all the consequences of the last enlargement might therefore lead at some stage, if we are not careful, to the break-up of the Community.

At a time when we can see the Common Market proceeding not, as has often been said, at two different speeds, but at nine different speeds, and when we are providing the world with proof of our inability to coordinate our economic policies, a further enlargement cannot reasonably be expected to enable us to achieve what we have not managed to achieve among countries with similar economic levels.

With regard to the decision-making process, enlargement would obviously mean that new people, new interests and new approaches would have to be integrated into the Community activities of the Council, the Commission, Parliament and the Economic and Social Committee, with the consequent increase in the already large number of official languages.

Today the institutions of the Community function badly, since they find it difficult to get the nine Member States to take joint decisions and measures.

The Council, deadlocked and weakened, is increasingly incapable of taking decisions and providing the impetus which the Commission expects of it. With twelve it will be even more difficult to agree on priorities and to reconcile the various interests involved.

It is therefore essential that the Community's decision-making powers be increased.

For our part, we think that it is only through cooperation, concertation and coordination between the governments and through liaison with the Community institutions that we shall be able to operate effectively. This is why the role of the European Council should be strengthened.

In fact, the machinery currently operative in Brussels has no effect on the European Council, which is a superstructure with capacity to give directives but with no direct link with the Communities.

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A process must therefore be instituted to establish this link and to enable decisions by the European Council to be converted into Community legislation.

In our view the main problem is not one of number but of will. What we want is not a thorough reform of those parts of the Treaty of Rome which deal with institutional procedures but, on the contrary, the determination to use the existing rules without restriction or ulterior motives, with a clear view of the objective, namely the common good.

It is obvious that before increasing the number of Member States, the existing Community must, in contrast to what the rapporteur suggests in paragraph 11, pull itself together and put an end to the dilution in which it seems to be taking a delight at the moment. The time has come for a political consensus on the aims and the instruments of an enlarged Europe. Enlargement is only acceptable if there is at the same time a deepening of the Community which allows its spirit and institutions to be preserved. This was true some years ago when the United Kingdom applied for membership, and it is even more true today.

If I may, Mr President, I should like to add a few words about an amendment tabled by Mr Kaspereit and myself and worded as follows :

Insert the following new paragraph after paragraph 8 :

'8 a. Calls on Greece and Spain immediately to establish diplomatic relations with Israel at bilateral level, thus facilitating their future participation in the EEC-Israel agreements.'

In answer to the appeal which the rapporteur made a moment ago, I would point out straightaway — and this will simplify the debate — that this amendment is withdrawn today and will be tabled again to Part II of his report, unless of course Mr Pintat simply includes it in his report.

I should like to point out that, on reflection, it emerged that this amendment was partly inadequate. It calls on Greece and Spain to establish diplomatic relations with Israel immediately. We omitted to note that the situation of Greece is different from that of Spain. Spain has no diplomatic relations at all with Israel, and so the problem is easily solved, i.e. by asking them to establish such relations. Greece, on the other hand, has had very close relations with Israel for a very long time, in fact for almost 30 years, and each country is represented in the other by a diplomatic mission headed by an ambassador. Strictly speaking, it is not the same as having an ambassador accredited to the government in question, but it is obviously different from having no relations at all. I should therefore like to say to Mr Pintat, since he raised this point in his presentation of the report, that in future debates account should be taken of this rather special problem.

President. — I call Mr Brugha.

Mr Brugha. — Mr President, I think this debate is a useful one, and I thank Mr Pintat for what he said, and I am grateful for the efforts of the Political Affairs Committee to have this discussion. I think a dialogue on this particular issue is necessary and might have been held much earlier, and Parliament should be involved in what is going on. I know, of course, that all Members are inclined to give a politically favourable affirmative to the idea of enlargement, and that is welcome, and all of us do so. But we have to remember that enlargement must involve significant changes in the whole economic situation, and that the pace of enlargement should be measured against the adaptability of our Community economy and of the new members' economies. For example, in my own country, the point of view is that too rapid enlargement could do considerable damage. However, our peoples in Europe must be motivated into understanding that time does not stand still, that Europe has also to move forward as best possible, in the interests of democracy and of freedom and, indeed, also in the interests of a more stable Europe and therefore potentially a more peaceful world.

The tempo of enlargement must also be measured against the existing recession situation in our Community economy, and the high level of unemployment that exists. This is a major factor, which we cannot afford to ignore. I think myself that the true answer is that at the moment Europe is not strong enough to cope with any rapid early enlargement except on a carefully phased basis. One of our existing dilemmas. Mr President, which we should not ignore, is the recent difficulty arising over the EMS and the standstill in the approach of one of our Community Members, the United Kingdom regarding the EMS, as well as the recent delay introduced by the French in this matter on a question that had not been raised during negotiations. I think these obstacles must create some serious doubt in our minds regarding our willingness to face up to the problems of an expanding Europe.

But we must be able to motivate our people into believing that these things are worthwhile. There are a number of steps that I think are necessary before we can go much further in this area. For example, we do need to achieve stability in monetary terms. Another significant step towards preparing the Community for enlargement would be, as has been mentioned recently, the phasing-out over a realistic period of years of monetary compensatory amounts. Another positive step in the process will be, I should hope, direct elections, the effect of which should bring a greater understanding amongst the peoples of the Community of what the Community is about, and an appreciation that some sacrifices in the short-term will be worthwhile so as to build a better Europe.

Brugha

There is also, Mr President, an absence of agreement in the processes of decision-making within our Community. This whole question, I believe needs to be fully debated, and both the Council and Commission should engage in discussion with the Parliament so as to find agreement on a positive decision-making process.

In the final analysis, all the Member States, and especially the wealthier members, will have to decide what a stronger, more integrated Europe is worth to them. If there is no real intention, for example, to transfer capital — and there does not appear to be at present — then the problem of bringing less well-off Member States, including new Member States, up to a more effective economic level must be dealt with through some other alternative means, possibly through a gradual increase in Community VAT, and a more expanded and effective use of the European Investment Bank loan funds — possibly a less painful method for achieving our European objectives.

But Mr President, the challenge of enlargement is with us and must be accepted by all. The peoples of our member countries must be educated into understanding that to stand still is slide back, and to do this in a situation where the rest of the world is moving forward will create a vacuum which can be filled by others. We have to ask ourselves: do we want a Europe slipping back into the dilemma years of the 20s and 30s, where weakness and lack of foresight resulted in chaos? If the leadership that we need today is not forthcoming, then the dreams of Schuman, Monnet, Adenauer and de Gaulle will be forgotten, and we will return to our old selfish bad habits. I think we have to choose, Mr President, and that choice can be ours alone.

President. — I call Mr Soury.

Mr Soury. — (*F*) Mr President, what strikes me first of all is that today we appear to be discussing the institutional and political consequences of Community enlargement to include Spain, Portugal and Greece as if the decision had already been taken and enlargement were already a fact — to judge from Mr Pintat's report that is. I do not think it advisable, Mr Rapporteur, to put the cart before the horse in this manner, since matters have not yet progressed that far as can be seen from the large movement of opposition in France.

What is at stake? At the present stage of the discussion I should like to consider for a moment the economic, social and regional cost of enlargement, which is now beginning to be recognized. This recognition is further aided by the fact that the many and varied documents published on this subject by the European institutions themselves and by the political parties make no attempt to hide it. Nonetheless, the

quasi-secrecy surrounding some of these documents is amazing, e.g. the notorious Commission report No 630 which came to the notice of the French public only because we published some extracts in *l'Humanité*. This says a lot about the rather undemocratic conditions under which the enlargement plans are being drawn up. It is interesting, however, to look at what is contained in these documents. For instance it is stated in respect of agriculture that 'enlargement would accelerate the flight from the land, heighten the difficulties for the less developed regions of the Community and lead to a substantial increase in agricultural surpluses'; in the applicant countries it would mean 'reorganization in the form of a substantial reduction in manpower with an increase in unemployment and emigration; in industry 'increased competition in some sectors, i.e. the textile, readymade clothing, footwear, shipbuilding, iron and steel industries will make reconstruction and reconversion necessary in the EEC, the extent of which will be further affected by the slackening in economic growth.

The report goes on to speak of the 'risk of increased unemployment in an initial stage as a result of the structural reorganization already in progress in Spain and in the the Community and which must be stepped up with a view to accession.' I might perhaps add that as a result of purely technical factors unemployment would thus rise from six to nine million.

As for the financial aspects, in Mr Dankert's report of 23 November 1978 it is estimated that the Community budget will have to be doubled on enlargement, making it necessary to increase substantially the tax burden which already weighs quite heavily enough on our countries' working and middle classes.

But why on earth should we have this enlargement when the cost is so high? The fact is that not everyone will be a loser. And this brings us back once again to the multinationals even though no one likes talking about their role in all this — but people would rather conceal it as something shameful. The fact is that for the multinationals enlargement is synonymous with bigger profits derived from greater exploitation of the workers of all the countries concerned, thereby giving, and this is the essential point, a new and dangerous dimension to industrial redeployment.

But I shall focus mainly on the political objectives. A British Minister said here in 1977 that the political advantages of enlargement outweigh the practical difficulties. Mr Natali, the Commissioner responsible for enlargement, in Brussels, was very explicit in Turin on 14 October last. What was involved, he said, was a political 'yes' justified by the need to integrate the three countries into the Community. What was at stake was the stability of the Mediterranean region. The President-in-Office of the Council stated himself this morning that the applicant countries must be bound to Europe.

Soury

In other words, what these statements reveal is the wish of the governments of the Member States to prevent the evolution of a number of countries towards political, economic and social democracies which differ from those acknowledged by Mr Giscard d'Estaing and Mr Schmidt for instance. The reason is said to be to prevent a return to fascism in the applicant countries, but it is not the real reason rather to stop certain countries from choosing a form of society which is not modelled on social democratic Germany? In Guadeloupe Messrs Carter, Schmidt, Callaghan and Giscard reaffirmed their determination to impose this model on the countries of our continent, the price of all this being increased economic difficulties, forecast even by the European institutions themselves, as I mentioned a moment ago. This is the reality masquerading as democracy. One recent example: the European Council's refusal to grant any financial aid to Portugal, just freed from fascism, as long as the Portuguese communists participated in the government. Thus the countries in question will only receive aid once they are firmly under the European yoke dominated by the multinationals.

It is hardly surprising that those wishing to impose this model of society should take the opportunity of enlargement to try to strengthen supranational mechanisms. Six months ago the Foreign Minister of the Federal Republic of Germany asked in this Assembly: 'Why not benefit from enlargement to avail ourselves of the opportunity provided for under the Treaty to take decisions by a majority vote? Thus, decisions could be taken in Brussels and imposed on non-consenting countries. I would remind you that, at a summit meeting of the nine Heads of State of the Common Market in 1974, the unanimity rule in the cases when a country considers its interests to be at stake, was called into question. Now on the pretext of the entry of three new Member States into the Common Market, the Commission is proposing that this rule be abolished. This is also the policy proposed by the Socialist Group which considers that 'the decision-making process in the Community should be improved substantially. It is also the reason for the setting up of the Committee of 'Three Wise Men' at Mr Giscard d'Estaing's instigation. Finally, the unanimity rule was also explicitly challenged in the first Pintat report, and I notice that, probably owing to the opposition to this approach in France, the latest version of the report which we have before us pursues the same objective but more discreetly. The fact is that at this stage of the enlargement process we find ourselves confronted by obfuscation tactics which are apparently aimed at getting various projects through, projects which cannot be separated from the attempts to increase the powers of the European Assembly.

I shall mention, only the military aspects by way of example. I read in the *Tribune d'Allemagne* in

September 1978 that the accession of Spain, Portugal and Greece was regarded as necessary within the Community as a means of guaranteeing the stability and security of NATO's southern flank in Europe. So the objective is clear, at least for some: enlargement will help to strengthen NATO, i.e. it will underpin the policy of military blocs which opposes international détente. The EEC indeed is becoming more and more involved in defence matters even though this is prohibited by the Treaty of Rome.

In short, what we have here is a vast supranational operation of which enlargement is an essential element. When one sees the opposition to such projects in France — and we carry some weight in this matter —, when one sees the large number of those who support both national independence and European cooperation, it is reasonable to hope that the present plans will have the same fate as the European Defence Community had in another era. Attachment is for national independence, which is indispensable for genuine cooperation between nations, and the power of the democratic forces mean that in France, perhaps more than elsewhere, — there have been several examples in Parliament recently — it is becoming more and more difficult for the policy pursued by Mr Giscard d'Estaing in France and by Mr Schmidt in the Federal Republic of Germany to gain credence.

This is why an attempt is being made in Brussels to take decisions on issues which encounter too much opposition in Paris; enlargement is an essential part of this strategy. Reference has been made to solidarity with the peoples of the applicant countries. I should like to state that not all public opinion and not all the political forces in these countries do not favour accession. The Communist party in Portugal, does not, nor do the Communist and Socialist parties in Greece. I should just like to recall that we have always backed the struggle of those peoples against dictatorships, at a time when we were few in this hemisphere did so. In the future as in the past our solidarity with the Spanish, Greek and Portuguese peoples will not falter. But there is no need to put such solidarity under a supranational yoke.

To sum up, we endorse the following pathetic appeal, made in the south of France in October last and which met with a wholehearted response in that area.

Faced with the strategies based on money we are now claiming the specific right of man to live, work, create and decide in the place where he lives and where he wants to live if Europe in its present form and following enlargement is an obstacle to achieving this elementary victory, then it is Europe which must change, and not we who must suffer.

President. — I call Mr Scelba.

Mr Scelba. — (I) Mr President, ladies and gentlemen, the accession of a new Member State to the European Community raises political, institutional and economic problems. It is clear then, that a final decision on an application can be made only when agreement has been reached on all aspects, although there is nothing to prevent individual points being separately discussed and resolved.

The political and institutional problems posed by enlargement are considered so important that the President of the French Republic thought it advisable to submit the subject to three 'wise men' for examination. Should the European Parliament perhaps wait for the opinion of the three 'wise men' before expressing its own opinion, since we know that while negotiations on Greek accession are about to be completed, those with Portugal began on 17 October and those with Spain will begin on 6 February next?

Hence the usefulness of the motion for a resolution under discussion — and I thank Mr Pintat for his valuable work — a motion which gives a practical answer to the political and institutional problems and deals with the key points.

The motion, approved by a large majority in the Political Affairs Committee is a synthesis drawn up on the basis of the replies given by the political groups to the questionnaire submitted by Mr Pintat.

Like any other synthesis, this does not include the individual viewpoints expressed by the political groups, but includes those common to all the groups and reconciles diverging opinions.

But as a whole, and that is how it should be judged, the motion for a resolution follows the lines of successive votes by Parliament on the subject of enlargement, and therefore deserves the approval of the House in the form worked out by the Political Affairs Committee.

After expressing the European Parliament's satisfaction at the establishment of democratic systems in the candidate countries the motion stresses that the existence of such systems is the precondition both for joining the European Community and for remaining in it.

This statement, as is clear from the content of paragraph 2, applies not only to the applicant countries but also to the existing Member States of the European Community. It is clear that, since this is a precondition, discrimination between old and new members of the Community would be intolerable.

Paragraph 2 thus formally commits the present Member States of the Community together with the candidate countries, to respect civil and political rights and the principles of pluralist democracy enshrined in the various national constitutions and in the international treaties which they have signed.

The violation of those rights or of the principles of pluralist democracy, to be ascertained by the Court of

Justice — in the same way as for economic rights — would automatically make membership of the European Community impossible for the offending state. This would not turn the Court of Justice into a political body, since the Court would confine itself to ascertaining whether a right had been violated. But this is a matter to be handled in accordance with the Resolution on special rights approved by Parliament on 16 November 1977.

There must be no discrimination vis-à-vis applicant countries, but equal treatment for all Member States.

Particularly significant are the provisions of paragraphs 6 and 7, intended to strengthen the political bonds between Member States and applicant countries from now on and before the treaties of accession become legally effective. It is understandable that Mr Soury and others should be opposed to this, since they are opposed to enlargement for political reasons. The new Parliament will decide whether it is desirable to allow parliamentary delegations to attend its proceedings as observers.

Enlargement raises problems relating to the operation of the Community institutions — problems which have existed for some time independently of enlargement. Paragraph 10 of the motion reaffirms the need to take the opportunity offered by enlargement for improving the decision-making mechanisms. I would remind you that, with regard to the decisions of the Council of Ministers, there is a commitment by the Council itself to improve its own decision-making processes — a commitment which unfortunately, like so many others, has been ignored, to judge from the slowness with which the Council decides in general, and in some cases even fails to decide at all.

The fact is that the problem does not concern the numerical composition of these bodies. The Council and the Commission, even after enlargement, will still have a smaller number of members than the executives of the Member States. The problem is a political one. It arises from the inevitable conflict of interests among the Member States and from the selfishness which still characterizes their attitudes. Hence the difficulty in finding even compromise solutions acceptable to all the governments of the Member States. And we know that compromise is the rule in democracies, and even our Parliament often seeks to achieve it.

An improvement in decision-making mechanisms can be achieved principally by redistributing the powers of the institutions so as to ensure that the Community interest prevails over particular interests.

The European Parliament, and especially the new Parliament elected by direct universal suffrage, in view of the greater authority which it derives from being the authentic representative of all the peoples of the Community, will have something to say on the subject. Any analytical contribution, including that

Scelba

commissioned by the European Council from the three 'wise men' will be useful, but I repeat that no decision on the powers of the institutions can be taken without first consulting Parliament. And this is what the motion rightly states in paragraph 12. The motion is therefore not general — as some speakers said — but is a practical motion which defines some basic points.

The brief comments I have made on the most significant paragraphs of the motion for a resolution demonstrate that it should be approved in its present form, and for that reason the Christian-Democratic Group, on whose behalf I have the honour to speak, will not only vote in favour but recommends to all those who support the accession to the Community of the three applicant countries and to Parliament that they should approve a document which seems to me to be extremely important not only for the applicant countries but also for the Member States. Finally, the Christian-Democratic Group hopes that the Commission and Council will draw inspiration from the motion now before Parliament in drawing up the accession treaties, and looks forward to greeting before long as Members of the European Community the three applicant countries, which are so rich in tradition and which have contributed a great deal to the culture of Western Europe — that precious inheritance of the European.

President. — I call Mr Lagorce.

Mr Lagorce. — (*F*) Mr President, ladies and gentlemen, I belong to that generation which in its youth witnessed the flight to France of Spanish republicans driven from their country by Franco's victorious army. Later I came to know some of these exiles, a large number of whom settled in the Toulouse and Bordeaux area where I lived, and I followed the long, often desperate struggle waged against the dictatorship in Spain from both inside and outside that country.

Therefore I welcomed, as did all democrats, the toppling of Franco's regime and its replacement by a pluralist democracy. And I am fully aware of the political obligation devolving on the Community to support the young, still fragile, democracy which is trying to put down roots, not without problems, amid all the difficulties facing it on the other side of the Pyrenees. The best way to help it is indeed to open the door to Europe, at which it is knocking and through which it now deserves to enter.

What I have said of Spain applies to a great extent also in respect of Portugal, in that the Iberian peninsula has always been close to the hearts of the men and women of my homeland.

Moreover, Socialists are by definition and of their very nature essentially internationalist and did not need

the Treaty of Rome to tell them that it was in the interests of all the workers of old Europe to work together across frontiers and to join forces in a common, and thereby more effective fight against the oppression and alienation of capitalism which, cunning as it is, has also long disregarded the existence of frontiers.

Thus we agree of course with the principle of Community enlargement. We are, however, also aware of the serious economic difficulties which a sudden, immediate, unconditional and inadequately prepared enlargement would cause European agriculture and industry, in particular in the south of Europe (in France and in Italy). This is why some of us approve of enlargement only on condition that prior, and in our view indispensable, measures are adopted.

Although Mr Pintat's speech was at times interesting and even highly detailed, some of the concerns he voiced appear in the motion for a resolution, which right away calls for enlargement, virtually unconditionally. This lack, this vacuum, explains, moreover, the rather large number of amendments put forward, mainly by our friend Mr Dankert of the Socialist Group, and which are designed to supplement the motion for a resolution.

There is of course paragraph 5 of the motion, which provides for transitional measures, though it gives no details as to their content and duration, the most important element being that the applicant states should '... be incorporated into the Community as rapidly and as fully as possible.'

Well, that is just what we do not want. It is time that Mr Pintat spoke of a second report which would be presented later, but for my part I do not see the advantage of dividing this question into two parts, particularly since the first part, which we are studying today, is to my mind rather disappointing in its lack of substance.

We consider that there are four preliminary requirements which must be met and we regret that no mention is made of them, even briefly, in the Pintat report. I shall enumerate them rapidly, or rather call them to mind, since they are known to all (and particularly to the French Presidency).

The first requirement is a reorganization of the common agricultural policy, in particular in respect of those agricultural products which risk being, indeed will be most affected by enlargement, i.e. mainly wine, fruit and vegetables. The organization of markets in these products and the application of a system of minimum prices quoted in the official currency of the importing country and monitored at the frontiers must in our view be studied and implemented before accession.

Lagorce

The second prerequisite is the introduction of provisions to ensure that the activity of sensitive industrial sectors can be maintained and developed, including where my country is concerned, termination of the 1970 Franco-Spanish Customs Agreement.

The third prerequisite is the strengthening of the Community regional policy, a theme which, unless I am mistaken, was rather absent from the speech of the President-in-Office of the Council in spite of the fact that this issue is at the origin of the budgetary conflict between the Council and Parliament and that there has been quite a good deal of discussion on it. Indeed we believe that it is by means of a well conceived regional policy that the income level and working and living conditions of Europeans will be guaranteed, in particular in the less favoured areas, this being, I believe one of the primary objectives of the Treaty of Rome.

Finally the fourth prerequisite is acceptance of the principle of progress towards integration taking place in stages, the duration of which would not be fixed in advance and which would depend on the results achieved, transition from one stage to the next requiring the unanimous agreement of all governments.

One may perhaps think, mistakenly in my view, that the first three prerequisites should be included in the promised second part of the report, but certainly no one will deny that the principle of progress in specifically defined stages belongs in the context of the political and institutional aspects of enlargement which are the subject of the first part of this report.

In any event these prerequisites, which I have simply touched on owing to shortage of time but which we can return to later, must be defined in detail in the accession treaty. In our view they do not represent an obstacle to Community enlargement, but rather represent the indispensable precautions to be taken so that our economy — and I am thinking mainly of agriculture, but also of industry — does not suffer on account of accession. The accession of a country to the Community must, I repeat, before becoming effective, be considered in depth, with sufficiently long deadlines being set for it and of this point, I again regret to say, practically no mention is made in the Pintat report.

It is my belief that the adoption of these three preliminary requirements represents the best service which the Community can render to the three applicant countries so that we can construct the true Europe of the workers which is the Socialists' goal.

President. — I call Mr Natali.

Mr Natali, Vice-President of the Commission. — (1) Mr President, in presenting his report Mr Pintat

stressed that the subject under discussion is of prime importance, and that in any case it is desirable that the subject should be tackled and that this debate should take place.

I think, Mr President, that this comment is especially apt, given that the second enlargement of the Community is entering its definitive stage.

In this brief speech I shall not deal with the reasons for the political judgment in favour of the enlargement of the Community and the accession of these three new countries which has been repeatedly expressed in this Chamber and elsewhere. We have debated it on various occasions, and in addition there is a vast number of documents on the subject which have been approved by Parliament.

We are therefore at a fairly advanced and almost final stage, since, as is well known, the basic points of the negotiations with Greece were resolved in December, and, as has been mentioned, the negotiations with Portugal have begun at ministerial level and February 6 will see the official opening of the negotiations with Spain.

I wanted to remind you briefly of these dates, because I think that the rate of progress has special weight and significance. The political weight of the Council's decision to open negotiations with Portugal should not be underestimated, and the Commission's opinion on the Spanish application, which was produced well within the deadline set, is equally fundamental from the political viewpoint. Nor should we underestimate the fact that the Council has decided to start these negotiations as soon as possible, or the fact that — as I mentioned — on 19 December 1978 broad agreement has been reached on the basic points of the negotiation with Greece. These are facts which I mention — I repeat — to stress that we are following a political line which I noted was largely shared in today's debate on Mr Pintat's report and the corresponding motion for a resolution. The rapporteur — whom I thank for the precision with which he presented the motion for a resolution — has pointed out that we are dealing with the first part, which is limited to the political and institutional aspects and the chairman of the Political Affairs Committee stressed that the general discussion will take place at a later stage, but also stressed — and I agree with him — the importance of establishing now at least some basic principles relating to the institutions, so that Parliament can express its opinion and give its guidance in this process which has already begun.

In its document known as the 'fresco' the Commission pointed out that enlargement is a particularly complex process, and in order to achieve a balanced judgment it is essential to assess the interdependence of the various sectors.

Natali

The opinion on the Spanish application, which — as I wanted to point out to Mr Soury, who no longer appears to be in the Chamber — was in no sense a secret document, as some French publications and some French politicians declared, stressed in particular that the political decision to go ahead with enlargement cannot ignore the only guarantee of the success of the enlargement itself.

I have heard concern expressed that enlargement might give rise to a free trade area or to the weakening of the Community. I think that to avoid this risk we must have a clear understanding of the problems facing the present Community and the enlarged Community. This is the line which the Commission has tried to follow in its documents, but it is clear, as Mr Scelba also pointed out, that the identification of the institutional principles to be followed, which can be found in the resolution before us, already represents a valuable contribution to our work.

We believe that enlargement must not prejudice our economic situation, but should represent a step forward for the Community as a whole, and the motion for a resolution before us adopts the same logic. I wish to stress this and express my satisfaction that this is so. However, this choice obviously presupposes a significant commitment on the part of the applicant countries, of the Community and of each of the Member States. It requires the applicant countries to hold or continue to hold more firmly the reins of their economic policy, by reducing inflation, combating unemployment, reducing the foreign trade deficit and above all levelling out the often enormous regional disparities. It also requires that, in the period before accession, the applicant countries should consult each other on industrial policy and on other sectors to avoid divergent developments and to permit the earliest possible convergence of economic policies.

Enlargement must not jeopardize the economic and social situation, and the applicant countries must understand that the aim of the negotiations is to solve problems which could arise from their accession, not only for the applicant countries themselves but also for the Community or individual Member States.

Mr President, I wanted to raise these points, which will certainly be dealt with in detail in the debate on the second part of the report. I think that on this occasion we should also go into the various aspects which particularly interest us from another point of view, namely the aspects common to the process of strengthening the Community. In this context we regard as extremely important the speedy implementation of the European Monetary System, the decision on which allows us to hope that from now on the Community will have new and more efficient instruments for transferring funds from one region to another or from one sector to another according

to requirements, and taking account of the need for the various Community policies worked out in support of those of the Member States to pursue the same aims, in particular the reduction of the development gap between regions — an objective which assumes its true significance in the light of the forthcoming enlargement.

I have dwelt on these points because I think it is very important for us to realize that the political and financial initiatives required by enlargement will not derive mainly from the application of present rules but from de facto economic and social situations which will compel the Community of the Twelve to modify and broaden its opportunities for intervention, so as to permit it to perform its tasks and thereby make a success of enlargement.

These themes, which are the basis of the amendments tabled by Mr Dankert, will in any case be developed in the debate which will certainly take place when the second part of the report is presented. We must also examine in depth the role of the enlarged Community in the world, especially in the light of the new situation in the Mediterranean basin, bearing in mind the commitments which we already have in that area and the possibility of new links which may be created in Africa and Latin America thanks to the traditional relations which two of the applicant countries have with those regions, as well as relations with the rest of the world. It is a broad spectrum of problems to which we must obviously devote further thought.

To return to the motion for a resolution, I think it particularly gratifying that the first paragraph was unanimously approved by all the speakers except Mr Soury. This first paragraph expresses the political will to bring Greece, Portugal and Spain into the Community, and my hope is that Parliament will actively participate in the search for solutions to the economic, social, agricultural, industrial and regional problems which will inevitably arise and of which — as I said at the beginning of this speech — we must have a clear understanding if we wish to achieve the aim of creating a Community of Twelve which will be a strengthened Community and not a greatly diluted one.

Mr President, I agree with the various paragraphs of the motion for a resolution. I only wish to stipulate that the negotiations are based on the principle of the total acceptance by the applicant countries of the Community's achievements. It is clear that this expression signifies everything — without exception — that the Community has built up, decided or agreed in the past and up to the effective accession of each of the applicant countries. The negotiations will therefore be confined to setting some traditional periods during which some Community rules will not yet be applied or only partially applied. The negotiations with Greece have already observed this principle.

Natali

On 17 October, at the opening session of the negotiations, Portugal expressed its acceptance of this basic Community requirement. For Spain, too, the acceptance of this principle is not open to question.

The temporary exceptions which must be allowed in order to permit reciprocal adjustment, without insurmountable conflicts, of the economies of the applicant countries and of the Community, must be designed in the interests of both the parties according to real sectoral or regional needs. It is therefore — I repeat — not a question, as some appear to believe, of merely making exceptions in the interest of the applicant countries so that the impact of accession is softened for their farmers or their struggling industries. It is a question of creating a harmonious and balanced whole in which our industries, our agriculture and our workers should also be spared the negative effects of too rapid or too sudden an impact. It is also a question of assessing the possible repercussions on our traditional relationships with third countries, relations which cannot and must not be disturbed by this process of Community enlargement.

This conception of the transition mechanisms corresponds in general terms to the requests contained in your motion for a resolution.

In this context the Commission welcomes any Parliament initiative designed to intensify and diversify contacts with the parliaments of the applicant countries and hopes to follow closely the development of these contacts. Among other things, we think it desirable to examine more closely the implications of election by universal suffrage for the applicant countries.

In this connection, Mr De Clercq, we followed the deliberations of the EEC/Greece joint parliamentary committee, and on the basis of its views we reached the conclusion that from the accession of Greece onwards the Members of the Greek Parliament must be able to take part in the debates of this Parliament. In the discussion on the section relating to institutions, the Community agreed with Greece on the steps to be taken in order to guarantee the immediate participation of the Greek MPs in the work of the European Parliament.

There is another paragraph of the motion for a resolution on which I should like to comment, namely paragraph 2, which 'calls upon the present Member States of the European Community, together with the acceding States, to give a formal undertaking . . . to uphold the provisions governing civil and political rights and pluralist democracy . . . 'According to this formula failure to respect these principles, ascertained by the Court of Justice would be incompatible with membership of the Community.

In this matter it is necessary to make a preliminary distinction. On the one hand there is a problem for

the Nine, that is whether and in what way the Member States should commit themselves to respecting those principles and what sanction can be envisaged in the case of failure to respect them. On the other hand there is a problem of enlargement, that is in what way the applicant countries should make this commitment. For the second problem the Commission favours a solution involving the making of this commitment by the applicant countries in the preambles to their treaties of accession. In the present situation this commitment should follow the lines of the declarations by the Heads of State at Copenhagen, which undoubtedly form part of the *acquis communautaire*. But this is continually developing, and if, in the period before accession of each of the candidates, the Council accepted their applications, the formal commitment which would sanction them would also form part of the Community's achievements, which the Member States would have to accept.

Another problem is whether the formula proposed, and in particular the sanction to be decided by the Court of Justice, are realistic and legally valid. I would not risk taking a position on the subject, but we might ask ourselves whether the amendment to the Treaties which this formula presupposes, and the modification of the position of the Court of Justice which would result from it, can have the desired or hoped for effect.

We are perfectly well aware, ladies and gentlemen, that the institutional problems of a Community of Twelve require further thought, and in this context I should like to remind you of Chapter 41 of the Commission's 'fresco', which *inter alia* envisaged the strengthening of the institutions and organs of an enlarged Community. This further thought must form part of our future joint efforts.

The Commission, in thanking all those who took part in the debate, knows that it can rely on the European Parliament to contribute to the solution of the problems which will arise, and to make a positive and practical response to the appeal from three young democracies which wish to join the Community with a view to working together in the service of freedom and peace.

President. — I call Mr Bernard-Reymond.

Mr Bernard-Reymond, President-in-Office of the Council. — (F) Mr President, the quality of the report presented by Mr Pintat, and the very complete and detailed replies made to the rapporteur and to all those participating in the debate by the Commission, and, finally Mr Rapporteur, the fact that you chose to present only the first part of the report at this time, namely that dealing with the political and institutional aspects of enlargement, will I think excuse me from a long statement here.

Bernard-Reymond

Nonetheless, I should like to say how pleased we are to note this Assembly's very widespread approval of the accession to the Community of what might be termed the 'prodigal sons' of European democracy. Moreover, as was confirmed during this debate, these three countries are only answering the permanent appeal addressed by the founders of the Community to all those who share their ideal of democracy and liberty.

I think I can say that the accession of these countries will be in accordance with the spirit and wishes expressed by the Members of this Assembly during this debate. In effect, the aim of accession is not to do injury to anyone — on the contrary it aims to assist, and it is in this spirit that transitional periods combined with safeguard clauses have been envisaged.

It is in the same spirit that the problems will be dealt with objectively, country by country. There can be no overall solution, because in our view though there are some similarities in the situations of these countries, they differ in many respects.

Finally, as was mentioned earlier by the Commission, we hope that the accession negotiations will respect and preserve the achievements of the Community.

Where political cooperation is concerned you know that, as the negotiations progress, we are trying as far as possible to introduce a certain parallelism in political cooperation at the appropriate stage in the negotiation timetable. In this way we will, I believe, help to further the agreement which is necessary not only at the level of Community economic policies, but also at political level so as to arrive at the harmonization of attitudes which many in this Assembly have called for. One cannot on the other hand always expect the applicant countries to be more in agreement than even we nine among ourselves and of course in this area, too transitional periods must be arranged and the countries permitted to adjust gradually to policies which are being aligned more and more among the Nine.

I would like to remind you of some details of the accession timetable. You know that an important advance was made last month in the negotiations with Greece, though some important issues still have to be settled. I am hopeful that these will be dealt with before the end of this quarter and even before they are completed, we will be able to begin drafting the Treaty so that it can be signed before the end of June.

As regards Portugal, negotiations opened formally on 17 October last and there has already been contact between the negotiators to establish negotiation procedures.

As for Spain the formal opening of negotiations is planned for 6 February next and already the Commission has been asked to expand on the views it has presented on this subject so that a common basis can

be established for negotiations between the Nine and Spain and so that a certain number of questions to which the Council attaches particular importance can be studied in more depth. I am alluding in particular to the effects which the accession of these three countries, in particular Spain, will undoubtedly have on the Maghreb countries, on the Mediterranean countries generally and also on the ACP countries.

Those are, Mr President, very rapidly and briefly, the few points I wished to draw to the attention of the House. I believe that the Pintat report which we have just heard presents a complex of problems, the analysis of which will be of use to all of us in our thinking in this matter, and for my part I will definitely pass them on in the Council since I consider that the points raised here this afternoon will contribute substantially to the work and deliberations of the Council.

(Applause)

President. — I call Mr Pintat.

Mr Pintat, rapporteur. — *(F)* Mr President, ladies and gentlemen, first of all I should like to say that my task has been greatly facilitated by Mr Bertrand, whom I wish to thank here because he has clarified the somewhat delicate circumstances surrounding the presentation of this report.

Some of you have said that this presentation has come a little too early, others a little too late since the discussions are already in progress.

I believe that a time comes when one has to take the bull by the horns. A text always ends up being out of date, because new problems arise. Therefore for my part I think that we were right to adopt the method we did this afternoon more particularly since — and I say this subject to correction by Mr Bertrand — all the members of the committee supported this presentation and agreed to the division of our report into two parts.

Moreover, I must admit that it was extremely difficult to make a synthesis, since the consultations which we had with all the political parties without exception led to a certain number of difficulties. Just now it was said that there would have been no difficulty had we restricted ourselves to the simple affirmation contained in the first paragraph. Even that is not quite true because there was not even complete agreement on the first paragraph.

I must also mention that a rapporteur has been appointed for each of the three countries in question, Greece, Spain and Portugal, with the result that the fears expressed by Mr Dankert and Mr Lagorce that the work would not be comprehensive enough do not appear justified. Not only would there be the second part of my report synthesizing the contributions of all the committees, but there will also be three further detailed reports presented by three other rapporteurs. I

Pintat

should also like to thank Mr Natali and Mr Bernard-Reymond who helped us to identify what the *acquis Communautaire* actually is, thereby enabling us to differentiate between the spirit and the letter of that *acquis*.

I have also noted the practical points made by some of you, such as Mr Scelba, and I will take them into account in my final draft. I wish also to thank Mr Krieg for withdrawing his amendment, which he did in constructive spirit in the knowledge that everything will be included in the second part of our work.

I should like to conclude by thanking the honourable Members for enabling the European Parliament to deliver its opinion on this important problem in good time. A certain number of broad principles have now been clearly expressed, and we will now be able to make further progress with the work of the other committees.

President. — I note that no-one else wishes to speak. The motion for a resolution, together with the amendment which has been tabled to it, will be put to the vote tomorrow during voting time.

The debate is closed.

12. Community action in the cultural sector

President. — The next item is the interim report (Doc. 325/78) drawn up by Mr Amadei, on behalf of the Political Affairs Committee, on the

communication from the Commission to the Council concerning Community action in the cultural sector

I call Mr Amadei.

Mr Amadei, rapporteur. — (I) Mr President, ladies and gentlemen, I hope I am right in assuming that the poor attendance at this debate is due to the late hour rather than Parliament's lack of interest in the cultural sector of the Community. In any case, speaking at such a late hour and in these conditions, I have a clear duty not to abuse the patience of the few Members present, and to avoid them becoming ever fewer I will try to be as brief as possible.

The communication from the Commission of the European Communities to the Council sets out to show the state of progress of Community action in the cultural sector and to indicate how it should be developed. First and foremost, the meaning of the expression 'cultural sector' must be defined. It is taken to signify the socio-economic sector made up of the persons and undertakings involved in the production and distribution of cultural goods and services.

Community action, unlike action by UNESCO or the Council of Europe, is based on the solution of economic and social problems in the cultural sector and on encouraging culture through the gradual creation of a more favourable economic and social environment.

To avoid misunderstanding and confusion, it should be pointed out that the cultural sector is not the same as culture, just as Community action in the cultural sector is not a cultural policy. Not only is there no duplication between the Commission of the European Communities and the other international organizations active in the cultural field, not only is there no competition, but indeed Community action in the cultural sector strengthens cooperation between the Community and the international organizations active in this sector.

With UNESCO for example, cooperation takes place particularly in the field of studies; with the Council of Europe, cooperation takes place through regular exchanges of studies and documents, as well as through joint work in the meetings organized by the Council of Europe, to which the Commission is invited.

Community in the cultural sector has so far been too slow, too hesitant and too cautious. For a long time it was believed that the European Community meant only an economic Community, whereas Community action in the cultural sector in fact derives from the application of the Treaty to that sector, taking the form not of a cultural policy but of the free exchange of cultural goods, the prevention of thefts of works of art, freedom of movement and establishment for workers in the cultural sector, vocational training for young people, harmonization of tax systems and harmonization of legislation on copyright,

The interim report confines itself to setting out a few guidelines, approving Community action in this sector, providing adequate funds, urging the Commission to continue the various activities already undertaken and inviting it to accord priority to measures likely to promote the widest possible participation by cultural workers to the advantage of social progress.

The motion for a resolution introduces a new subject which in the past has in my view been unjustly neglected, maintaining that the problems of the audio-visual arts, such as the cinema, which are expressions of a people's culture should be treated equally within the framework of Community action. It then requests the Commission to instruct its Statistical Office to undertake the necessary work for a better understanding of the social situation of cultural workers.

The Commission is very severely criticized for not having taken action on the European Parliament's Resolution of 13 May 1974, requesting that a European Fund for monuments and sites be set up. It is to be hoped that the task which was to be assigned to that fund will be assumed by the European Investment Bank, which should grant reduced-interest loans to Member States, local authorities and private owners for the conservation of monuments and sites.

Amadei

In this context I wish to associate myself with the dramatic appeal addressed to UNESCO by the Mayor of Rome, Professor Argan. He states that there is a risk that the ancient monuments of Rome may by the year 2000 be mere piles of dilapidated marble if work on restoring them is not begun as soon as possible. You all know that, when a work of art is destroyed — whether it is an incumabulum, a painting, a statue, a building or a monument — it is a portion of human knowledge which is lost and an object of real value which is destroyed.

With regard to financing, direct action was begun in 1976 with the inclusion in the budget of 20 000 u.a., partly earmarked for postgraduate specialized courses on the conservation of the architectural heritage organized by the College of Europe in Bruges, and partly used as a Community contribution to the work of the Nuclear Research Centre and partly used as a Community contribution to the work of the Nuclear Research Centre in Grenoble for the development of special techniques for conserving monuments.

For 1977, a further appropriation of 100 000 u.a. permitted the activities in Bruges and Grenoble to be continued and helped to finance two Italian initiatives — the architectural conservation course at the Faculty of Architecture in Rome and the European Centre for Craftsmanship in Venice.

For the current year, 180 000 u.a. have been allocated, and this financing — as paragraph 2 of the motion of a resolution rightly stresses — should be increased if we want to encourage the spread of culture through, *inter alia*, the removal of economic, fiscal and administrative obstacles, in addition to continuing the indirect actions already begun.

Mr President, ladies and gentlemen, practical steps must now be taken. The cultural sector has been the subject of discussion for a long time, but too little positive action has been taken. It was discussed as early as the Hague Summit in 1969, when it was stated that Europe was an exceptional source for the development of culture, which it was essential to safeguard; it was discussed at the Paris Summit in 1972, which maintained that economic growth was not an end in itself, and that special attention should be given to non-materialistic values; it was discussed at the Copenhagen Summit in 1973, when it was stated that culture has been acknowledged at the highest political level to be one of the basic elements of the European identity itself; in the report on European Union, the Belgian Prime Minister saw culture as a way of arousing in the citizens of the Community a deeper awareness of their common destiny and solidarity.

Finally, the European Parliament has passed a number of Resolutions unanimously — on the protection of the European cultural heritage, on 13 May 1974, and on Community action in the cultural sector, 8 March 1976. Now the time has come to pin down the

Commission to submitting without delay practical and formal proposals to the Council with a view to putting into practice the various forms of Community action. It is no longer enough to make solemn declarations. We must take appropriate action and, particularly, invite the Political Affairs Committee to follow closely the progress of Community action in the cultural sector and, if necessary, to submit a report to Parliament.

Mr President, ladies and gentlemen, I think we are all agreed that the European cultural heritage must be safeguarded, enhanced and fostered. The public has the impression — in my view a well-founded one — that the cultural aspect of European unity is being neglected in favour of the commercial aspects. A Europe without culture, even if it made economic advances, would be a Europe deprived of its very essence.

This Europe, in spite of its serious defects, its economic, social and moral crisis, remains the cradle of civilization and culture, and I think that we all, ladies and gentlemen, have a duty to bear this in mind.

President. — I call Mr Bernard-Reymond.

Mr Bernard-Reymond, *President-in-Office of the Council.* — (F) Mr President, as you know, this is the first time that the Council has consulted Parliament in this way on cultural matters. I would like to think that this marks the Council's increasing interest in cultural affairs, and although I cannot of course make an immediate comment on your report since the Council has not studied it yet and I therefore cannot speak on the Council's behalf, I would like to thank you for your substantial contribution to progress in cultural problems in the Community. The Council will study the report closely, and I am quite sure that your proposals will have a very appreciable impact on cultural advancement in Europe.

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

Mr Jahn. — (D) Mr President, ladies and gentlemen, on behalf of my Group I would like to congratulate Mr Amadei on his interim report and express my unqualified support both for it and for the communication from the Commission, especially as the foundations for Community action in the cultural sector were laid in 1974 with Parliament's unanimous adoption of a resolution on 13 May 1974. I would also like to quote what Mr Tindemans said in Chapter IV of his report entitled 'The Citizen's Europe':

The aim is to give Europeans of tomorrow a personal and concrete impression of the European reality and a detailed knowledge of our languages and cultures since these constitute the common heritage which the European Union aims specifically to protect.

Jahn

These are sentiments we echo today.

I am pleased that Mr Amadei made particular reference to that report.

I would like to endorse fully today what was said on Monday 8 March 1976 in Parliament's debate on the protection and extension of our common European heritage, in the hope that we will not postpone action on this until after European Union has been established. My view is rather that European Union, which constitutes a counterweight to the technological development of the Europe of tomorrow, will be that much more easily achieved if efforts are made now to give Europe a more cultural complexion. My Belgian fellow-Member, Mr Deschamps, quoted a Belgian humanist in the debate I referred to, and I should like to briefly recapitulate what he said :

We may speak of a European culture as being that which is proper to the community of nations yet which sets them apart from the remainder of mankind. Originally this division was determined by the profound influence of Greek philosophy, of Jewish sensitivity and of Christian civilization on peoples with different languages and their own traditions, whom history often set against each other in pitiless combat. But their spirit was forged in the triple fire which they cannot escape, although at times they were aware of it. The renaissance gave a decisive impetus to Europe's spiritual unity. It made all the nations simultaneously reach a stage which, despite their dissimilarities, marked them with the same sign. European culture really dates from the fifteenth and sixteenth centuries.

All of this conclusively demonstrates the importance of initiating joint Community action in the cultural sector, particularly in the run-up to the direct elections. In our view, it is more important than ever for the European Community to break new ground by endeavouring to align the Nine's cultural policies and by taking the initiative in the specific field of cultural exchanges.

We are aware that Community action in this sector should be closely coordinated with that of the Council of Europe and of its Council on Cultural Cooperation, particularly as the Council of Europe has been, and still is, very active on the cultural front.

We feel that the motion for a resolution before us merits particular attention as regards points 1, 4, 5, 8 and 10, and we should especially like to emphasize point 1 of the report, where it is urged that Community action should be taken forthwith in the cultural sector, by means of an overall programme. We would also like to stress our desire to see the social position of cultural workers radically improved and we would ask for music, drama and the cinema also to be incorporated in this programme, together with the necessary appropriations.

In conclusion, I should like to urge the Commission to implement in its entirety the request expressed in the European Parliament Resolution of 13 May 1974 for the creation of a European Fund for monuments and sites, for the benefit of the people of the Community. I must particularly thank Mr Amadei for drawing our attention to this in this report, as it is Parliament's wish not merely to adopt resolutions but also to see tangible results. I hope that his final report will give us a solid foundation in cooperation with the Political Affairs Committee and the Commission. It may also be possible, when preparing a final report, to ask the Commissioner responsible for social affairs for his opinion on the social aspects outlined on pages 27, 28 and 29 of the Commission document.

We shall also be voting in favour of the amendments, Mr Amadei, and once again I would like to thank you for the effort you have put into your report.

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

Mr Meintz. — (*F*) Mr President, on behalf of my Group, I would first like to thank the Commission for its initiative in putting a communication concerning Community action in the cultural sector before the Council. At the start of his speech, Mr Amadei expressed his disappointment at the poor attendance. I can assure him that it is better than at education debates, and Mr Brunner will certainly confirm that this is a more or less general phenomenon and that there is no correlation between the number of speakers and the importance of the topic.

We all agree on the importance of action in this sector, and Mr Amadei, whom I congratulate on his interim report and motion for a resolution, emphasized that European culture is a vital ingredient of European identity. However, despite this positive aspect, we unfortunately have to admit that very little has been done at Community level ever since the European Community was instituted. Even the achievements of the Council of Europe, which has been active for twenty-six years, are rather meagre despite some spectacular successes which I certainly have no wish to disparage.

You will therefore appreciate my satisfaction on learning of the Commission's communication, which is specifically aimed at furthering cultural development through the gradual creation of a favourable socio-economic environment based on the provisions of the Treaty of Rome itself. While it is true that the Treaty makes no direct reference to culture, some of its articles apply to the cultural sector, which can be

Meintz

defined as the socio-economic environment of the people and undertakings involved in the production and distribution of cultural goods and services. I refer especially to the articles concerning freedom of trade, freedom of movement, freedom of establishment, and the harmonization of taxation and laws.

The Commission document contains a wealth of ideas and merits attentive and detailed study. In the few minutes allowed me, I can give only a general indication of my Group's approval of the Commission's various proposals in application of those articles, so I shall confine myself to a few remarks on two fields affected by the Commission's proposals.

The campaign against the theft of works of art should, in my view be fought on two fronts — prevention and punishment. On the 'prevention' front, there would be two advantages to voluntarily adopting a system of police descriptions of works of art. The system would act as a deterrent, as disposing of stolen goods would be harder and recovery easier. On the 'punishment' front, it is essential to harmonize criminal law. However, care must be taken when organizing the free exchange of works of art to inhibit the sale of stolen works.

We do not want the way the Treaty of Rome affects cultural workers on matters of taxation, copyright and social security to result in a centralized control of the arts that would tend to stifle artistic creativity. However, all workers in the arts — must enjoy the same advantages as their counterparts abroad and share in the benefits of social progress.

I would like to make a final remark regarding the other measure outlined in the Commission's programme — and I refer to measures not based on the Treaty. Once again, whilst I should like to express my Group's basic agreement here, I would also like to say that safeguarding Europe's architectural heritage seems particularly important to me. I therefore vigorously subscribe to the proposal expressed in Mr Amadei's report to the effect that the European Investment Bank could make reduced-interest loans to Member States and local authorities for the conservation of monuments and sites. Here, I should like to emphasize the special need for close cooperation with the Council of Europe and its Council on Cultural Cooperation, so as to avoid any duplication of efforts.

However all that may be, Mr President, I feel obliged to express my misgivings regarding the actual implementation of the measures outlined in the programme, despite the brief assurance given by the President-in-Office. You will remember that the

national Ministers of Education were to have held a Council meeting last November to take decisions on education, the study of Europe as a school subject, and language teaching. Unfortunately, that meeting was postponed indefinitely as a result of disagreement on the legal framework for steps of that nature.

Education and culture are very closely interrelated. My fear, Mr President, is that this communication should meet with the same fate, although this time the Treaty itself provides the authority for at least some of the Community initiatives. There must be a common political will for all genuine joint action in the cultural sector. Does this exist at present? I believe, instead, that it is conspicuous by its absence. I do not know whether the French Presidency will reverse this trend, but something Mr François-Poncet said this morning gives a glimmer of hope. What he said was, 'Europe must endeavour to make itself felt on the international scene, not only as a Community of legitimate interests but also as one of shared political and moral values.'

President. — Since we must finish this sitting at 9 p.m., that is the end of our agenda.

13. Agenda for next sitting

President. — The next sitting will be held tomorrow, Thursday 18 January 1979, at 10 a.m. and 3 p.m. with the following agenda :

- Amadei interim report on Community action in the cultural sector (continued);
- Cot report on human rights in Iran ;
- Cifarelli motion for a resolution on refugees from Cambodia, Laos and Vietnam ;
- Question, with debate, to the Commission, on the EEC-Malta Association Agreement ;
- Question, with debate, to the Commission, on CEE-Comecon relations ;
- De Clercq report on an energy R and D programme ;
- Müller report on the prices of agricultural products ;
- Joint debate on two Klinker reports and a Hughes motion for a resolution on fisheries ;
- Halvgaard report on straight feedingstuffs ;
- Durand report on brucellosis and tuberculosis ;
- Früh report, without debate, on hops ;
- Liogier motion for a resolution on the disasters in the Ardèche region ;

3 p.m. : Question Time.

3.45 p.m. : Voting Time.

The sitting is closed.

(The sitting was closed at 9 p.m.)

ANNEX

Questions which could not be answered during Question Time, with written answers

1. Questions to the Council

Question No 27, by Mr Cifarelli

Subject: Issue of stamps on direct elections to the European Parliament

The Italian postal authorities recently announced their intention to issue in early 1979 stamps on direct elections to the European Parliament. Does not the Council feel that such a step should be taken by the other Member States, too?

Answer

The Council makes a point of encouraging any measure likely to increase public interest in European integration; that is why it welcomes the issue of stamps by the postal administrations of the Member States on the theme of Europe. I understand that a number of Member States have taken steps, or intend to take them, to issue stamps to mark the election of the European Parliament by direct universal suffrage. It is, of course, for the Member States' postal authorities, which are responsible for such issues, to make the appropriate arrangements.

Question No 31, by Sir Brandon Rhys Williams

Subject: Promotion of Capital Projects

What steps will the Council take to augment the effective demand within the Community and in ACP countries for products in surplus capacity such as steel by the use of credits and assisted loans for major capital projects selected for the contribution they can make to the fruitful use of industrial spare capacity?

Answer

In order to help achieve a higher rate of economic growth, and thus reduce unemployment, the Council has prepared a co-ordinated approach which is to encompass national initiatives. Within the framework of this common approach, the Member States must take action to increase domestic demand, in particular investment demand, and the rate of economic growth.

At Community level, the Council has also decided to introduce a new borrowing and lending instrument in order to promote investment.

Thus the Commission will be able to contract to borrow money which will be used, in the form of loans, to finance investment projects which correspond to priority Community objectives with regard to energy, industry and infrastructures, account being taken *inter alia* of the regional impact of the projects and of the need to combat unemployment. There is no doubt that this instrument will also help to maintain demand.

Turning to the ACP States, the Council has not been asked to examine the question of possible measures to increase the effective demand for products of sectors affected by surplus capacity. However it is quite clear that, just as at internal level, the Community's policy with regard to the developing countries and in particular its co-operation with the ACP States may in certain cases have positive repercussions on the development of demand for the products in question.

Question No 33, by Mr Rippon

Subject: European Foundation

When will the formal arrangements to establish the European Foundation be completed in accordance with the decision taken at the meeting of the European Council in Copenhagen last April?

Answer

The Oral Question put by Mr Rippon gives me the opportunity of reaffirming that the Council intends the European Foundation to be established, as decided by the European Council in Copenhagen on 7 and 8 April 1978.

However, the proposals on which the European Council recorded its agreement at that meeting gave no more than a broad outline of the tasks, structure and financing of the Foundation. It has therefore been necessary to examine every detail of these aspects.

Work was done on this during the whole remaining period of 1978 and significant progress was made. However, there are still certain fundamental problems to be resolved, particularly as regards the operation of the Foundation and the manner in which it is to be financed.

This being so, it is not possible for the time being to state the exact date on which the agreement establishing the Foundation will be drawn up.

*2. Questions to the Foreign Ministers meeting in political cooperation**Question No 38, by Mr Hamilton*

Subject: Human rights in South Africa

In view of the fact that human rights have been and are being increasingly violated in the Republic of South Africa, that political suppression and imprisonment without trial continue unabated, and in view of the evidence that firms in the EEC, particularly the British firm of ICL, are supplying South African security authorities with computer and other equipment likely to lead to increased repression, would the Foreign Ministers take urgent steps to stop forthwith these sales of repressive technology to South Africa?

Answer

The Foreign Ministers of the Nine are aware of the problems posed by the repeated violation of human rights in South Africa. On numerous occasions they have reiterated their condemnation of apartheid and repression in that country. Representations to the Government in Pretoria on behalf of South African political prisoners have been made several times during the last two years, especially after the repressive measures introduced by the South African Government on 19 October 1977 and, more recently, on 29 December 1978.

The Foreign Ministers meeting in political cooperation are, on the other hand, not competent to answer questions implicating a firm of one or other of the Member States.

It must be added that problems connected with the supply of military technology are covered by Resolution 418 of the Security Council of 4 November 1977. Each Member State of the Community has undertaken to respect this Resolution strictly. There has also been an exchange of views within the framework of political cooperation in order to harmonize the implementation of this Resolution at Community level.

SITTING OF THURSDAY, 18 JANUARY 1979

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IN THE CHAIR: MR DESCHAMPS

Vice-President

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

President. — The sitting is open.

1. *Approval of minutes*

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

Since there are no comments, the minutes are approved.

2. *Documents submitted*

President. — I have received from Mr Früh, on behalf of the Committee on Agriculture, a report (Doc. 572/78) on the 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.

3. *Texts of treaties forwarded by the Council*

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

- act of notification of the approval by the Community of the Convention on future multilateral cooperation in the northwest Atlantic fisheries;
- agreement in the form of an exchange of letters between the European Economic Community and the Bank for International Settlements concerning the mobilization of claims held by the Member States under the medium-term financial assistance arrangements;
- act of notification of the approval by the Community of the agreement between the European Economic Community (EEC) and Belgium, Denmark, the Federal Republic of Germany, France, Ireland, Italy, Luxembourg, the Netherlands, the United Kingdom, Member States of that Community (Member States), on the one hand and the International Development Association (Association) on the other hand;
- agreement in the form of an exchange of letters between the European Economic Community and the Republic of Cyprus on the correction of a clerical error in Article 2 (1) of the protocol laying down certain provisions relating to trade in agricultural products between the European Economic Community and the Republic of Cyprus.

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

4. *Agenda*

President. — I call Mr Veronesi.

Mr Veronesi. — (I) Mr President, on behalf of the Communist and Allies Group I should like to ask that the oral question on Calabria (Doc. 532/78), scheduled to be dealt with on Friday, 19 January, be postponed to the next part-session. The reason for this is that other groups intend to take similar action, and we should therefore like to work out a joint position.

President. — Since there are no objections, that is agreed.

5. *Community action in the cultural sector (resumption)*

President. — The next item is the continuation of the debate on the interim report (Doc. 325/78) by Mr Amadei, on behalf of the Political Affairs Committee, on Community action in the cultural sector.

I call Lord St Oswald to speak on behalf of the European Conservative Group.

Lord St Oswald. — Mr President, pitching in without further ado precisely where we left off last night at 9 o'clock, I would like to address a few remarks to the Parliament on this important matter.

The arts of Europe, in their breadth and variety, are a powerful stimulant to the thought of Community citizens and an essential nourishment of their cultural lives. This has been so for many centuries of splendour. In this debate we are concerned with the definition of a Community role in the continued preservation and further creation of what is beautiful in human activity and in the advancement of things of the spirit.

The Community embraces citizens of many ethnic and national groups within each Member State. Each group possesses its own particular skills in self-expression. National and Community policy should be designed to sustain the development of these skills. Naturally the exercise of such skills brings fresh and continuous pleasure to those who cherish their ethnic and national traditions. This exercise should also add to the pleasure and enlightenment of other citizens of the Community.

The Community's proposal on the cultural sector contains a useful foundation for encouraging cultural life in the Community. It should be borne in mind that social policies and taxation in some Member States militate against creation or possession of sufficient disposable private income to support the arts. The arts have thus long ceased to be the province of private patronage as they used to be. Such patronage as there is comes generally from state support. There are ways in which the Community can help. The Commission

Lord St Oswald

should seek a reduction in the value added tax on theatre and musical entertainment so that the enjoyment of these arts does not shrink into the limited preserve of wealthy tourists visiting the old world.

The Community is not a museum of ancient arts, it is the bastion of valued cultures, the furnace for new ideas and new techniques for human expression integrating the best of our ancestors' skills in shaping the new. The Community must therefore perform a role in this of surveillance so that national governments do not neglect the cultural aspirations of their people, our people, for the sake of some other — in some cases opposite — domestic political priority. Indeed, in times of adversity, such as the deadening economic recession now afflicting many millions of Community citizens, the need for the spiritual uplift of song and sight is greater even than in good times.

The Commission should be alert to report political myopia and indifference of governments to the national and ethnic culture of Community citizens. At the same time it would be unwise to impose any kind of Community pattern on cultural activities. Artists and craftsmen can never conform creatively to political prescriptions. The attempt has failed miserably and inevitably in some Communist countries, as I have seen myself. The Community's artists and craftsmen represent the freedom of the human spirit in their creations. Without freedom that spirit is quenched. Their work is evidence of democracy in action. The aim of their work is the identification and projection of all that is innately good and beautiful in human creation. In its proposal the Commission is indicating the type of environment in which the Community's cultural life could be safeguarded. The Commission's suggestions are practical, some are more essential and urgent than others. This is an interim report in which priorities can be the subject of further discussions. None of these suggestions is sufficiently inspiring to capture the imagination of Community citizens so that they can experience during their lives a renaissance in the cultural life of their Europe. For long Europe has been the source of ideas in many disciplines of learning, ideas which have been subsequently developed in the United States and elsewhere. Yet the Community possesses the embryo institutions in which to nurture new learning, new arts and new skills. It is time for the European Foundation to be given the financial support necessary to become a centre for the development of communications techniques. The European Foundation should become the catalyst for human contact envisaged by Mr Leo Tindemanns in his report on European Union. The European Foundation should sponsor annual lectures on the scientific, social and cultural subjects of interest to our world, lectures which might be televised throughout the Community with simultaneous translation, lectures which would be delivered by a personality in the forefront of his speciality.

The Commission might address itself to the problem of radio and television communications in the Community. Few methods could better assist the development of a Community spirit of citizenship and of Community citizens' understanding of one another than the facility to switch on one another's television programmes. Depending on locality, Community citizens can already receive one another's radio transmissions. In a real sense the Community would be present each night in the homes of millions of citizens if automatic retransmission of television programmes could provide reception throughout the Community, say, of French programmes in Scotland, if the Scottish viewer wanted French programmes, or Italian programmes in Denmark. The benefits in language training could be inestimable exceptionally so among the young.

The European University of Florence like the European Foundation is an embryonic institution. It, too, might be examined by the Commission with a view to broadening its academic base, to include, for instance, a school of business studies. There may be other disciplines of an economic or industrial character which could be developed, using the European University as a centre of learning for first degrees, masters' degrees and doctorates. Each generation throws up new types of study. Needs change. It would not be necessary to duplicate the work of other academic establishments, except if there was merit in the integration of those establishments into the European University. Our vision of the European University should be one as meaningful as a centre of learning to the Europe of the third millennium as Al Azhar University in Cairo has been for generations of Arabs.

If the European Community and its firms are to survive successfully in the world of high technology, high added value and alternative energy sources, then the Community's research centres contribute a useful basis for an expansion of the European University to include applied sciences such as nuclear engineering, production engineering, chemical engineering, studies in phenomenology, geology and in physics and mathematics. The Community's research centres could provide ideal conditions for scientists and engineers employed by the Community firms to pursue research, possibly aided by scholarships from the European Foundation. Such research would be directed by the staff of the Research Centre in conformity with the Community's research and development programme. But such research must also be of potential benefit to the firms which release scientific and engineering personnel for a year or so of study and research.

The academic rewards of such research would be a master's degree or a doctorate. The catalytic effect of intellectual interaction between people with industrial experience and those with mostly academic experience is inestimable. The European Community could be providing the conditions to nurture another Galileo.

Lord St Oswald

The European Conservative Group wishes to see a Community approach to the cultural sector that is complementary to national policy. The people of Europe look to the Community to provide leadership, to provide conditions in which there is a continuing renaissance in the intellectual and spiritual life of our peoples.

The soul of Europe is vibrant and anxious for a certain political direction; the Community could and can give this direction.

(Applause)

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

Mr Veronesi. — *(I)* Mr President, it is not the first time — the rapporteur also mentioned this — that we have dealt with this subject. This is justified by its importance and by the increasingly urgent need to follow its development carefully.

Indeed the European design and the work of integration would be incomprehensible if considered separately from cultural problems, that is from the organization and spread of culture at all levels.

We reject the view — held by some — that these questions are extraneous to the Community and to the activity of its institutions.

European integration cannot be limited to monetary, agricultural, energy, industrial production or marketing problems. These problems are of course of essential importance. However, leaving aside rhetoric, we must go beyond the Latin adage 'live first and philosophize later' and try to bring about an optimum level of awareness on the part of the European peoples. This is an important cultural problem.

The balance-sheet of what has been achieved, the assessment of the results and the critical analysis of the reasons for the incomplete implementation of previous programmes are useful. Indeed, this is an essential method of assessing our work and improving it in quantitative and qualitative terms. As has been rightly said, Europe has great traditions and cultural potential which must be preserved and enriched.

On this occasion we wish to reaffirm some principles and make some detailed comments.

Yesterday Mr Rippon, in the debate on the statement by the President of the Council, reminded us of Churchill's phrase on the risk that 'the fire of culture may go out and only the embers remain'.

To avoid this, two conditions are essential, in our view.

The first of these conditions for a flourishing cultural activity is a guarantee of cultural pluralism. We support this principle for Europe and for all — I repeat all — the countries of the world.

People must have the right to express any philosophy, any aesthetic, literary or artistic theory, and any scientific doctrine.

History shows that culture is often its own worst enemy. Reformations and counter-reformations have often been in fierce conflict. The schools and currents of thought have often been involved in dialectical confrontations which aimed at eliminating opposing schools of thought.

It is therefore necessary to safeguard the right of self-expression for all. My raising of this theme is not inopportune: an oral question put by Mr Spinelli in this Parliament refers precisely to an unpleasant episode of this kind.

The second condition is a guarantee of the financial and technical means for cultural activity. Thought is free not only when it is not prevented from expressing itself, but also when it has the practical instruments for doing so.

We agree on the substance of the motion for a resolution tabled by Mr Amadei. It seems to us that it should be read and interpreted in two ways:

First diachronically, that is as pursuing the aim of safeguarding tradition and the heritage handed down to us from past generations, and rediscovering the meaning of the troubled presence of man on this earth and of his history.

Monuments, libraries, museums, works of art and the natural environment must be protected by careful conservation measures.

An amendment by Mrs Squarcialupi indicates practical steps to be taken in this direction.

I am not advocating a static contemplation of the past, but the search for inspiration for new, modern creations by men of our time.

The motion must also be interpreted synchronically, as bringing out the social role of culture in ensuring the participation of all human beings of every social class in its great wealth.

Ladies and gentlemen, there is a need for a great campaign of reason to combat certain tendencies designed to create mental states of uncritical emotivity. There is too much astrology, chiromancy and 'ufology' about; there are still too many sorcerers and faith-healers. This has nothing to do with folklore or popular tradition.

Veronesi

There is an urgent need for adequate cultural and scientific endeavour on a vast scale, to make people critically aware of the reality around them. We have to bring about a great new Copernican revolution.

Finally, Mr President, we Communists wish to see special attention given to young people. In Europe today young people are certainly better informed, but more discontented.

There is much bewilderment, too much violence and too much drug-taking. We must help the young people of our countries to know and understand themselves, and to take part in common initiatives of great social and human value. This can be achieved by guaranteeing them first and foremost employment, and secondly a cultural commitment in which they can be involved.

With a little imagination and without excessive expense it is possible to set up suitable structures and develop suitable initiatives for the purpose. This is not wishful thinking; the Community can do a great deal in this direction.

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

Mr Brugha. — Mr President, the first question should be, I think, has Community action in the cultural sector been adequate, and I think that the reply must be, largely, no. There has been too little action.

In approaching the important matter of European culture, we should first remind ourselves that all the nations of Europe form one cultural whole. The nations of Europe together have made and can make a significant contribution to the sense of a common European identity. Culture, that is music, song, poetry, literature, artistic creation and works of art, should be cherished. These are the things of the spirit that create an awareness of our common European heritage.

There is a special need, I think, for a joint approach by the Commission and other nations of Europe not in the Community to the matter of film, especially television films. I think this is particularly necessary in view of the great mass of films from the United States which are being seen in most European homes. We should be able to match that output at least by engaging in a system of cooperation using our different European languages in projecting our own European films to the Community public.

In Ireland, one of our joint Houses of Parliament subcommittees on Community affairs has approved a recent paper on proposed Community action. To be noted also is the fact that the Irish subcommittee welcomes the coming Community sponsored publication 'Living and Working Conditions of Artists in Ireland' and also a report on the arts in Irish education. In my country also there is special tax relief

for creative writers living in Ireland. Also in Ireland the Revenue Commissioners have recently imposed value added tax on artistic productions. As this is a Community matter, I would like to inquire from the Commission if such a tax is in accordance with the Community regulations. It does appear to be somewhat unjust.

The events of the past week, Mr President, have focused our attention on what is potentially one of the most important steps taken by Europe since the signing of the Treaty of Rome in 1956. That is the European Monetary System. Whilst it is true that first and foremost the Community is an economic entity, it should be pointed out that each of the nine EEC Member States has a rich cultural heritage. It is the Community which is justly celebrated throughout the world for its artistic, musical literary, architectural and historical wealth. Indeed our memories of past history are as often memories of our cultural heritage as of our economic heritage: the latter frequently to be forgotten and the former to be remembered. Let us put on record that we recognize and are proud of the several cultural heritages that have helped to distinguish our Community.

There have, I'm afraid, been few initiatives in the field of Community action in the cultural sector. In May 1974 and March 1976 the European Parliament played its part by adopting resolutions supporting Community action in this area. Statements made between 1969 and 1973 at summit meetings provided some earlier encouragement. In 1969, at the Hague, the Heads of States and Governments concluded that they regarded Europe as an exceptional seat of development, culture and progress. They concluded that it was indispensable to preserve it. However, in its support for the European Youth Orchestra the Community has come a little way towards promoting an important cultural aspect of the systems of the nine Member States. At the same time this has helped to bring together the youth of the Community.

Other Community action in the cultural sector has not extended over a great area. Cultural goods, for example, are classed by the Commission amongst the types of goods from which the formalities involved in movement across internal Community frontiers must be simplified. The Community must take every possible precaution to ensure that our cultural goods are protected as far as possible. This must include adequate protection against theft for example. Where statistics are available they show that actual declared art thefts in France between 1970 and 1974 rose from 1 261 to 5 190. In Italy, over the same period, thefts rose from 2 466 to 10 952, an average increase in both countries of more than 300%. These losses not only affect each of the individual countries concerned, they are also Community losses, inasmuch as they diminish the great cultural wealth which forms a part of our heritage.

Brugha

Adequate measures must therefore be introduced which would help to reduce the level of art thefts.

I might suggest that assistance could be provided at Community level to safeguard small publishing firms which are experiencing financial difficulty in Europe. While such firms can provide much-needed employment, more important is the fact that they also ensure the continuation of the great cultural tradition in Europe. No-one in the Community should be subject to any discrimination in another Member State through the existence of unfavourable copyright laws. For example, at the present time in Germany the copyright lasts for a period of 70 years after the death of an author, whereas in other Member States it is 50 years. This is something that might easily be remedied.

I should like to make a suggestion that might perhaps help to promote the idea of Community support for our cultural heritage. I suggest the establishment of a European cultural centre which would put on display the best examples of our cultural heritage. Exhibits from this centre could be taken on tour to each of the Member States as an inspiration to our generations, future and present.

In conclusion Mr President I would like to rephrase Voltaire's statement on the conservation of literature as follows: 'The reward for the cultivation of our cultural heritage should be contempt when we fail and joy when we succeed'.

President. — I call Mr Lezzi.

Mr Lezzi. — (I) Mr President, I think one can to the large extent agree with Mr Amadei's report and especially with the eighth paragraph of the motion for a resolution which calls on the Commission to submit to the Council, subject to examination by Parliament, formal proposals to enable the various Community action measures to be put into effect. The motion also contains an indication of the financial and technical means for cultural activity, as Mr Veronesi has just reminded us, especially to ensure a commitment to the conservation of monuments and sites in view of the Commission's refusal, mentioned in paragraph 7, to create a fund for the purpose.

I think Mr Amadei was right to stress the need for a more intensive permanent link with various cultural institutes and centres, especially UNESCO and the Council of Europe, whose special task is to set guidelines and targets for cultural policy. These institutions, however, obviously have scant means, so we are still faced with a deterioration of our artistic and cultural heritage in spite of the efforts which have been made.

I have learnt from Mr Amadei that in the three-year period from 1976 to 1978 a total of 300 million ECU was set aside for necessary aid to the College of Europe

in Bruges, the Nuclear Research Centre in Grenoble, the restoration centres in Rome and Florence, and particularly for vocational training. However, I think that this commitment, especially in the vocational training sector to which Mrs Squarzialupi has referred in her amendment, could prove fruitless if it does not involve a more comprehensive commitment to the conservation of our architectural heritage and to the recovery of the human dimension in our cities with a view to a real improvement in the quality of life.

We must therefore step up the efforts which have been made up to now in various countries and take the right steps to achieve these cultural and human objectives, all the more so since — as other speakers have already stressed — the situation is now more worrying than ever. Mr Amadei mentioned among other things the initiatives and the 'cry of anguish' of Professor Argan, one of the leading authorities in the European and international cultural world, concerning the serious situation of the monuments of Rome — I could also mention those of Athens — which are in danger of being reduced to a formless mass of rubble as a result of atmospheric pollution and motor traffic. We know that up to now very highly qualified technical experts have been involved in Greece and in Rome and that very sophisticated methods are being applied. Yet in spite of these efforts the cultural heritage is exposed to ever-increasing risks.

With regard to architecture and the conservation of monuments and sites, a special effort must also be made in respect of guidelines, some of which have been drawn up by the Council of Europe, to bring about this meeting between the old and the new, a meeting which has symbolic value in a more general cultural context.

A leading authority on architectural history, Professor Roberto Pane of Naples, has rightly observed that our distrust is not of the new as such, but arises from the new buildings which we see around us. The architecture and buildings of the past reflect a world which had man at its centre. Those of today, on the other hand, reflect a world at the centre of which is the machine. The crisis of historic urban environments — according to Professor Roberto di Stefano, who has close contacts with the Council of Europe, is the direct result of the inability to construct the new in continuity and harmony with the old, in other words with a human dimension.

In this general context must be seen the participation of all the countries of the world, and in particular of Europe, in the safeguarding of the cultural heritage by UNESCO since 1949, by the International Council of Monuments and Sites, by the Council of Europe, and by the 1969 Brussels conference. That conference proposed to the European Ministers a series of initiatives aiming on the one hand to coordinate the safeguarding of the cultural heritage with town planning, and on the other to update existing laws in the various countries with a

Lezzi

view to moving from present methods of passive protection to methods of active conservation, and to developing and guiding education in schools and general education of the public towards a better awareness of the cultural heritage.

As regards Europe in particular, practical results in this field have not been very satisfactory, mainly because of the economic pressures which tend to reduce to a minimum the urban areas set aside for conservation and restoration, and to increase the area in which restructuring is allowed through demolition and new building, intended for the most part for dwellings and offices, or for such other purposes as will give a return on the capital invested.

In practical terms, therefore, the safeguarding of the cultural heritage seems to be confined now to the restoration of individual monuments and to archaeological excavations, and does not extend to the urban environment.

Local authorities are not always equal to the task, and yet the responsibility for conservation should be mainly if not entirely vested in the local authorities — regions or municipalities — which are sometimes unaware or ill-informed of the heritage entrusted to them.

It has been pointed out that the real participation of men of culture cannot always be ensured, given that in the United Nations Assembly, in UNESCO and in the Council of Europe national representation is rarely made up of specialists or politicians.

I said just now that the safeguarding of the cultural heritage cannot be confined to the restoration of individual monuments and to archaeological excavation, but must be extended to the urban environment.

Restoration and conservation means not merely work on a number of individual monuments, but a single, comprehensive endeavour to initiate a much vaster process of improving the economic and spiritual quality of life within a given territory, protecting the extraordinary historical and artistic heritage, conserving these records of civilization for future generations, and at the same time developing this heritage and integrating it into our daily life.

All this will in fact be possible if a determined and broad political will to bring it about develops — a popular will, therefore, arising from the active and responsible participation of all, and based on a real awareness of the economic, social and cultural importance of integrated conservation schemes.

The purpose of the amendment to Mr Amadei's motion for a resolution which I have tabled, ladies and gentlemen, is to stimulate the creation of projects for conserving the architectural heritage, and to encourage the local authorities responsible for physical planning to

conserve their cultural heritage and lay down suitable uses for buildings which will integrate them correctly and usefully the life of their communities.

President. — I call Mr Ellis.

Mr Ellis. — (*Welsh*) Mr President, this is the first time I address the House in my mother tongue, and I have chosen the present debate on culture to do so. In other words, I should like to draw attention to something important...

President. — Mr Ellis, I find the Welsh language phonetically very beautiful, but the authors of the Treaties did not include it as an official language of our gatherings.

Therefore may I request you to speak in one of the official languages of the Community.

I call Mr Brown on a point of order.

Mr Brown. — By what ruling Mr President? If you look at Rule 15, there is nothing to stop my colleague speaking in any language. All that Rule 15 says is that unless you speak in one of the official languages it will not be translated and interpreted. Therefore my colleague has a perfect right to regale those of us who do understand what he is saying with a speech in his own language, although he must realise that he must submit his speech in English as one of the official languages. So I do not see why you should intervene in this way, because in my submission there is no basis to your ruling Mr President.

President. — I do not agree with your interpretation. In my view what is said in this Assembly should be capable of being understood by the whole Assembly, either directly or by means of the simultaneous interpretation. We have not, however, provided for any interpretation from Welsh, which is not an official language.

Consequently, not all the Members can understand what Mr Ellis is saying in Welsh, in a debate which concerns them all. To ensure a proper debate we should refrain from using languages other than the official ones, which are sufficiently numerous.

I call Mr Brown.

Mr Brown. — Mr President, surely you can only give a ruling on the basis of the Rules of Procedure. If you will only read out Rule 15, it does not in fact preclude any Member from speaking in a language. It only says there that any speeches in the official languages will be interpreted. That is all it says. It does not in fact prohibit. I protest most strongly if you are interpreting that rule in another way. Many people do understand what my colleague is saying and we reserve the right to hear it. Therefore, unless there is a rule that you can quote that prohibits my colleague from speaking in

Brown

Welsh, then I suggest to you, Mr President, that you cannot make such a ruling.

President. — In my view, for a debate to be conducted properly within this Assembly everybody must be able to understand the speeches. Either directly or via an official translation. Now, if under Rule 15 (2) one can use 'any other language the Bureau may consider necessary', it is also necessary, in order to comply with the principle I have just expressed, that the entire debate be understood by the whole assembly.

You ask me on what my ruling is based. Rule 8 (1) gives your President 'all the powers necessary to preside over the proceedings of Parliament and to ensure that they are properly conducted'. As President I consider that a debate cannot be conducted properly if the speeches of certain Members are not understood by the whole House.

(Applause from various quarters)

I call Mr Ellis.

Mr Ellis. — Mr President, further to that point of order — and I am very grateful to my friend and colleague for his support in this matter — can I say that of course I will accept your ruling. I shall not attempt to defy your ruling; it would be highly improper of me to do so, and the last thing I want to be is improper. But can I say that I am extremely surprised? I did go to some trouble, of course, before starting on my speech in my mother tongue — and we are talking about our diverse cultural heritage — I did go to some trouble to consult the rules and to get advice. I was firmly of the opinion that I was in order, but as I say I accept your ruling.

We have had precedents in this Chamber for languages being used other than official languages. We have had speeches, to my knowledge, in Spanish and Portuguese, possibly in others, with no difficulty. I went to the trouble of doing a thing I rarely do: I wrote my speech out in Welsh. I then went to the trouble of writing out as exact a translation as I could. I gave each one of the interpreting booths a copy, and they were very kindly prepared to interpret from the English version. I went to the trouble of arranging with the technicians that I could have a spare channel. I went to the trouble of seeing the people of the official Report of Proceedings. It was all arranged.

I make this point to try to show to you, and to the Assembly, that I do not want to trespass upon or abuse the goodwill of the Assembly. I know there are obvious practical difficulties. It is an impractical thing for me to wish to speak in Welsh. I am not trying to abuse the goodwill of the Parliament, as I say. I wanted actually simply to make a point of principle. Having said that, I will leave the point of order, Mr President, and just ask you, in view of the importance of the issue, whether you would be prepared to refer the whole matter to the

Committee on the Rules of Procedure and Petitions, where we might have — and I say this without being disrespectful in any way to you — we might get a definitive ruling on the issue. If you could tell me that, I would then start my speech proper in English.

President. — Three things emerge from what you have just said, Mr Ellis. Firstly, you agree to speak in one of the official languages in the course of this debate, for which I would like to thank you. Secondly, you realize that I in no way intended to denigrate the Welsh language, which, as I have said, I find phonetically very beautiful. Thirdly, as you propose, I shall ask the Bureau to refer the problem you have raised here today to the Committee on the Rules of Procedure and Petitions.

I call Lord St Oswald.

Lord St Oswald. — Mr Ellis appears to have withdrawn, but what I was going to suggest was that in view of the fact that it is not in fact a precedent — we have heard speeches in Portuguese and Spanish, as has been pointed out — I would like to put this to the President, that he put this to the House as it is now composed to see whether there would be a majority in favour of listening to Mr Ellis. In view of the arrangements he has made through the interpreters everyone would in fact simultaneously understand what he is saying. I wonder whether the President would be ready to save further work for the Committee on the Rules of Procedure and Petitions and to allow the House to decide here and now on whether we could in fact listen to Mr Ellis?

President. — Lord St Oswald, since I have proposed that the matter be referred to the Committee on the Rules of Procedure and Petitions I am unable to accept your suggestion. I will simply point out that the speeches in Portuguese and Spanish to which you allude were made under completely different circumstances: the speakers in question were not participating in an Assembly debate but had been invited by the Parliament to speak in relatively solemn circumstances.

In any event, as I have said, the matter will be referred to the Bureau, which will submit it to the Committee on the Rules of Procedure and Petitions.

I call Mr Lagorce.

Mr Lagorce. — (F) Mr President, since you intend to refer the matter of the use of Welsh to the Committee on the Rules of Procedure and Petitions, may I ask that you do likewise in respect of the langue d'Oc, which is part of our French heritage and no less beautiful than Welsh?

(Laughter)

President. — Obviously I intend to refer to the Bureau the principle of the use of language other than the

President

official languages provided for under the Treaty and not solely the use of Welsh.

I call Mrs Squarcialupi.

Mrs Squarcialupi. — (I) Mr President, the linguistic problem for ethnic minorities is as serious as ever, and was dealt with in the report by Mr Power which was the subject of a recent debate. I myself proposed a paragraph in the motion for a resolution dealing with safeguarding minority languages and cultures.

In my view, using one of the minority languages in this Parliament — although these languages have our full respect, and mine in particular, precisely because I am particularly concerned about the problem — neither benefits the ethnic and linguistic minorities nor seems responsible and democratic. There are a thousand other ways to safeguard linguistic and ethnic minorities, and I would prefer a Parliament which is about to become directly elected to refrain from political ploys while safeguarding minority cultures in a responsible and worthwhile way.

(Applause from various quarters)

President. — Mrs Squarcialupi, your statement will certainly be read by the members of the Bureau and of the Committee on the Rules of Procedure and Petitions, which will rule on this matter.

The incident is now closed. We shall continue the debate.

I call Mr Ellis.

Mr Ellis. — Mr President, I will try and make a speech possibly less banal than my prepared speech, I think, would have been.

At least I can say one thing. I have established one point, that is to say, the importance of culture. What you have said — and I do not mean you personally, but you as President — and indeed what the Rules say if you have interpreted them correctly, makes a mockery of all the fine words that have been spoken in this debate so far.

Culture is not just international concert-going, a kind of wandering minstrelsy. Culture is something fundamental, and I would like just in the few brief moments that I have to try to point out how fundamental it is from the point of view of a socialist. And I make no bones about it: I think as socialists we have made a big mistake in the past by an overwhelming preoccupation with economism — a mistake going back as far as Karl Marx. I think only fairly recently Sartre, for example, makes a point, speaking in relation to what then was admittedly a despotic Castillian-Basque relationship, on the situation of the Basque language in Castillian Spain. Sartre said

that to speak an oppressed language is itself a revolutionary act. It is to attack capitalism at its softest spot. This is quite a major assertion, and of course Sartre gives his reasons and his arguments why this should be so.

And I would like just to sketch out why it should be so, because you see the issue fundamentally is one of hegemony — the control by a small group of a large number of people. Now my nation are not Johnny-come-latelies in Britain. We have been there for 2 000 years. We lived there as a nation under the Roman occupation, under the Roman emperor. We have been there a long time. I might even mention a story about my illustrious compatriot David Lloyd-George, if I may bring a little bit of humour into this. When he was a young man in the House of Commons and somebody attacked the Welsh language he made the point, and he did it with typical brilliance, that Welsh was the language of princes when the English were swinging by their tails in the Balkans. I thought that puts it rather well. Mr President!

The point I am making is that we are not a recent immigrant group; we are a well-established native indigenous nation living in Britain. And when I came here today I thought I was going to be able to speak in the only Parliament I have that permits me to speak in my mother tongue. And if we are talking as socialists about something, I think there is something terribly profound about that, that in the only Parliament I possessed up to five years ago, which was the House of Commons, I was not allowed constitutionally to speak my mother tongue. Bear in mind that I do not mind — I am perfectly fluent in English — but there are many of my compatriots who could be elected to Parliament who are not so fluent in the English language. I make this point quite seriously, because I sometimes feel that some of my English compatriots think it is just some sort of little whimsy on my part.

Just to give another practical illustration, one of the county councils in my country five years ago decided to adopt a bilingual system, with the headphones and so on just as we have here, and there are 67 members of that council, and 63 habitually speak in Welsh and 4 habitually speak in English. The point I want to make is this: the chief officer of the council, who is a friend of mine, told me some years afterwards that the remarkable thing about it was that the standard of debate had rocketed upwards when they established the bilingual system. So it is not just a whimsy — it is something real and profound; it is just the same as if one goes to a court of law if one is charged with something serious. The ability to be entitled to speak in one's own language is a very precious heritage,

So when we are talking about culture we are talking about something very, very profound and very, very real. I might add that the great advantage that Europe has for me — the European Community — is that it

Ellis

offers an opportunity not to acquire hegemony for my party or my people but to replace hegemony. We have the opportunity here, if we are skilful enough, actually to go ahead and do this, and this is one of the profoundly socialist reasons why I am a European. Equally why I am a staunch advocate of devolution in my own country, and it is coming. It is not just in Wales. It is in Scotland, and Brittany, and Alsace, and Galicia, and Asturias, and the Basque provinces, and Barcelona, and Corsica, and Schleswig-Holstein, and the Friesians. It is not just some little whimsy. It is so general that there is something very profound happening, and what the profundity stems from basically is that ordinary people are beginning to sense that economics are not enough — that mechanistic materialism is not enough.

Therefore I must say, and I am going to finish on this Mr President, that I am a little disappointed, having heard all these fine words about monuments, concerts and so on — all important things, I am not decriing it. For me, it really comes down, fundamentally, to a cultural issue which might challenge 'the state', which is what I am talking about — challenging 'the state'. You recall Marx — the revolutionary overthrow of the state. That is highly impractical. I do not want a revolution; I want to do it by civilised, proper, political means. That is what I am dealing with, and that is what the people of my country and all those other countries I have named are dealing with. That is why I place my hope in starting from small beginnings. Mr Amadei's report is dealing with marginalia, but it is starting from small beginnings. I wish him well and I wish the Commission well, because they are on a major undertaking. All the scorn and fun that is poured out by people who do not understand will come to no avail because I almost feel like singing, 'We shall overcome'. That is the basic position, Mr President.

Can I end by saying I hope that when the issue is considered by the Committee on the Rules of Procedure and Petitions that they will see the force of these arguments and come down as genuine democrats. Because I still believe we live in a democratic society. It is not always obvious, but as a genuine democrat I hope that the rule will be changed so that on the next occasion when I have need to do this — I will not do it regularly, as I say I want simply to establish a principle — I hope I shall have the opportunity of doing just that.

(Applause)

President. — In my view, however, you have been more convincing in English, as it happens, than if you had continued in Welsh.

I call Mr Kavanagh.

Mr Kavanagh. — Mr President, I can assure you I will not speak Gaelic; I will continue in English. Although the document before us deals with the limited aspect of the cultural sector it is very satisfactory in that it shows that some thought has been given to the subject. It gives

us an opportunity to air our views. It was the first Commission proposal to be discussed as such in *Dáil Éireann*, the Irish Parliament, on the basis of a report from the Joint Committee on Secondary Legislation. A recently adopted amendment to the *Dáil's* standing orders was necessary to enable this to be done.

I shall restrict myself to one or two remarks related to taxation and to the social aspects. Firstly, as far as taxation of artists is concerned, I am sure that many are aware that in Ireland creative artists already enjoy concessions in advance of what is available in many other countries. However, interpretive artists, actors, musicians and the like, do not. I believe it is essential that this situation should be remedied in accordance with the proposals of the Arts Council, before any proposal relating to harmonization of such a scheme at Community level be considered. We are always more likely to remember the contributions of creative artists such as artists, painters and sculptors, since they are in durable form, and tend to forget the interpretive artists who play a role at least equally significant in cultural life. By way of parenthesis, it is interesting to note that the Irish Parliament has the distinction of being the first parliament in Europe to create a State theatre, the Abbey. We would like to see State theatres involved in programmes of cultural exchanges with their sister theatres in the Community. In this regard also I believe that positive proposals of the document need to be paralleled by a considerable increase in programmes of cultural exchange and particularly in the organization of cultural agreements between countries of the Community. I would support any change in EEC legislation which would increase the potential for movement across Community borders of such cultural activity as is possible with the minimum of red tape.

My own country is very badly served in respect of specialized training and education in the arts. Dancing, choreography, acting, theatre directing and film making are examples of areas where no or very few opportunities exist for training or education. The Arts Council, the body established by statute to stimulate interest in the arts in Ireland, would be most anxious that Ireland should participate fully in the cultural section of the second joint programme to promote exchanges of young workers within the Community and should be able to participate in the pilot scheme of that proposed joint programme.

Turning again to taxation and the arts, the proposals in section 15 and 16 of the Commission's document would be of little benefit without substantial changes in Irish tax laws, as it relates to the arts. Tax exemption on money donated to sponsor art, for example, would encourage business sponsorship. Further encouragement would result in the elimination of tax barriers to the development of cultural foundations and patronage. Creative artists working in my country can apply to be exempted from tax but interpretive artists, as I have said, do, however, have to pay income tax. This Parliament

Kavanagh

should enthusiastically support the idea that interpretive artists would be allowed to spread tax earnings arising in one exceptional year over several years. In relation to films, I myself have co-sponsored a bill in my own parliament on the film industry in Ireland. I believe that this is an art form whose contribution and potential in cultural life has never been fully recognized. This excellent document, the Amadei report, points out that notwithstanding the material success of some individuals, the highest proportion of under-privileged are to be found in the category of cultural workers and suggests that something immediate should be done in the matter of social security, an area in which it believes cultural workers are still often badly protected. A proposal to extend cover to cultural workers must be welcomed and the necessary measures taken, though in Ireland they are covered to a large extent. However, there is a need for the introduction of measures to cover self-employed workers of all kinds, which would also benefit many cultural workers. Again, I believe that the proposals relating to pension schemes for artists being prepared by the Irish Arts Council must be encouraged and examined with a view to seeing what possibilities it could provide at Community level.

Finally, Mr President, we must remember that we are not seeking the lowest common denominator in terms of European culture. On the contrary, European can only be fully understood when the individual richness and value of national cultures which make up the nine Member States is fully appreciated and understood by all. We must recognize that we can only start to talk of European culture in realistic terms if we talk in terms of consolidating and improving national cultures.

President. — I call Mr Broeks.

Mr Broeks. — (NL) Mr President, I am pleased that this Parliament has finally got round to discussing cultural matters once more, since this does not happen all that often. It is also encouraging that so many Members of this Parliament are so concerned about these questions. As you know, this Parliament had existed for over ten years before the first debate on cultural matters was held. Subsequently a Committee for Cultural Affairs and Youth was set up and you, Mr President, know how short-lived this committee was, as you yourself were a member of it. It is disgraceful that there are so few opportunities to discuss cultural matters in this Parliament and I was annoyed again yesterday to hear the President-in-Office of the Council, Mr François-Poncet, saying about this Community, and I quote: 'The European Community is based on a threefold unity (monetary/industrial/agricultural); at which Mr Bertrand, pointed out that there was the social aspect too.

Even this, I feel, does not go far enough, since if we think we can set up a European Community without culture we are making a mistake. Culture is one of the most important of all of the aspects mentioned. We

cannot establish a firm basis for the monetary, industrial, agricultural or social aspects without taking account of cultural considerations. And if we think we can develop industry and agriculture without developing education, we are making a mistake. One need only remember that Russia started to develop its industry by developing its education, since it would otherwise have been doomed to failure.

Mr President, this is exactly what we must do in this Community. I am delighted to see that the Commission too is finally taking some interest, in cultural matters. I am particularly pleased that Mr Brunner is still a member of the Commission and I hope he will remain there for some time and not lose interest in cultural matters.

For the rest, I fully agree with what has been said. I am only afraid that what Mr Ellis proposes will run into financial difficulties before we can put it into practise. But that is another question. Basically, of course, he is right.

However, Mr President, why am I speaking? Not to repeat once more that so little has been done, but to say that we are soon to have a new elected Parliament and that I wholeheartedly hope that this new Parliament will understand what it is supposed to be doing. I should like to say that I hope Mr Amadei will still be a member of this Parliament and continue in his fight to ensure that cultural affairs are discussed. Furthermore I hope that a new Committee on Cultural Affairs, Youth and Education will be set up — this is not the least important point — and that the new elected Parliament, including those Members who are newcomers, will understand the task before it. However, I should like to appeal to all those who will continue to be Members of this Parliament to see to it that a committee of this kind is set up again, since it is and will remain impossible to build a Europe without culture.

President. — I call Mr Johnston.

Mr Johnston. — Mr President, I wish to make only a very short contribution, and to stress the particular but, as Mr Ellis pointed out, fundamental, question of minority language. There are a great many languages, as Mr Ellis said, ancient languages, which through the passage of time in the various countries of our Community, have become minority languages. In the North and West of Scotland, there are still about 80 000 people who speak Scottish gaelic, and I went to my primary school, Mr President, in a little village called Carbost on the Isle of Skye. Of the 15 pupils in the school, five came speaking no English at all, entirely gaelic speaking. It is a language, like Welsh, older than English, and it is an enormous treasury of poetry, song, and innovative literature.

I think it is terribly difficult to define the way in which the style of a language, its range and its content,

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influences the mood of a people, but that influence exists, and that it is unquestionably profound, cannot be disputed, it is an area to which we give insufficient consideration. I do not think it is a political matter. With great respect to Mr Ellis there is nothing uniquely socialist in concern for the importance of minority languages. But it is something to which, I think, all of us whatever our political credos, should give great consideration.

I have corresponded with Commissioner Brunner, whom I look forward to hear replying to this debate, about the Community's potential role in this area and he has indicated that the Commission are considering the initiation of a survey of minority languages with the object of quantifying the size and scope of the problem, something which after all has not been done previously on a European scale but something which needs to be done if the Community is to contemplate rendering some assistance to minority languages and doing it in a practical way. This is a practical development which I very much welcome and I hope that Mr Brunner might be able to say a little of how it is proceeding and how long it will take.

As Mr Ellis has indicated the treatment of minority language throughout our Community is uneven. In the UK certainly, Gaelic, Scottish Gaelic, receives quite insufficient help from the state with the consequence that an organization like *An comunn gaidhchelach* spends far too much of its time thinking about raising money and far too little of its time on the complicated, but as we have said enormously important, business of keeping a minority language alive. I think, and the report of Mr Amadei is the opportunity to say, that in the future the institutions of our Community can play a crucial role in ensuring that minority languages are provided with a favourable environment. That is, after all, all that those who speak such languages as Gaelic and Welsh and Breton, seek. And I think that it is the least we can give them.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) The discussion itself shows that we are dealing here with a topic of more than ordinary significance. On my way here to Strasbourg yesterday a very experienced journalist coming to cover this debate said to me: that culture could be both a binding and a divisive force. I believe that events have proved him right. We in the European Community will have to take care to take specific action to strengthen the binding element. On the other hand the multifarious nature of European culture must also be borne in mind; this includes, of course, support of languages such as those spoken by Mr Ellis and, as I feared for a moment might be spoken by my friend Russell Johnston, namely Scottish Gaelic. While we want to contribute in these areas we must also realize that for the moment in the European Community our action can only be limited, and will

only be possible at all if we have your support, if Parliament continues to work incessantly in this area. I therefore greatly welcome Mr Broeks's statement. It is a pity that the Committee on Education, Cultural Affairs and Youth has been abolished. I think an important task of the new directly elected Parliament will be to re-establish such a committee. We need your support and we need such a committee, otherwise we can make no progress at all.

Yesterday for the first time here the President-in-Office of the Council said something which appeared to me encouraging. He explained that he regarded attempts to promote cultural activity in Europe as a step in the right direction. Therefore, I think that the time has passed when an important representative of the Member States could say in French: 'l'agriculture, oui; la culture, non'. At least we have made some progress, but we are still a long way from a position where really substantial funds will be made available for cultural activities. Let us have no illusions about this. A great many debates will have to be conducted on this subject and a great deal will have to be said about specific programmes before we get to that stage.

We the Commission and you the Parliament will have to put our heads together and consider where we can make a start, and the Amadei report provides a useful point of departure.

There is no point your saying to us: why don't you set up a fund for buildings and another fund to support orchestras and yet another to support minority languages in Europe and a fund for folklore, etc.? There is no point in that. We won't make any progress that way. We must consider in detail what practical possibilities are open to us and here I see some important areas. First of all, it is clear that creative artists in Europe do not enjoy satisfactory social status or an adequate level of income. This in an area in which we can make some improvements.

I am horrified when I read reports by other organizations, for example UNESCO. Only one in ten of European writers can live from their writing, and this in one of the most highly developed industrialized areas in the world. The remainder are forced to take other jobs and can only write on the side, even though this is truly an important and worthwhile human activity. More than half of all creative artists in Europe today live at subsistence level, and this in one of the wealthiest areas of the world. I believe we must do something about such conditions and undertake the necessary statistical work so as to be able gradually to eliminate them.

There is a second possibility open to us. You said we should concern ourselves with European monuments. Indeed you are right. You know we are trying to do something, for instance by promoting new preservation techniques, which are bound up for instance with the

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results of nuclear research. You know also that we have expended considerable effort to organize courses for restorers so that we have the necessary staff for restoration work. But of course in all these areas we have only very limited financial means available. Therefore it would be sensible for us finally to look into ways of using the European Investment Bank to finance such projects. The European Investment Bank need not be limited only to promoting industry. We want to investigate this possibility further; perhaps low rates of interest could be offered. We want to try to mobilize more funds in this way. Then there are many other practical areas, for example, the film industry. It is true that modern technology with its proliferation techniques allows many artists to reach a wider public. But herein lies also a great risk for these artists, namely that their rights are not respected, and that they have not sufficient legal protection.

We want to give creative people the possibility of having access to a wide cultural market. In the case of film-making that means in practice that we must promote the sale of films, which is often a difficult task.

This is not all. Indeed this is just the beginning. We want to maintain a dialogue with you and also with the Council of Europe, and we in no way intend to exclude other non Community European States from this work. Our cooperation with the Council of Europe is good. This latter should continue its attempts to lay the foundations and should remain in contact with us. Sometimes we may be able to give some practical assistance sometimes we can finance things which it cannot finance. But it must be clear once and for all that for us European culture naturally does not mean just the culture of the Member States of the European Communities. We have great respect for the achievements of other European States and naturally want to work together with them in this area.

And so if you give us your support, we will I hope be able to make gradual progress in this sphere. We can do this, however, only if this topic is not forgotten after today's debate, if we can share with you the practical difficulties involved, if you support us so that we get the necessary staff, if with your help we finally succeed in removing European cultural policy from the backwater in which many narrow-minded and power-hungry authorities, both national and European, would like to see it remain. Both national and European I welcome your support and I hope that we can regard today as a beginning.

President. — I call Mr Amadei.

Mr Amadei, rapporteur. — (1) Mr President, in my speech yesterday evening I expressed my disappointment at the fact that so few Members were present when this subject was being debated. This morning I must express my satisfaction at the way in

which the debate has proceeded, in view of both the number and the quality of the speeches.

I am therefore very grateful to everyone — to the Council representative, to the Commission, to the many Members who spoke — for the wide-ranging debate and the interest shown. As Mr Brunner pointed out, the Council has shown willingness to make significant efforts in this sector. I hope that the current French Presidency will be able to make an important and distinctive mark in the cultural field as well others. I welcome with Mr Brunner's statements especially with regard to the audio-visual arts and to the aid which the Commission intends to give to the cinema. It is very important that statistical data on the cultural sector should be compiled, and the Commissioner undertook to arrange for this. With regard to the financial aspects of the problem, the Commissioner rightly pointed out that it is not so much a question of providing aid, in particular sectors, as of granting interest rebates through the EIB.

What was said about the social role of culture is of equal importance. The social position of workers in this sector must be improved, taking particular account of the social effects of technological advances, which reduce the level of employment and the income of authors and performers. The Commissioner stated that only a tenth of European writers can make a living from writing, because job opportunities are lacking. This must give us food for serious thought.

I am grateful to Mr Jahn, Mr Meintz, Lord St Oswald, Mr Veronesi, Mr Brugger, Mr Lezzi, Mr Ellis, Mr Cavanagh, Mr Broeks and Mr Johnston, almost all of whom made the point that very few measures had been taken, or at any rate not enough, in this field. I therefore hope that the time has now come when we can do more worthwhile.

The first comment which is usually made when culture is mentioned in this Parliament — as Mr Broeks rightly pointed out — is that the Treaty of Rome mentions the economy, industry and agriculture but not culture.

Mr President, I think this Parliament would not be worth taking seriously if it did not also tackle cultural problems in the Community context. Of course the definition, content aims and development of culture — in short all the elements of a cultural policy — may or may not be the specific task of this Parliament. Nevertheless, the need has been mentioned here — both by Mr Broeks and by the Commissioner — for the Committee on Youth and Culture to be revived in future. I am personally in favour of such a move.

Mr Veronesi spoke particularly about the awareness on the part of European peoples of their cultural heritage. I think that this debate has produced a commitment to take more incisive and more practical action to this end,

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and I am sure that the Commission in pursuing its initiatives in this sector, will have Parliament's full support.

President. — I note that no one else wishes to speak. The motion for a resolution and the amendments which have been tabled will be put to the vote at voting time this afternoon.

The debate is closed.

6. Human rights in Iran

President. — The next item is the debate on the report (Doc. 547/78) by Mr Cot, on behalf of the Political Affairs Committee, on the respect of human rights in Iran.

I call Mr Cot.

Mr Cot, rapporteur. — (F) Mr President, on behalf of the Political Affairs Committee, I have the honour of presenting a report on respect for human rights in Iran, arising from a motion for a resolution tabled by our colleagues Mr Porcu and Mr Sandri on behalf of the Communist and Allies Group.

The problem of human rights in Iran is a delicate one, since human rights are themselves a delicate matter, as is the situation in Iran. But first, ladies and gentlemen, before going to the root of the problem, let me make some preliminary remarks.

The first bears on the problem of human rights. Under the precedents established in our Assembly, this is indisputably a problem of international interest and of relevance to international law and to political cooperation, and it is as such that we in this Assembly have in the past turned our attention to it.

The most recent trend in human rights policy springs from the view that such a policy should just not pay lip service to human rights — in other words, to be authentic it must involve concrete action, which may affect international trade or association agreements. Seen in this context, the problem is one which concerns not only the ministers responsible for political cooperation, but also the Commission and the Council. The problems are numerous, however. Firstly — and this is not easy — care must always be taken not to interfere in the internal affairs of the State in question. Secondly, this policy to which we are committed is full of contradictions and can conflict with other objectives — for example it can threaten détente or the policy involved in the North-South dialogue: there are a whole series of considerations here to complicate our task. I should therefore like at the outset to suggest a cautious approach, which I would define as follows: our Assembly must intervene only in cases of the violation of elementary human rights. Our intention is not to

impose our concept of democracy or our political system, but rather to apply, whenever we intervene, what I would call 'a minimum standard with regard to the violation of human rights', i.e. those elementary rights to life, freedom from bodily harm, protection against torture and freedom of movement. Furthermore, in those cases where we do intervene — for example in the Iranian affair — we must limit ourselves strictly to the actual human rights problem and not take the opportunity to interfere in internal political problems. Here, too, as we well know, the distinction is often a fine one, but not impossible.

After these general remarks on our very delicate task in the field of human rights, I shall now consider the particular case of Iran. The country is in a state of upheaval. The flight of the Shah has greatly altered the situation, undoubtedly arousing hope among the people, but also leaving a power vacuum which has its own dangers. It clearly makes intervention by us in this field a more delicate but at the same time more necessary task, though any such intervention must offer strict guarantees of impartiality, which I think are provided here — as is shown by the unanimous vote of your Political Affairs Committee on the wording of the motion for a resolution. I believe that the text we are putting to you — and I wish to take this opportunity of thanking the chairman, Mr Bertrand, for his great help in drafting it — strikes the right note, in particular in that it emphasizes the need to guarantee human rights, particularly in a period of upheaval whatever the circumstances or the origin of the threats.

Those, therefore, are my two general points.

I would now like to come to the human rights situation in Iran, which was the Political Affairs Committee's brief. Unfortunately the situation in Iran can be summed up by saying that it is a country in which there are clear, structural and continual violations of human rights. These violations are quite clear: our sources are in full agreement and appear completely trustworthy. Let me quote them: the work of Amnesty International and in particular the statement by the British lawyer Bryan Robell to the United States Congress on 28 February 1978, the International Commission of Jurists and in particular the reports by Mr Butler and Professor Levasseur; the Centre for Judicial Independence, which comes under the auspices of the International Commission of Jurists and whose September 1978 bulletin was only too clear, and finally the International Federation for Human Rights, which has been investigating human rights in Iran in recent weeks and whose conclusions are not only up to date but corroborate the other findings.

Today the basic facts about violations of human rights in Iran are well known. The principle causes are as follows:

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1. The characteristic woolliness of the Iranian penal code which while being extremely precise on the definition of penalties is singularly vague on the definition of offences — and in particular political offences — which leaves room for all sorts of arbitrary decisions.
2. The detention and arrest procedure, as organized by the sinister political police force, Savak, whose reputation is notorious. This procedure — if it may be called such — is characterized by the fact that arrest and detention are not subject to any supervision and are designed to keep the prisoner in solitary confinement until he is brought to trial; if there is any limit on detention without trial, it is not respected or, more precisely, it is circumvented by the fact that the period starts to run only from the moment when the accused is brought before the examining magistrate. Many months, or even years, may pass, however, before this happens. The preliminary investigation of the case is not in the hands of a magistrate of the judiciary, but is the sole responsibility of the political police; the trial itself is based wholly on the dossier without any witnesses being called and therefore without any chance of refuting the evidence brought forward in the charge. Until recently the period allowed for consultation of dossiers in political cases was extremely brief. Before 1977 the general rule was *in camera*, i.e. the trials were not public, but 'private'; during the period from 1972 to 1977 there was not one case of acquittal on a political charge, while on the other hand 300 executions were carried out!
3. As regards the number of political prisoners, this is undoubtedly substantial (the Shah himself estimated it at 3 000 in 1976); more impartial estimates put the figure at between 25 000 and 100 000. Conditions for political prisoners are extremely difficult: in the 'Mixed Committee' prison, where heating, ventilation and food are deplorable and where the punishment cells, known as 'green cells', are damp, devoid of light, and measure 1 m x 70 cm — making it impossible to either stand up or lie down — conditions are particularly unpleasant.
4. There is no doubt that there is systematic torture, which has become institutionalized. I would quote here the Amnesty International report of February 1977, p.8.:
Whippings and electric shocks, the tearing out of nails and teeth, the injection of boiling water into the rectum, the suspension of heavy weights from the testicles, attaching a prisoner to a red-hot table, the insertion of a broken bottle into the anus, and rape.

Such allegations are made consistently by the most cautious and most authoritative observers. Moreover, the Shah of Iran admitted to these practices himself in an interview with *Le Monde* on 1 October 1976. I quote what he said: 'Why should not we use the same

techniques as you Europeans? It was you who taught us about refined torture techniques. You use psychological techniques' — this is a euphemism — 'to obtain the truth. We do the same.'

Finally, in addition to all this, there is the paradox that Iran voted for the Declaration of Human Rights, ratified the 1976 International Covenant on Civil and Political Rights, and is an active member of the United Nations Commission on Human Rights.

Thus the case against Iran is overwhelming, there is no excuse for Savak, and I think that there is not much to discuss on this point.

Furthermore, such violations appear to be a permanent feature. News of incidents in Iran in recent weeks is hardly reassuring; we hear of continued, frequent, unceasing violations of human rights during the present disturbances, e.g. the removal of wounded patients from the hospital in Mahad, who were, of course, later found dead, tortured by cigarette burns and by having their bones broken. And while there have been some improvements with regard to public trials during November and December (it appears that a limit has been put on detention without trial, which was five months, for example, in the case of two girls who distributed leaflets calling for a religious demonstration), arbitrary powers nonetheless subsist. Thus, for example, a 7—10 year prison sentence was recently imposed for reading 'The Mother' by Gorki, which is, apparently regarded as subversive literature.

Finally these violations are structural, i.e. they do not depend on the current policy at any particular moment. Iranian practice in the field of human rights is punctuated by amnesties, by the release of political prisoners, which are announced at regular intervals but have not brought any great changes because the problem is rooted in the actual political and social structure of the Iranian state. Savak is a veritable state within a state and those Iranian politicians with whom we have discussed the problem, whether those of the old régime or survivors of the opposition, all say that Savak is beyond the control of the government and probably even that of the Shah. Added to this is the fact that until there is a thorough reform of the penal code it opens the door to all sorts of violations, and that the 1977 reforms are, in the opinion of the Centre for Judicial Independence, are quite inadequate, so that, in my opinion, more than secondary changes are necessary if there is to be any hope of an appreciable improvement in human rights in Iran.

Finally, some remarks about the Community's economic ties with Iran. To start with, relations are very close. The Commission had occasion to provide some information on this in answer to a written question by Mr Damseaux at the beginning of the year, from which it emerges that the European Economic Community is

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Iran's main trading partner, while Iran is our sixth most important trading partner, with exports of about 5 400 million EUA and imports of 7 500 million EUA, Iran is our second largest supplier of oil. In 1978 we imported 78 million tonnes of crude oil, that is 16% of EEC imports or 8.5% of our total energy consumption.

In addition to these economic considerations there are also, of course, strategic considerations which I shall not go into here.

The considerable amount at stake here, which we cannot afford to ignore, must not, in the opinion of the Political Affairs Committee, prevent us from making a stand, not only for moral reasons — so as not to vindicate the fable: 'As you are strong or lowly, so will you be judged right or wrong' — but also because it is politically advisable. We feel that today, in these difficult times, it is above all necessary to point out that the violation of human rights is a matter of concern for the whole international community and in particular the European Community, that violations should be penalized wherever they occur, and it is for this reason that the motion for a resolution which we submit to you today has the unanimous support of your Committee.

Mr Jahn. — (D) Mr President, ladies and gentlemen, the position of the Christian-Democratic Group on this matter is, as we have often had occasion to say, quite clear. By virtue of its Christian attitude our Group condemns all violations of human rights, whatever the ideology on behalf of which they are perpetrated, quite independently of whether the State in question is a monarchy, a republic, a controlled democracy of any other tainted democracy. The motives behind our condemnation are both moral and political. Politically, my Group takes the view that legitimate power proceeds only from the freely expressed consent of the people.

This means that we must be all the more severe in condemning all those régimes which use force against those seeking change with a view to what they regard as a better form of government. I say this intentionally here at the beginning of this debate. My Group supports all those throughout the world who are struggling to replace a repressive régime by a democratic one; those, however, who use force to replace a repressive régime by another repressive one, can expect no support from free people.

Here in this House I myself have often had occasion to speak about this in this vein. While today we are discussing Iran — and indeed we in the Political Affairs Committee have done so in great depth, after first taking a very close look at other countries — we must not forget — and I refer, Mr Cot, in particular to your remark concerning situations where it might be wrong to resort to trade and economic sanctions — that we find on our very doorstep violations of human rights

which (and we should reflect on this daily) affect many, many millions of people.

This has been the case recently in Ethiopia, where there have been appalling developments: violations of human rights, then complete overthrow of the government, to be replaced by a new repressive régime. The same happened in Afghanistan: a bloody coup, followed by the bumping off of all the leaders and all those who had served the former régime, and the establishment of a new totalitarian régime, in which force rules supreme. In addition we have had Cambodia, and also Vietnam, which at one time we spoke of as having been liberated and where we now know that along the coasts 1½ million people are taking to the sea in a bid to attain real freedom. This must, I feel, be stated here quite plainly.

For this reason we Christian-Democrats are continually calling on all Member States, on the Council and on the Commission of the European Communities to take joint political action for the protection of human rights, wherever in the world they are violated. We will always be on the side of those candidates for our support who try to view world affairs objectively. We demand also that joint action be taken in the area of economic and trade policy — and here, Mr Cot, I take the opposite view to you — in those cases where violations of human rights cannot be countered by less drastic measures.

Therefore we demand not a policy which has to be defined anew in each case but rather one which is valid across the board, for it would be inconsistent to have 'normal' relations with some countries which have been violating human rights for decades and to force others into a corner, saying that theirs is an exceptional case. In our view there can be no exceptional cases where human rights are concerned. The reason we demand all this is that we believe that respect for basic rights is the prerequisite — and I stress prerequisite — for a true policy of détente.

The situation in Iran, with its violent political conflicts, has shocked the world, which looks on with bated breath. Meanwhile the situation — and here I agree with you, Mr Cot — appears to have changed. We feel that we must examine this new situation very carefully. We hope that the situation has changed for the better. The Shah has, temporarily it is said, left the country; a civilian government has taken over; martial law will gradually be lifted. Behind this civilian government there looms the possibility of a new civilian government based on religious ideas which, were it to come to power, would probably bring Iran, a country striving towards liberalism, into a state of revolution and revolt.

I believe that all political prisoners must be released. We all have an interest in a normalization of conditions in Iran. We have an interest in a true process of democratization. We support the preservation or

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restoration of human rights. Accordingly may I say, on behalf of my Group, that we support in particular Paragraph 2, which expresses the essence of the resolution when it says that urgent representations should be made to all — and I emphasize all — the political forces in Iran and within the international organizations with the aim of restoring a normal situation and of making human rights the basis of the democratization process. My Group will support this motion for a resolution.

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

Mr Jakobsen. — *(DK)* Mr President, I should like to make a few comments on what we are doing here. I have no criticisms to make of the text itself since it says what it should say and what we have repeated on numerous occasions. It contains nothing new and no one is likely to be alarmed at it. However, I am not completely happy about the time we have chosen to deal with this matter or are being asked to do something about it. Why now? It strikes me as a strange time to choose, since as far as I know this is not the first time that something of this kind has happened in Iran. This has been going on for something like 25 years. So why should we decide to talk about it now? Presumably not — and I am thinking now of what might be the motives in various quarters — presumably not in order to draw the attention of the public away from what is going on in Vietnam and Cambodia, i.e. those places which a few years ago were resounding with cheers of liberation. I'll say they were liberated — and now we can see in retrospect the kind of repression which was practised.

Yes, but what are we doing here today? What are we trying to achieve? Who are we asking to make a statement to the effect that things will improve in Iran? Have our French colleagues received a promise from the man currently living in France who maintains that he governs the whole of Iran? Has he promised that human rights will be respected under his future rule? As far as I know there are certain people at least that he has promised to execute, including the Shah, if he can get hold of him. Is this the kind of representative of human rights we are to appeal to? Is it the present government, which perhaps will not be in power tomorrow? Is it this government we should hold responsible for crimes of the previous régime? What are we trying to achieve with all this?

As I understood it, there were a number of economic considerations. Are we thinking of threatening to break off trade in oil with Iran? Are we intending to threaten Iran with a ban on imports of oil from that country. Is this the kind of thing we are thinking of? If so, we would be making fools of ourselves, to say the least.

In my view, this initiative is, to put bluntly, like water to a drowning man — and I hope the interpreters will

be able to render this idea in the other languages. I think it is about as inappropriate as it could be.

I should like to say on behalf of both myself and my group that we have frequently had to bite our tongues when the Lomé countries were being discussed since we did not want to destroy something which we regarded as more important than speaking our minds about, Uganda and similar dictatorships which have put more people in prison than any colonial government. We kept our mouths shut because something more important was at stake. I wonder, in this case, if we could bring about a situation whereby the nine Member States and this Assembly would not speak unanimously but maintain an unanimous silence. At any rate this is what I would recommend in the present case and I suggest that we postpone the matter. I find this an extremely inappropriate time to be discussing this question and for this reason I cannot advocate voting in favour of saying anything at this stage. This is a matter which can very well wait. Iran will probably continue to exist for a few years in one form or another.

IN THE CHAIR: MR BERKHOUWER

(Vice-President)

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

Mr Pistillo. — *(I)* Mr President, ladies and gentlemen, I shall be brief, since we fully agree with what Mr Cot said in his report.

I think Mr Cot gave a very serious, objective and well-documented presentation, and I really fail to understand the arguments of the previous speaker and those of Mr Jahn. In the face of overwhelming proof of the violation of human rights in Iran, and in the face of the concern expressed in this House about developments in Iran, with special reference to the most recent events, they suggest that Parliament should be silent, should wait or should make some vague pronouncement from which nothing clear or precise about particular situations would emerge. For this reason we approve of Mr Cot's report and the motion for a resolution.

In the last few days there have been changes in the situation in Iran. The Shah has finally left — it is the second time he has done so, and we hope that this time he will stay away for good. We hope that there are not many who regret his departure — a sentiment which I think I detected in Mr Jahn's speech on the general situation in Iran and in other countries. We welcome the departure of Reza Pahlevi as a fact of historic importance for the Iranian people. We hope that that people will be able in a climate of peace and internal détente to obtain a democratic régime with genuine freedoms and without violence, repression and

Pistillo

restriction of liberty. We express this hope not only for Iran but for all other countries since for us — we wish to say this very firmly — the violation of human rights cannot be condoned in one country and condemned in another. In this context, we can say that President Carter, who has always claimed to be a champion of human rights, would have done better to keep quiet instead of expressing his support for Reza Pahlevi. Clearly he miscalculated.

We must express the hope that the situation will evolve towards democracy, encouraging freedom and full respect for human rights. We cannot be indifferent to the fate of this and other peoples, and, above all, as a Community we cannot fail to set an example. Let us be careful not to lag behind, not to be overtaken by events, or indeed — as some have already done in this House — to lament the turn which events are taking. Our role — the role of a Community which wishes to develop in freedom, peace and détente — is to guarantee respect for human rights in all the countries of the world and to encourage the process begun in Iran in economic and social terms and in terms of general freedoms. It would be a disaster if we gave the impression of being displeased at what is happening in Iran.

Our place is beside the Iranian fighters, beside those who have paid dearly for their devotion to freedom, and beside the relatives of those who have lost their lives in Iran. Our place is beside the democratic forces, for whom we wish to express the support of the European Parliament and to take a practical initiative. Ways and means can surely be found to support a process of democratization and internal détente in that country, as well as — I repeat — in all the other countries of the world.

President. — I call Mr Eberhard.

Mr Eberhardt. — (*F*) Mr President, the Shah of Iran has finally departed. It is worth noting that the first to announce his departure to the world was Cyrus Vance, United States Secretary of State, who for months previously had given unconditional support to the man whom America set on the throne of Iran. Twenty-five years of dictatorship, twelve months of massacres and struggles have ended abruptly. The balance sheet is frightening: thousands upon thousands dead, simply for demanding liberty for the people.

In September, overwhelmed by the extent of the repression in Iran, we tabled a motion for a resolution on behalf of the Communist and Allies Group with a request for urgent procedure.

The Assembly rejected this request, a decision we deplored. Apart from the fact that this would have been of valuable support to Iranian democrats in their struggle, the arguments put forward to justify this rejection gave the impression that the Community was prepared to defend the bloody dictatorship of the Shah

in exchange for some paltry barrels of oil and the assurance of juicy profits for the multinationals, and that it was an institution with a decidedly very selective devotion to human rights. Europe's image has not emerged enhanced from this Iranian affair. Not one word to denounce the massacres perpetrated by the Shah. Not one word to condemn the repression, arbitrary imprisonment, tortures, pressure exerted on lawyers and magistrates. There have been repeated meetings of the Council of Ministers over the past four months. What has emerged? Not a single declaration supporting the struggle of the Iranian people. In this very Chamber, we questioned the former President-in-Office of the Council, Mr Genscher, on several occasions and never succeeded in getting an answer apart from the statement that what was happening in Iran was of great importance to the Community and that the Council was considering the matter. But at the same time President Carter affirmed his total support for the Shah, sending him additional arms and military advisors. Mr Callaghan did likewise, and at Guadeloupe Messrs Carter, Schmidt, Callaghan and Giscard d'Estaing discussed the Iranian question at their meeting. The fact is that in this affair powerful interests are at stake: those of the multinationals, of course, and those of the oil companies.

We French communists refuse to be diverted by such considerations. Assaults on liberty must be opposed everywhere, and among them attacks on that essential liberty, i.e. the right of a people to choose freely its form of government, its laws, its leaders. This is why, to the extent that it incorporates the broad lines of the motion for a resolution which we put forward in September, we support the motion for a resolution which has been submitted to you here. The aim is to secure for the Iranian people the liberty to determine their own future, without dictatorship, without massacres and without foreign interference. This is the essential element. For the rest, the Iranian situation is, it is true, an extremely complex one and it is not our task to say which regime should be chosen tomorrow by the Iranian people.

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission. — (*D*) Mr President, this morning, with reference to a particular situation, we have once again discussed the question of human rights and we have heard descriptions of brutal violation. I shall not repeat what we have said in this House on this subject in numerous debates. We have always been in agreement on this matter and are so now again.

The new development in Iran was referred to and we are all unanimous in hoping that this development will lead to stability and internal peace in that country, to a democratic order, to justice for men, to the safeguarding of civil liberties and human rights and to the abolition of everything which threatened such values in the past. We hope that the efforts we see being made

Haferkamp

along these lines at present in Iran will be successful. Today we will restrict ourselves to expressing this hope and to adding that we all, of whatever group, naturally wish to do everything in our power to support these efforts.

President. — I call Mr Bertrand.

Mr Bertrand, chairman of the Political Affairs Committee. — (NL) Mr President, I should just like to speak very briefly, firstly to thank the rapporteur for taking the initiative of tabling a motion for a resolution on an extremely delicate matter which is probably of more immediate relevance today, 18 January 1979, than ever before.

However, my main reason for asking to speak is to reply to Mr Jakobsen, who asked why this debate should be held today, since this struck me as a fairly important point. Why this debate? Because a few months ago this Parliament adopted a resolution instructing the Political Affairs Committee to look into any cases of violation of human rights, wherever they may occur. Thus if we in the Political Affairs Committee receive a complaint concerning the violation of human rights, we have been instructed by this Parliament to follow it up.

Secondly, we condemn the violation of human rights in Iran without apportioning blame to the régime which was not then in power or those who wish to overthrow the régime. We have said nothing on these matters as this would constitute interfering in the internal affairs of the country, which we have no wish to do. However, we quite simply condemn the violation of human rights *per se* wherever it takes place. That country is currently undergoing changes in government, which is a question of the right to self-determination and hence nothing to do with us, and all we are doing is urging our Ministers of Foreign Affairs to do all they can in the context of political cooperation to ensure that every possible effort is made to ensure that the changeover of power of Iran is followed by a return to a normal situation.

And what do we, the European Parliament and the democratic countries of Western Europe, understand by a 'normal situation'? What we mean is a situation in which the political and other basic rights of a people are respected and safeguarded. We are appealing to the Foreign Ministers to take the necessary steps in all the international organizations and the competent bodies. Can we do any better than that? Do you see any other possibilities, Mr Jakobsen, or should we say nothing? If so, we will be failing in our duty, and this is why the Political Affairs Committee felt obliged to take this initiative just as we will have to take an initiative tomorrow in the case of Cambodia and the day after in the case of another country, simply to make the voice of our Community heard, a Community which has first and foremost set itself the task of acting as peacemaker in world relations, of seeing to it that man is placed first

in these developments and of ensuring that he can develop his potential to the full and that the rights to which he can legitimately lay claim are respected.

This is our task. The fact that we have no other means at our disposal is not our fault, but it is the job of this Parliament to ask our ministers to devote attention to this matter. This is why this debate is being held today.

President. — I call Mr Cot.

Mr Cot, rapporteur. — (F) Mr President, I wish to thank the speakers who supported the unanimous opinion of the Political Affairs Committee. I wish also to add, in support of what Mr Bertrand wisely said, that I think the Political Affairs Committee has tried to act both with determination, because it has a duty to speak and to remain silent would be to fail to fulfil this duty, and also with the necessary caution. We are all agreed on the three points which I outlined at the beginning of my speech: that we should intervene only in the event of the violation of elementary rights, and thus in accordance with a minimum standard of respect for human rights, that we should intervene solely in respect of these violations and consequently not become involved in political problems which do not concern us, and finally, that we should intervene wheresoever these violations take place, irrespective of what might be termed the 'political colour' of the violations. If we respect these three principles, the interventions of our Assembly in the delicate matter of human rights will always be justified. I felt it necessary to emphasize them.

President. — I note that no one else wishes to speak. The motion for a resolution and the amendment which has been tabled will be put to the vote at voting time this afternoon.

The debate is closed.

7. Refugees from Cambodia, Laos and Vietnam

President. — The next item is the motion for a resolution (Doc. 570/78/rev.) by Mr Cifarelli, on behalf of the Liberal and Democratic Group, on refugees from Cambodia, Laos and Vietnam.

I call Mr Johnston.

Mr Johnston. — Mr President, I begin by apologising for the absence of my friend, Mr Michele Cifarelli, who had to return to Italy yesterday.

I would also apologise, Mr President, for the fact that the Liberal and Democratic Group has introduced another motion for urgent debate under Rule 14. We are well aware of the dangers of abusing that procedure, but, as the preamble of this resolution recognizes, there is intense suffering in South East Asia as men, women and children are driven by an unholy combination of political persecution, economic expropriation, racial

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prejudice and indeed, sheer brute terror to flee from the three lands which were formerly Indo-China. Many of these people, who are now numbered in tens of thousands are drowned, murdered by their political oppressors, or by criminals who see a chance of profit in piracy. Some die of exposure and thirst and untreated disease, some reach the shore only to be thrust back into the sea. Others are kept penned in camps on the borders of their countries, hemmed in by the hostility of their own governments and the fears of their neighbours. It is without question, Mr President, a quite horrible story which recalls the persecution of the Jews by the Nazis just before the Second World War: they too were expelled from their homes and they too — far too often — were excluded from any refuge.

The flight of refugees from Cambodia, Laos and Vietnam is an international scandal, and this House, representing as it does nations which claim to be governed by civilized standards, and which in some cases have long-standing links with the peoples of South-East Asia, has a duty to do what it can to save life and reduce suffering.

There is also, Mr President, I think, a particularly heavy obligation on those in the Communist and Allies Group, in the Socialist Group, in the Liberal and Democratic Group and other groups who joined in the denunciation of the struggle against the Communists in Cambodia, Laos and Vietnam to reflect on the consequences of the defeat of the Americans and their allies.

There is no doubt whatever, that many of the criticisms of American policy were valid, and there is no doubt whatever that the fallen governments of South-East Asia were guilty of many abuses. But can anyone in this House say that Pol Pot of Cambodia was an improvement on Long Nol, or that a regime which compels thousands of its own people to bribe Communist bureaucrats so that they may have a chance of risking death to escape into exile is an improvement on what existed before? Where is the social progress? Where is the restoration of peace? Where is the development of democracy that South-East Asia was promised if the Communists and their allies won?

Mr President, as you have remarked, we have had to withdraw a second paragraph from our resolution because the Soviet Union in the Security Council has vetoed any intervention by the United Nations to try to restore the independence of Cambodia. It is useless to call for something which has just been legally, if immorally, rejected by the world's greatest imperialist power. The veto is a fact of international law, but odious though the fallen regime of Cambodia undoubtedly was — indeed unutterably odious in some of its practices — I do not think we should be under any illusions, the victory of the Vietnamese invaders is one more step towards the establishment of international anarchy in that region. And that is clearly understood by all the Member States of ASEAN.

In his last appearance before this Parliament in December Mr Genscher, speaking in the name of the Council, attached particular importance to the development of both economic and political relations between the Community and ASEAN. The ASEAN countries, and especially Thailand and Malaysia are threatened by the aggressiveness of Vietnam and by the pressure on their societies of the arrival of thousands of refugees in their territories. It is, I am afraid, a deplorable fact that the racial prejudice with which the Chinese minority in Vietnam is treated, and of which it is the victim, is a constant danger in ASEAN countries; something which perhaps we overlook when we concentrate on violations based on racial prejudice in Africa. It is also a harsh reality that Hong Kong, where non- or anti-Communist Chinese might wish to seek refuge, is one of the most overcrowded places in all the world, as any Member in this House who has visited Hong Kong can easily see with his own eyes. Last year it alone accepted in its tiny territory some 78 000 refugees from mainland China and about 5 000 from Vietnam. I think to expect Hong Kong to provide a haven for thousands more is really quite irresponsible and quite unreasonable.

What we need is a joint effort by the Community and by the ASEAN countries which are inevitably affected by the upheavals in Indo-China, which of course does not exclude continuing efforts by other countries like Australia, Canada, the United States, to spread the burden of resettlement. Among our own Member States, the French Government, I think, has been the most forthcoming. Some German local authorities and Luxembourg have taken steps. The British Government has instructed all British ships to rescue refugees they find at sea. I think France has shown the most practical imagination in settling some Indo-Chinese refugees in Cayenne where the agricultural and climatic conditions for resettlement are particularly favourable. But far more needs to be done. Of that there is no doubt at all. And much more can only properly be done I would argue, if the Community is prepared to act jointly with the ASEAN countries. And it is to promote that action that the Liberal and Democratic Group has tabled this resolution, and it is for this reason that we ask support of all those who recognize the claims on our common humanity of people who have been the victims of some of the most pitiless mass crimes that we see, even in this quite terrible century.

President. — I call Mr Bersani to speak on behalf of the Christian-Democratic Group (EPP).

Mr Bersani. — (I) Mr President, ladies and gentlemen, we spoke a short while ago of the tragic and serious situation in Iran and adopted a position consistent with what has always been the great position of the European democratic forces whenever basic human and civil rights are under discussion.

Bersani

This motion for a resolution also concerns one of the most serious problems we have ever considered, and it is right that we should debate it today. There have been millions of dead, and there is talk of migrations of biblical proportions — 800 000 from Vietnam, 200 000 from Vietnam to China, Cambodians and Laotians moving from one area to another, and this has now been going on for years and years.

In my view, those, like myself, who have taken difficult decisions in the past, strongly criticizing certain aid measures, now have the duty to formulate a firm and precise judgement on this situation. As my counterpart in the Liberal and Democratic Group — Mr Johnston, speaking on behalf of Mr Cifarelli—stated, the problem has two distinctive aspects—humanitarian and political. At the humanitarian level, we must try to do everything possible to respond with solidarity and aid to this avalanche of men, women and children whose exodus is taking place in the worst possible conditions — I am thinking particularly of those who take to the stormy and dangerous seas in junks or other makeshift craft. In this respect we are in complete agreement, Mr Johnston. A reception plan must be drawn up as soon as possible and it is already too late for so many of these refugees.

The fact that many countries reject refugees and even let boats sink near their coasts because nothing has been arranged beforehand cannot fail to move us. I think some understanding should be reached as soon as possible involving not only the distribution among the ASEAN countries of contingents of refugees and the implementation of essential emergency measures, but also anything that Europe can do to help these people.

But the humanitarian aspect, which is now very serious and therefore merits our attention and concern, must not and cannot in any way — as Mr Johnston rightly pointed out — obscure the important political aspect of the tragedy of the peoples of this area — an area which is of such concern to us all. The threat to the process of détente and consolidation of peace is probably more serious in this area than anywhere else at the moment.

The influence of the superpowers and their conflicts carried on by proxy through other states and systems have clearly reached a stage which must cause great concern to the peoples and institutions of the Community. If we consider how the necessary and fundamental transition from one era to another, from one politico-strategic balance to another has taken place in other areas of the world, if we consider, for example, the undoubtedly constructive function performed by the Euro-African Conventions in this respect, we realize that the lack of any reference framework and the heightening of tensions, with millions of victims, cannot but pose a grave threat.

We must therefore look at this situation in a constructive and positive way. In view of all this, I think that dialogue with ASEAN, a more coordinated and

harmonized vision of the great political streams of thought which unite us on many aspects, as well as finding a suitable way of bringing about at the United Nations a multilateral dialogue which would isolate and diminish tensions which so directly threaten the peace of the world, are all roads which we should follow and which, moreover, are clearly indicated in the motion for a resolution.

It is in this sense, Mr President, that we of the Christian-Democratic Group, in expressing our agreement with the content and aims of the Liberal and Democratic Group's motion for a resolution, wish to stress specifically these various aspects and to associate ourselves with the hope that Community action may be commensurate with the seriousness of the situation, the scale of the humanitarian and social emergency, and the need for political initiatives likely to encourage a gradual relaxation of tension, as well as the search for a reference framework which may contain them and guide them towards a new balance which poses less of a threat to peace and international solidarity.

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

Mr Jakobsen. — (DK) Mr President, I can be brief because Mr Johnston has summed up the situation extremely well. To my mind he expressed exactly the feelings of all of us who remember what happened when a large portion of the free world — the European part in any event — went into raptures over the fact that the people of Vietnam and Indo-China had gained their freedom, as it was called at that time. There were only a few of us who cautioned and said: 'Wait until you hear the cries from the detention camps'. Now these fears have been overwhelmingly confirmed. However, I shall not go into this here, although I could spend ten or fifteen minutes on the subject, as Communist Speakers are wont to do when they describe conditions in Western countries. However, as I have said, I will refrain from doing that here as that is not what we are talking about. The point is to help and not to protest. It is too late for that. We should have been protesting when we were rejoicing. Now it is too late to protest, or rather, now it is a question of remedying some of the damage done. We here in Europe are particularly involved since we are directly responsible for the fact that America withdrew at the wrong moment. It was in Europe that the shout rang out:

'Yankee go home', and this had an appreciable impact on the American attitude to the Vietnam problem.

For this reason, we in Europe have a special responsibility, and I hope that both the Commission and the Council will bring pressure to bear on the countries involved, because I am sure that my own country, which was in the forefront in calling for an American withdrawal from Vietnam, will retreat into the background when it comes to helping the victims of

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a policy which has failed. My Group fully supports Mr Johnston's statement.

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

Mr Pistillo. — (*I*) Mr President, on this motion for a resolution also I shall be very brief. Firstly, I think Mr Bersani was quite right just now to consider the problem under two headings, humanitarian and political.

On the first point I should like to propose an amendment to the motion for a resolution. It seems to me very unlikely that our commitment, including the aid aspect, would be accepted and implemented by the ASEAN countries. Moreover, there are clear signs that these countries, or at least some of them, want to have nothing to do with emigrants or refugees and are not much inclined to contribute directly to solving these problems. For this reason it seems to us more suitable and more correct to refer explicitly to the United Nations High Commission for Refugees, to which the Community could turn for the organization of aid and for everything which it can or intends to do to help the refugees as much and as soon as possible, since the tragedy is undoubtedly on a large scale and the need for aid is as urgent as ever.

With regard to the more strictly political questions, I regret that the rapporteur, even though his speech was short, did not set out the true history of this ill-fated area of the world. It is strange that people forget so easily that for about 70 to 80 years this area suffered — I am speaking of course of recent history — from a prolonged, oppressive, indeed tragic colonial occupation first by the French, then by the Japanese, then once more by the French, who were finally defeated at Dien Bien Phu, and lastly by the Americans.

I am not surprised that Mr Jakobsen should complain about the aid which has been given in recent years to Vietnam. It is understandable that he, who preferred to keep quiet about the crimes committed by the Shah in Iran, should support American bombing of the Vietnamese people. I see that Mr Jakobsen is nodding. He should be ashamed of his attitude!

Returning to the subject, we wish to say only this: the reality is cruel, tragic and dramatic, and we intend to defend the human rights which have been violated in Cambodia, just as we did in the case of Iran. If they are being violated in Vietnam — and to establish this the facts must be carefully analysed — our condemnation must be equally firm and certain, without mincing of words or reservations.

The whole of the Indochina problem must be seen with that calm judgment which Mr Bersani has just shown! It is a tragic situation which is the direct heritage of a century of colonialism, covering the whole of our

lifetimes and those years which I for one did not myself live through — a situation of which we have experience, albeit from afar — and all the countries of the world have shown their commitment in favour of these peoples.

What should be our position as a Community? Mere condemnation without asking ourselves what is happening, or a condemnation of established facts? We must try to understand and provide worthwhile aid. Incidentally, it should be mentioned that the United States of America have gone back on the aid for Vietnam, which they had promised and to which they had committed themselves, at the end of that country's unification, and this has undoubtedly had an influence on events. We have no difficulty in acknowledging the very serious split between China and the Soviet Union, a most unfortunate fact which adversely affects the Communist and workers' movement, and to which we are extremely sensitive. It is a matter of no small moment, and we think that it has rather serious consequences.

In conclusion, Mr President, we hope the motion for a resolution will be amended with regard to the method of aiding the refugees, while in general political terms we strongly reaffirm our position of defending human rights wherever they may be violated, and therefore in this area as well. Nevertheless, we should devote special attention to this area because of what it has suffered in the last century and especially the last 30 to 40 years, acknowledging that we all bear responsibility, not in the sense used by Mr Jakobsen, but in the sense that we have duties to these peoples, inasmuch as we Europeans are not entirely untainted by colonialism. Let us reflect on this fact in order to arrive at a very calm and objective judgment.

President. — I call Mr McDonald.

Mr McDonald. — Mr President, last month I tabled a question to the Foreign Ministers of the Nine meeting in political cooperation asking them to tell the House whether action had been taken at the United Nations or indeed in any other forum to resolve the long-term problems or alleviate the current plight of the refugees in Vietnam and Cambodia. I regret that I was not in for the beginning of the debate, because I was with a group. However, I stayed here until nine o'clock last night until the end of the debate.

I think we have all read with great sadness and horror, especially during the Christmas and festive season, of the plight of the refugees or the 'boat people' as the media is inclined to describe them. I should like to point out that I am not passing any judgement on the nature of the regimes in either country. I am not either suggesting that the Council or the Commission or the Community bear any responsibility for this unfortunate problem or indeed its solution. But surely in Christian charity or for purely humanitarian reasons we in this

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great and powerful economic Community should seek or propose some solution for or contribute to alleviating the intolerable suffering of these refugees. I would submit that it must surely be possible for our Foreign Ministers to make some approach to all the governments involved, including the Government of the Soviet Union. I believe that any action, any initiative that the Foreign Ministers take in this regard will surely have the full blessing and support of all fair-minded people throughout the Community, and, indeed, I too would like to support the motion for a resolution. I would like to compliment Mr Cifarelli for taking the initiative and I hope that the House will join in the sentiments expressed therein.

President. — I call Mrs Walz.

Mrs Walz. — (D) Mr President, I have to table an amendment on behalf of Mr Luster. He is unfortunately unable to do this himself. The following new paragraph, 1a, should be inserted after paragraph 1:

- 1 a. similarly calls on the Foreign Ministers meeting in political cooperation jointly to urge the Government of Vietnam to ensure
 - that all citizens of Vietnam can live peacefully and freely in their own country rather than being compelled to flee and
 - that the Government of Vietnam concentrate its resources on this rather than on hostile undertakings in South-East Asia.

President. — I call Mr Haferkamp.

Mr Haferkamp, *Vice President of the Commission*. — (D) The Commission is extremely anxious about political, social and economic developments in that part of the world that we have been talking about today, a concern shared with the author of the amendment and expressed in today's debate. We deplore the sufferings of millions of people who have been affected by these events. As you know, the ASEAN Foreign Ministers stated in Bangkok on 13 January that if the stream of refugees from Indochina continued, stability in the area might be jeopardized, and that therefore the refugee problem had to be tackled at its roots. This is our view also.

To the extent of its very limited capabilities, the Commission is prepared to assist those ASEAN countries which are accepting or have accepted refugees. The Commission is prepared to provide increased food aid for this purpose. The Commission will examine whether, as part of Community aid for non-associated developing countries, funds can be made available for the economic integration of refugees in ASEAN countries. I am also forced to say that the Commission feels that there is only limited scope for the Community to admit refugees into Europe itself. There are considerable economic and social obstacles to admitting refugees into Europe on a large scale. The Community informed ASEAN Foreign Ministers of this position at

the Foreign Ministers' Conference in Brussels in November 1978.

President. — I note that no one else wishes to speak. The motion for a resolution and the amendment which has been tabled will be put to the vote at voting time this afternoon.

The debate is closed.

8. EEC — Malta Association Agreement

President. — The next item is the oral question with debate (Doc. 535/78) by Mr Klepsch, Mr Graneli, Mr Ryan, Mr Ripamonti, Mr Bertrand, Mr Martinelli, Mr Bersani, Mr Blumenfeld and Mr Vandewiele to the Commission:

Subject: EEC — Malta Association Agreement

The European Community and the Maltese Government are bound by an Association Agreement adopted in 1971. Can the Commission state what progress has been made in implementing the various provisions of this agreement and, in particular, whether the Institutions of the Community have done everything in their power to help to solve Malta's problems?

I call Mr Bersani.

Mr Bersani. — (I) Mr President, ladies and gentlemen, the members of the Christian Democratic Group have presented this oral question in a spirit of understanding and sympathy for the situation in Malta, where, as we all know, an extremely sensitive and important deadline is rapidly approaching.

On 31 March the last troops will leave the military bases in Malta in accordance with the agreements drawn up some time ago. Directly and indirectly this departure will cause the loss of several thousand jobs.

We have studied the situation together with the Maltese in the Joint Parliamentary Committee of the EEC — Malta Association and have, I believe, consistently made clear to our Maltese colleagues and to the Maltese Government that — regardless of the sometimes bitter exchanges and the occasional regrettable incidents against which we have protested in this House — the European Community and its political movements are genuinely desirous of helping the people and government of Malta to solve their problems.

The Association Agreement between the European Community and Malta drawn up in 1970 with a view — according to the Maltese Government of the time — to leading to a real association, i.e. the full accession of Malta to the Community. Internal developments have subsequently led to a change in this objective, which was inherent in the original agreements. Two years ago, when the agreements were extended for a number of

Bersani

years and expanded by a whole series of commercial, financial and agricultural protocols, we made an attempt to bring the underlying objectives up to date and to take appropriate account of the developments which had taken place in the meantime.

We must, however, recognize that the procedures to ratify these agreements have unfortunately taken a very long time, and that the various agreements and protocols only came into effect on 1 November 1978. We shall have to return to this aspect later, since it presents us, and those who are associated with or cooperate with us, with problems which are not at all easy to solve.

Today, however, with respect to the entry into force of these protocols and agreements, a number of points still remain open which are unfortunately adversely affecting our attempts to achieve closer and more successful collaboration. As I have already said, such collaboration is particularly vital now, in view of the approaching deadline of 31 March.

There is the question, currently shelved, of the interest on loans, either from the Community as such or from the European Investment Bank. Then there is the sensitive matter of agricultural products and textile products resulting from the Multifibre Arrangement and the application by the Community of a safeguard clause which has not only affected some aspects of present production, and thus of employment in Malta, but has also threatened to undermine some of the Maltese plans to create new jobs in view of the 31 March deadline. The Maltese Government has in fact centered its proposals on two large projects, one for the shipyards and the other for an industrial complex comprising, in particular, 12 textile plants, which it believes would be adequate to deal with the emergency.

The situation is thus complex and difficult, Mr President. In addition to expressing once again our sympathy for and friendship with the Maltese people, we wish to stress the need for a thorough and objective examination of the problem. We have no desire to interfere in Malta's internal affairs. Public argument and veiled hints about different positions or even of conflicts between the Community partners, Italy and France, Britain and Germany and some Arab countries, serve no purpose whatsoever.

We have been very pleased to note in recent months the considerable improvement in relations with the Arab states, which we consider valuable for Malta, for ourselves, and for the Arab countries and indeed for the *rapprochement* which is, in our view, fundamental to long-term and widely-based cooperation.

That is why, Mr President, we consider this debate of importance at this time. My information is that there is a highly important quadripartite meeting taking place on these matters today. This appeal which we are

making, based as it is on friendship and solidarity, but also on our belief that these matters must be approached seriously, calmly and responsibly may be of political value too.

We hope that it will exert a positive and constructive influence. I have been informed that, at the next session of the Council of Foreign Ministers meeting in political cooperation, a general document will be discussed which we will subsequently be able to look at in this House. We shall have to express our political opinion on this document, in the light of its value as an overall framework in which the problems of Malta may be seen. I am personally convinced that a real solution to these problems will be found.

Mr President, ladies and gentlemen, these were some of the reasons why my colleagues and I judged it necessary to table this urgent question at today's sitting.

President. — I call Mr Haferkamp

Mr Haferkamp, Vice-President of the Commission. — (D) Mr President, the relations between the Community and Malta, which we have considered important in the period under review and which we will continue to regard as important, are governed by a series of agreements and protocols. The first was the Association Agreement of 1970 which aimed at the elimination of the major obstacles to trade between the Community and Malta. It is intended that this agreement should be put into effect in two stages. In addition we have the protocol dating from 1976, which takes account of the enlargement of the Community and also grants agricultural concessions to Malta, as well as providing for economic cooperation between the Community and Malta. Finally we have the 1976 Financial Protocol, under which 26 million EUA are available for measures to restructure and develop the Maltese economy.

In answer to the question put here today, these agreements have entered fully into force as far as trade is concerned. The Financial Protocol came into force late, as has already been stated here, namely on 1 November 1978. We have, however, made a point of ensuring that this was of as little practical significance as possible. Since 1977 we in the Commission have been working hard on the preparatory procedures so that the economic and financial cooperation measures could be implemented rapidly. We are looking at important projects which are of interest for the development of the Maltese infrastructure industry and can be put into effect. The questioner has already referred to these projects.

The Commission has proposed to the Maltese Government that we should together look at the entire range of relations between the Community and Malta. It was agreed recently that these talks should commence at the beginning of April. We consider it vital that we discuss all these relations together and look for

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constructive solutions to the present difficulties. You may be assured that the Community will cooperate constructively in this area.

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

Mr Cunningham. — Mr President, the Socialist Group strongly welcomes the opportunity for this, albeit very brief, exchange of views. The Commissioner will recognize that the question tabled by the Christian Democrats is in almost identical terms to one which I asked of the Commissioner last September, and the Socialist Group is always happy, of course, to have the Christian Democrats following on our heels, even if it is four months behind.

My task today is made much easier by the restrained and measured language used by Mr Bersani in his remarks. He knows what I mean when I say that the kind of language which he employed is very different and very much more welcome to us, if I may say so, than the language which has been used by certain other representatives, who can perhaps be nameless but whom we all know. I am not addressing this opinion to him, therefore, but to other Christian Democrats who have expressed themselves in those different terms when I say that Malta did not cease to be a British colony in order to become a colony of any other country or party and that all representatives of all parties should recognize that Malta is an independent country. They are all the more fiercely proud of that because of its long period of subjection to one country after another in the Mediterranean region, and there is particular resentment of any attempt by people outside Malta to tell Malta how to run its own affairs. That, because, as I say, of the very measured language of Mr Bersani, is all I need to say on that point.

Malta's economic situation is very different from that of most other countries with which the Community has to deal. It is extremely small and its natural resources are poor. Its means of communication with the Community institutions are restricted, because of the very tiny diplomatic service which it can employ, and when I last had an exchange with the Commissioner on this subject, Malta did not even have a normal Ambassador to the Community. Malta now does have an Ambassador to the Community, but he doubles that job with being Ambassador to the Holy See, and so I hope that the Commission will bear in mind that a greater responsibility lies upon them for ensuring good communications with Malta than would normally lie upon the Commission, and I would say the same to the Council if the Council were represented here.

Next week we were due to have a meeting of the Joint Committee with Maltese Parliamentarians. It is a pity that has had to be cancelled, but we perfectly understand the reasons for it — namely, the budgetary debate in the Maltese Parliament. (It is worth

mentioning that the budget that will be presented next week will show a deficit of approximately 23 million Maltese pounds, or about 45 million units of account, which in the case of a country the size of Malta is no small matter.) We understand therefore, the reasons for the cancellation, but it does make good communications between this Parliament and Malta and between all Community institutions and Malta all the more important.

As the Commissioner said, the financial agreement was only finally ratified by the last country in November last year. We complain here in this Parliament so much about slow ratification procedures that we cannot blame the Maltese for having complained that so long after the conclusion of the agreement the ratifications had not finally taken place. In view of the delay in ratifying this particular protocol, may I suggest to the Commissioner that it might be a good idea to start now thinking about the next protocol which will replace it? No doubt the ratification processes will be the same in nature; the delay is likely to be as long and there is no reason to suppose it will be quicker, so the sooner we start the sooner the ratification process is likely to be completed next time.

There are one or two specific points of difficulty between the Community and Malta. Malta has a law which does not permit it to borrow money at a higher rate of interest than 3% for infrastructure purposes. I think that is a sensible provision, and in disagreements on that kind of point it is the Community which ought to reconsider its rules. Many countries have built up enormous indebtedness by borrowing for non-productive infrastructure purposes at too high rates of interest, and in the case of a country like Malta it would perhaps be irresponsible to exceed that rate of interest for borrowing money.

Time does not allow me to dwell upon other points of disagreement between the Community and the Maltese Government, so I end by pleading with the Commission to exercise with regard to Malta a degree of flexibility. The Commission does not exercise flexibility on many things, but in the case of Malta the non-flexibility is particularly serious.

President. — The proceedings will now be suspended until 3 p.m.

The House will rise.

(The sitting was suspended at 1.10 p.m. and resumed at 3 p.m.)

IN THE CHAIR: MR MEINTZ

Vice-President

President. — The sitting is resumed.

President

I call Mrs Kellet-Bowman on a point of order.

Mrs Kellet-Bowman. — Mr President, if I implied yesterday in my supplementary question to Question No 34, that Mr Howell misled the House, having read his correspondence on the matter I withdraw that suggestion unreservedly. My disagreement is with the Secretary-of-State for the Environment, and not with my honourable friend, for whom I have had a very high regard and a friendship for 23 years, and I strongly support his demand for an enquiry into what the British Government has done with this money to which he referred.

President. — I note your statement, Mrs Kellet-Bowman.

Ladies and gentlemen, in view of the considerable number of items which are still on today's agenda, we shall be obliged to have an evening sitting, unless everyone is as brief as possible.

If an evening sitting proves necessary, we shall, in accordance with what was announced on Monday, interrupt the sitting at 8 p.m. and resume at 9 p.m.

9. Question Time

President. — The next item is the third part of Question Time (Doc. 560/78).

We continue with the questions addressed to the Commission.

Since its author is absent, Question No 11 by Mr Spicer will receive a written reply ⁽¹⁾.

Since they deal with the same subject, I call Question No 12 by Mr Corrie:

Is the Commission satisfied that dairy farmers in all Member States are paying the co-responsibility levy?

and Question No 15 by Mr Howell:

What progress has the Commission made in preparing a report on the co-responsibility levy, promised by Mr Gundelach in Parliament on 12 April 1978, and when will this report be communicated to Parliament?

Mr Gundelach, Vice-President of the Commission. — The answer first to Mr Corrie is — yes, the Commission can confirm that the prices paid to milk producers in the Community are reduced by the amount of the levy in all cases provided for by the regulation concerned with the collection of the levy. In other words, this is now respected.

Mr Howell — as far as the use of co-responsibility funds is concerned — we are at the present involved in finalizing the report concerned which is obviously of importance to the coming discussions on prices and related matters.

We will have a discussion as foreseen in the regulation with the co-responsibility group at the beginning of February 1979, and shortly after receiving its information and advice and that of the advisory committee the Commission will submit its report to the Council and to the European Parliament on the use of the funds.

Having made these two statements, I want to conclude by saying that quite evidently the present co-responsibility levy is not sufficient to deal with our problems in the milk sector, and therefore you should not be surprised, when you receive in a few days time my price proposals, to find something which may be inspired by the concept of co-responsibility, but which is radically different, because radically different medicine is obviously called for.

Mr Corrie. — I thank the Commissioner for that answer. He has more or less covered everything I was wanting. Can I assume from what he has said that new proposals are going to come forward fairly shortly?

Mr Gundelach. — Proposals will be submitted by the Commission to the Council and Parliament in the context of the price proposals within a matter of days, and they will include a special chapter on a new milk programme.

Mr Howell. — May I say how inadequate I think the Vice-President's reply, particularly since on 12 April last year he promised a report on how this money was being used and here we are — January 1979 — still with no evidence of what has happened to the vast amount of money which has been collected in co-responsibility levy. The question I want to ask is how is it that, having halved the co-responsibility last year, he is now insinuating that it is to be increased this year, but it is to be a different thing altogether with the same name. This I think to be a most confusing answer and it seems to me that the Commission has no policy whatsoever in dealing with the milk crisis.

Mr Gundelach. — I am sorry that Mr Howell is confused, but the crux of the matter of course is that when he accuses me of not having a policy, what he really means is that I do not have his policy, which is quantitative restrictions. And I have explained quite often enough in this Parliament why I do not believe in quantitative restrictions. But you can have, Mr Howell, another policy. That is the only difference of opinion between us. I do not accept the criticism that you have not been informed about the way in which the co-responsibility money has been used. I have on three specific occasions told the House how we were

⁽¹⁾ See Annex.

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progressing, what projects we were financing, etc., etc. On two occasions I have discussed it at length in the Committee on Agriculture. What we are submitting in February is the final report for the year, and it cannot come much earlier than that. But as we went along in the course of the year you were getting progress reports all along the road. But I am not going to be criticised afterwards by your party friends for taking up too much of the time in Question Time by making a long speech about all the programmes which are involved in it. We have a new policy; we are going to strengthen it, and it is eminently possible to have a co-responsibility levy which is efficient, and I shall argue that when I submit my proposals in regard to prices. That the co-responsibility levy was lowered last year was not the proposal of the Commission, because we did not believe that the situation in the milk market was right for it. It was a decision of a unanimous Council, including all the governments. We have seen that milk production has increased even more rapidly this year. Consequently we have to return to the attack, and rather than make this kind of statement, I would expect Mr Howell to support the Commission in its continuous effort to deal with the milk problem, faced as it is with obstruction of such a programme in the Council.

Mr Früh. — (D) If I have understood the interpretation correctly you said that there will be radical changes in the co-responsibility levy, which no doubt means that it will be increased. I should just like to ask whether or not it is true that the original co-responsibility levy was reduced because the body responsible for deciding on the utilization of the revenue from the co-responsibility levy was unable to come to any definite conclusions as to how it should be used, or can you give me another explanation?

Mr Gundelach. — Undoubtedly the level of the tax will be higher than the present ridiculous 0.5%. But I think this is not the stage, before we have made our proposal, to discuss that. So I will turn to the other question Mr Früh put, where he is entirely right. The decision-making process concerning the use of the money collected by the co-responsibility levy was established so narrowly, and so much power was given to various advisory committees, that as a result the money was only used at a very slow rate, and by the time the decision on prices was taken last year a fairly important uncommitted sum existed, as is the case today. Secondly, money was used for projects which undoubtedly were useful but nevertheless were not of central importance to the equilibration of the market. Therefore, one important element of a new version of the co-responsibility system is one in which the money is being used more rapidly and for purposes which are of more central importance to the establishment of a better balance between production and consumption. But Mr Früh is quite correct that the lack of the possibility of doing that was one of the rocks on which the old system foundered, which is one of the reasons why one can hope that the new system will become significantly more efficient.

President. — I call Question No 13 by Mr Nolan:

In the context of public concern over the increase in the use of nuclear power stations, what studies has the Commission carried out on the safety of such stations and what has been the result of such studies?

Mr Brunner, Member of the Commission. — (D) The Commission is working in two fields with a view to ensuring the maximum safety. Firstly, there is research, and secondly by means of harmonization of the national safety measures in cooperation with the Member States. We are spending 137 million on research into reactor safety alone and a further 37 million u.a. on research into the prevention of ionizing radiation. Furthermore, it was decided on 22 July 1977 that we would state our position on these matters in an annual report, the first of which has already been drawn up. Thus we are doing all we can to extend the existing extensive safety measures.

Mr Nolan. — I would like to thank the Commission for the reply I have received in financial terms as to the amount of money that has been spent in research, etc. But every Member of this House, and every national government of the Nine, and even outside it, is aware of the public concern over the problem of nuclear energy. In Austria, which is not a Member State, we saw what happened. And I would like to ask the Commission: would it consider at this stage issuing a booklet through the information office in each Member State setting out what are the problems, and answering the question, is there a danger or is there not? Because I personally am not a technician, nor perhaps are you, Mr President, or the officials or Members of this House. I do not know what are the dangers of nuclear energy. Therefore I would ask the Commission: would they prepare a booklet to be made available through the information offices so that all Members and all their constituents can get this information?

Mr Brunner. — (D) A booklet of this kind already exists. As you know, two years ago we held a number of public hearings on nuclear energy, with participants including representatives of the environmental protection organizations, the trade unions and operators of nuclear power stations. The results of these hearings were summarized and published. I will see to it that the honourable Member's wish is fulfilled, and that this booklet is distributed in adequate quantities to all the information offices.

Mr Ellis. — Whatever public disquiet might exist, and I certainly accept Mr Nolan's point that there may well be public disquiet, would the Commissioner not agree that the safety record of the nuclear industry is exceptionally good, whether viewed from the point of view of proliferation of nuclear weapons or of domestic leakages in radiation and so forth, and that it would be highly irresponsible of any government, which presumably knows the facts, to abandon any policy of increasing its electricity manufactured from nuclear

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power, if through doing that it committed itself to substantial increases in imported oil for future years, which would be quite contrary to the objectives laid down by the Community five years ago?

Mr Brunner. — (D) We must reduce our dependence on imported oil, and nuclear energy can play a part in achieving this. As far as we know, in the 30 years of its existence in Europe, there has not been a single fatality which could be put down to any process involved in producing nuclear energy.

Mr MacDonald. — Arising from the Commissioner's reply, I wonder if he could tell the House if the Commission is in a position to recommend to the national governments that before they commence the erection of any further nuclear fission power-stations they should await the results of the thermo-nuclear fusion development programme which the President-in-Office of the Council mentioned during his speech yesterday? I understand that these will be ready in the early 1980s.

Mr Brunner. — (D) This would be tantamount to calling a halt to the construction of nuclear power stations for forty or fifty years. We cannot expect the research into thermo-nuclear fusion to yield practical results which could be used as a basis for the construction of fusion reactors before about 2020–2030 and for this reason we cannot make such a recommendation of this kind to the national governments.

Mr Corrie. — Would the Commissioner agree that it will be the only form of power left after fossil fuels have burnt out and that, in fact, we should be increasing our programme on nuclear fuels rather than decreasing, and the real problem is a fear of the unknown in the general public and it is education of the public which is required?

Mr Brunner. — (D) This is a complicated matter which cannot be summed up in a few words. The attitudes of the general public certainly have a part to play in these questions. Only by means of a permanent dialogue with the general public will we be able to establish a climate favourable to systematic investment in nuclear energy. For this reason, we must join with the governments of the Member States in promoting a dialogue of this kind.

Mr Brugha. — Could the Commissioner say off-hand, or would he circulate the information, exactly how many nuclear energy power-stations there are in the Community countries?

Mr Brunner. — (D) Thirty-seven light-water reactors have already been installed. A further 43 reactors are planned or under construction within the Community.

President. — I call Question No 14 by Lord Bessborough:

What consideration is the Commission giving to the inclusion of ferrous waste in the research and development programme in the field of recycling urban, industrial and agricultural waste (COM (78) 407 final) approved by Parliament on 12 December 1978?

Mr Brunner, Member of the Commission. — (D) Community research projects in the field of waste recycling do not traditionally include ferrous waste, this being dealt with by the European Coal and Steel Community which is conducting research programmes into the processing of scrap in connection with materials recycling.

President. — I call Question No 16 by Mr Hughes:

The Commission has drawn attention to the attribution of MCAs to food-importing Member States in calculating net transfers under the Financial Mechanism. Will the Commission explain the economic arguments advanced for and against this attribution in the E.P.C. Report on measures to strengthen the economies of the less prosperous countries in the context of the E.M.S.?

Mr Gundelach, Vice-President of the Commission. — Let me first draw the attention of the honourable Member to the Commission's reply to three written questions, two from Lord Bessborough and one from Mr Cointat, which were submitted to Parliament on 22 December last. I am drawing attention to these written questions because the subject matter raised by the honourable Member is important but is also highly technical and complicated, and a full answer would, in my view, go somewhat beyond the confines of Question Time. But I shall try, with all the risks which are involved in a condensation, to condense as objectively as I can the main elements in the argument. In so doing, however, I shall not go into a discussion of the MCA system as such, because that is a discussion all by itself and would undoubtedly take a very long time.

The MCAs, whatever one feels about them otherwise, are designed to keep the CAP common price system functional. Positive MCAs prevent prices decreasing in countries with revaluing currencies. Negative MCAs prevent prices increasing in countries with devaluing currencies. The result clearly is that producers in countries with positive MCAs get a higher price than they otherwise would, still inside the overall system of secure prices with MCAs. And two, consumers in countries with negative MCAs pay lower prices than they otherwise would. Financial returns as a result of MCAs operate in favour of the countries where two conditions prevail simultaneously. They are: one, that they must be net importers of MCA-covered commodities, and their MCAs must be negative. The higher their import-dependence and their negative MCAs, the higher the financial transfer in their favour. This advantage of benefiting from financial 'transfers' is independent from the advantage of higher producer prices in other countries. If the positive MCAs are removed, but the negative not, financial transfers of the

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kind I have tried to describe will still take place. And finally, the introduction of the new monetary system, EMS, does not in itself change the situation.

Mr Hughes. — I will certainly look at the longer written replies dated 22 December. It is difficult, however technical, to persuade laymen and many economists that payments that are made — let us say in Germany — on exports to France or the United Kingdom should count in terms of the accountancy of the Community as benefits received by France and the United Kingdom, since the actual money is paid in Deutschmarks in Germany. All I ask Mr Gundelach is: could he provide me with some way of persuading ordinary voters in the direct elections that Germany does not benefit in some way from getting money in Deutschmarks, paid in Germany?

Mr Gundelach. — I was deliberately not arguing the question in terms of how one makes accounts for the purpose of budgets. There may be all kinds of technical issues also to be taken into account. I was trying to describe the situation in real terms, and the proof is, as always, in the eating. It lies in a study of comparative prices, and the fact of the matter is that the foodstuff prices in for instance, the United Kingdom but for that matter also in France, which has something to do with the present crisis, are lower due to the application of the MCAs. You cannot scientifically effect a total correlation. That I admit. Because there are other factors which play a role in the differences in prices.

But, and I shall be very happy to submit to the honourable Member the necessary data in order to assess this, one can on a pragmatic basis establish that consumers in those countries predominantly receiving imports subject to MCAs, and particularly a country with big negative MCAs, are actually benefiting practically from considerably lower foodstuffs prices, and there are no other valid explanations for that discrepancy. So the line of argument for your election campaigns lies in this submission, and I shall be very glad to help you on that, with concrete figures on what actually happens in the markets.

Mr Prescott. — I do not intend to enter into the complications of the nature of the question, just to ask a simple and mundane question to the Commissioner in charge of agriculture and fisheries. Could he tell us whether, in the course of the complicated negotiations that will be pursued about the matter of Monetary Compensatory Amounts, this will affect the negotiation of fishing agreements in any way?

Mr Gundelach. — I am not quite sure that I understood the direction of the question. The way I heard it, it was whether, in these complicated negotiations on MCAs, fishing was going to be involved. I do not think these two issues are being confounded in any negotiations I am aware of.

Mr Früh. — (D) I am particularly grateful to the Commissioner for explaining the whole problem of monetary compensatory amounts, including negative ones. Is it true that, if countries can lower prices to the consumer as a result of this system, it will in fact be contributing the national economy in general by reducing inflation in the countries in question, and, if the system is now abolished, would this not lead to a new rise in the inflation rate and thereby jeopardize one of the most important prerequisites for the EMS?

Mr Gundelach. — Yes, indeed, that was the main point of my reply, in other words. No doubt the negative MCAs under the conditions I describe do contribute very significantly to keep foodstuff prices lower. That is why the countries, and in particular the country which benefits from the largest amount of negative Monetary Compensatory Amounts, are politically opposed to any rapid change in that situation, constantly referring to the effect it would have on their foodstuff prices and therefore on their inflation. They do not seem to have any difficulties in understanding that this is in fact, without putting the last cipher on the net amount, a contribution in the sense of permitting a lower level of foodstuff prices.

President. — I call Question No 17 by Mr Fitch:

What is the Commission's view of the International Sugar Agreement?

Mr Gundelach, Vice-President of the Commission. — The Commission is fundamentally in favour of the International Sugar Agreement as an instrument for stabilizing otherwise highly volatile international markets. The reason why it was impossible in the autumn of last year to come to an agreement between the Sugar Agreement and the Community was the fact that on certain points account was not taken of certain special characteristics of our sugar policy such as the imports from the ACP countries and a few other items. However, the distance was significantly narrowed and a special paragraph was included in the Sugar Agreement which said that the Community could accede on special terms which, however, would bring about an equivalence of concessions, burdens, obligations and benefits. Various consultations have been taken up in order to bring about this membership on these terms. They have not been carried to a conclusion, for the simple reason that the life of the Sugar Agreement is, as it were, in limbo. It has not been ratified, as expected, by the United States Senate owing to a dispute between the Senate and the United States Government. The Government of the Soviet Union has declined to accept certain parts of the agreement concerning stocking and other similar conditions. Under these circumstances, there are great uncertainties and lacunae in the operation of the Sugar Agreement which, without our so willing it, have delayed an agreement between the Sugar Agreement and ourselves. I am confident that, if and when these difficulties beyond our control are removed and the Sugar Agreement is about to become

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an effective instrument, a solution can fairly easily be found between the other members of the Sugar Agreement and the Community.

Mr Fitch. — I am pleasantly surprised by the favourable reply which I have received. But if the Commissioner regards the International Sugar Agreement with the favour which he indicates, though he would not sign it, would he examine ways and means of being more positively associated with it?

Mr Gundelach. — The answer to that question, as a consequence to the other factors I have lined up, is naturally 'yes'.

Mr Hughes. — In the documentation on the forthcoming price package and associated measures, will the Commissioner be issuing figures on the amount of money spent on export restitutions for sugar?

Mr Gundelach. — In the financial sheet or other background or attached papers, it will be possible to establish the amount of money used for export restitutions for various commodities, including sugar. It is considerable.

President. — At the request of its author, Question No 18 by Mr De Clercq is postponed until the February part-session.

I call Question No 19 by Mr Kavanagh:

Can the Commission give a report on the results of the first year of operation of the Council Decision of 20 December 1977 on action by the Social Fund towards combating unemployment among women?

Mr Ortoli, Vice-President of the Commission. — (F) Full details of the measures taken to help women in the first year of application of this Decision will be contained in the report on the operation of the Social Fund in 1978, to be submitted by the Commission to the Council and Parliament by 1 July 1979.

However, I can give you some preliminary information.

In the course of the first year of operation of the Social Fund in this field, the total valid application submitted by the Member States amounted to 8 million u.a., which corresponded to the available budget. Thus the Commission was able to approve all the valid applications in full. This is a very unusual situation nowadays since, generally speaking, the applications for aid from the Social Fund greatly exceed the available budget.

These applications were submitted by eight of the Member States and involved the two categories provided for in the Council Decision, i.e. women who have become redundant and those wishing to return to work after a long break, usually for family reasons.

An estimated 12 000 women will benefit from the aid approved during 1978.

Mr Kavanagh. — I regard the reply as very disappointing. 12 000 women, out of the total population of the Community being aided from the Social Fund, seems a very tiny proportion, considering the fact that of 36% of the work force is comprised of female workers and that two-thirds of that work force are concentrated in service industries which traditionally are the lower paid. Does the Commission intend, as a result of what they now know, to take any steps to remedy the obviously serious situation in the short term?

Mr Ortoli. — (F) This type of aid is in its infancy. As I pointed out, we have not done as much as we had wished to do but we have done as much as we were asked to do, since we approved all the applications submitted. However, this is one of the things which will develop further, and the Commission will keep an eye on this development.

Mr Albers. — (NL) Is not the fact that, according to statistics, unemployment among women is continuing to increase, together with the great difference in the extent to which women are involved in gainful employment in the various Member States, a reason for the Commission to take up this matter once more? I would be grateful for an answer on this point.

Mr Ortoli. — (F) To be perfectly frank, I do not really see the point of a study, since the reasons for our introducing this new activity are those mentioned by the honourable Member and the author of the question. On the other hand, one thing is certain, namely that we must carry out these operations on a larger scale and 1979 will be a year of expansion since the appropriations for this aid will be almost double the current amount, 18 million u.a. to be precise.

Consequently, I think the reply I have given is more or less what you wanted to hear and, of course, will be contained in the report I mentioned. I think it will be possible to get a clearer picture of this matter next year, which will enable us to see whether or not other developments are feasible, since we will then have two years of experience behind us, one of them on a substantially greater scale than the previous one.

Mrs Squarzialupi. — (I) For the first time in several months, the level of unemployment among women throughout the Member States of the Community has dropped slightly, i.e. by 0.6%. Even if this figure in itself appears encouraging, it is nevertheless very disappointing, since it is generally felt that the drop in unemployment is due solely to national measures. Can the Commission say whether this was by chance, or whether it resulted entirely from measures taken by the individual Member States and not by the Community, which would mean that the Community had apparently nothing to do with this drop in unemployment.

Mr Ortolí. — (F) I am not sufficiently familiar with the statistics to say whether there are deeper underlying causes, but I do not think that one can draw general conclusions from fluctuations such as those just mentioned. In view of the overall employment situation, we should let nothing make us falter in our efforts involving the Social Fund, concerted economic action or medium-term action with a view to dealing realistically with the problems facing us.

President. — I call Question No 20 by Mr Dankert for whom Mr Hoffmann is deputizing:

Although in April 1978, the European Communities' information office was officially opened in Caracas and it was decided to retain no more than a branch office of purely local importance at the former location in Santiago, it has come to my knowledge that the 1979 programmes for Latin-American visitors are still being prepared from Santiago, something which, in my opinion, does not belong at all to the duties of the branch office.

Can the Commission therefore state how many persons are employed in Caracas and Santiago, how large is the budget for the office in Caracas and the branch in Santiago, what are the exact duties of this branch, what duties it has performed since April of this year and what is its work programme for 1979?

Mr Jenkins, President of the Commission. — As the honourable Member states, the Commission transferred the seat of its delegation for Latin America from Santiago to Caracas in April 1978. But an overall transfer of responsibility from Santiago to Caracas cannot take place until the recently appointed new head of delegation and also the new head of the information office and their staff are fully installed in Venezuela. We envisage a progressive transfer of responsibilities over the next few months. For the moment, however, the Santiago office retains certain functions in the press and information field, including the organization of a limited number of information visits.

At present the delegation in Santiago has one A grade official and nine local staff who served in the former delegation. No new posts are envisaged in Santiago. The initial budgetary allocation for the Commission's 1979 information programme is 20 000 EUA to cover Latin America as a whole. There is no budgetary sub-section for Santiago.

Mr Hoffmann. — (D) I take it I can assume that the progressive transfer to Caracas will continue, and that therefore will diminish the importance of the branch in Santiago for Latin America as a whole. However, the question arises as to how the Commission intends to represent our interests in the two major Latin-American countries, i.e. Argentina and Brazil, from Caracas. Is the Commission thinking of setting up offices in those countries?

Mr Jenkins. — No, we have no plans for setting up new offices in South America. The honourable Member is certainly right in thinking that the main responsibility will be transferred to Caracas as soon as possible, and I hope that the new head of delegation will be in the post

by mid-February, three or four weeks from now. After that the transfer would clearly gather momentum. The Santiago office will continue. I think on the whole there are certain humanitarian as well as geographical reasons why, as Vice-President Haferkamp made clear last April, we should retain a link, even though a small one, in Santiago, and that office will carry out those aspects of the South American information programme, distribution and publications, local events, conferences and seminars, which for geographical reasons are better handled in Santiago than in Caracas. But the centre of administration will be in Venezuela, and all decisions concerning the programme will be taken there.

Mr Prescott. — Could the Commissioner tell us whether the diplomatic position of the base in Caracas is in any way different from Santiago, and would he perhaps state what humanitarian requests he has received, and from whom, to maintain a base in Santiago?

Mr Jenkins. — I do not understand that the diplomatic status will be different in one capital from the other. On the — as I put it — humanitarian aspects of this matter, there is obviously, if you like, room for a little argument. However, I think that to maintain a link in a country with the difficulties of Chile may not be without certain advantage, though as the honourable Member knows, we are, in the course of moving. We have made the decision, the centre of gravity will move decisively in the course of the next few months from Santiago to Caracas, not only on administrative but on political grounds as well.

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

Following the Commission's failure to provide adequate finances for setting up Europe's first supranational radio network which would have been able to provide useful programming on issues such as Direct Elections, the project has had to be abandoned.

Does the Commission feel that at a future date more adequate resources could be provided for this network?

Mr Jenkins, President of the Commission. — The honourable Member is not correct in the main implication of his question. The Commission responded positively, promptly and in full to the initial request for aid which was made in December 1977. The Commission regrets that the proposal to set up a cooperative broadcasting venture between radio networks of the Member States later this year has now run into difficulty. These difficulties have arisen principally because of a difference of opinion between the networks as to how the service should run and also, though I believe this is of subsidiary importance, for financial reasons. I would add that it is not my understanding that the project has yet been abandoned. Indeed, on the contrary, I very much hope that it may still prove possible for it to proceed, albeit in a modified form. The Commission will, for its part, continue to reserve the original sum of 300 000 EUA for this venture.

Mr Yeats. — Since this question was put down I gather that in very recent days negotiations have been taking place with a view to trying to resurrect this project, so can the President give us an undertaking that the Commission will use every possible good office to try and see that in fact these very recent negotiations do succeed?

Mr Jenkins. — Yes, sir, as indicated in my original answer, we would much wish to see this project go ahead, and we regretted the differences of concept between the radio network — it was in effect one Member State — and the other participant countries which led to the blockage which I have described, and we will certainly use our good offices in every way that we can. I do not think we can make more money available: 300 000 EUA is not insignificant out of a total Commission budget for 1979 for the special information campaign of 500 000 EUA, which is only a quarter of that of the Parliament's budget for the special information programme for 1979. But we are keeping this 300 000 available. As I say, I do not think that it has been the essential cause of the difficulties into which we have run. We will do everything in our power to help overcome the difficulties.

Mr Ellis. — Since we are talking about Euroradio I wonder whether I might be permitted to take advantage of the opportunity to ask whether the Commission will reconsider its decision to stop producing the magazine 'Euradio', the last issue of which, I understand is appearing this month. Does not the President think that, a short while before direct elections, it is particularly inappropriate for this actually to happen?

Mr Jenkins. — I will certainly look into the question raised by my honourable friend. If I may be quite frank, I was not aware of the particular decision to which he refers, but I will rapidly inform myself about it, and if there seems to be a case — and if he says there is a case, that takes me, what shall I say, a good 40% of the way to believing there is a case — then I will examine it most sympathetically.

Mrs Squarcialupi. — (I) Does not the President of the Commission think that a supranational European radio network could be a form of cultural centralization, whereas what the people of Europe need is cultural decentralization, i.e. the development of culture and information at grass-roots level?

Mr Jenkins. — I entirely agree with the honourable lady that we certainly do not want a centralized broadcasting unit controlling the output of culture over the radio waves, and there was no such thought behind this project. I would be as hostile to it as she is herself. What was here envisaged was that for very limited programmes dealing with specific issues relating to the European elections there should be some pooling of material, but this of course would in no way mean that we should all listen to a harmonized broadcasting diet.

Mr Brugha. — If the difficulties to which the President of the Commission has referred in connection with the arrangements for Euroradio are not resolved, would he consider perhaps using these funds in other ways for the forthcoming elections?

Mr Jenkins. — I am not sure we can. I think we are probably bound, by the way in which the money was voted, to keep it available for this purpose, and therefore we hope very much that this purpose may still be forthcoming.

President. — Since their authors are absent, Question No 22 by Mr Power and Question No 23 by Mr Herbert will receive written replies ⁽¹⁾.

Question No 24 has been withdrawn.

The third part of Question Time is closed.

10. Votes

President. — The next item is the vote on the motions for resolutions on which the debate has closed.

We shall begin with the motion for a resolution contained in the *Pintat report (Doc. 479/78): Prospects of enlargement of the Community.*

I put to the vote the first four indents of the preamble.

The first four indents of the preamble are adopted.

After the fourth indent Mr Berkhouwer has tabled Amendment No 17 seeking to insert the following new indent:

— expressing its satisfaction at the fact that, following the Council of Ministers meeting of 20 December 1978 and the positive results it achieved, negotiations with Greece have nearly been completed:

What is the rapporteur's position?

Mr Pintat, rapporteur. — (F) The rapporteur is in favour of this amendment.

President. — I put Amendment No 17 to the vote.

Amendment No 17 is adopted.

I call Mr Prescott on a point of order.

Mr Prescott. — We have some difficulty here. Can you tell me if you are meaning to include 1 to 8, because I must ask you to take them separately, certainly No 1.

One to eight of the resolution is what you are dealing with now, as I understand it. As we desire as a group to

⁽¹⁾ See Annex.

Prescott

vote on 1 but abstain on the rest, I am in some difficulty if you do it that way. Can I ask you to present 1 separately from the rest, and then proceed?

President. — A request for a vote item by item has been made.

I put to the vote the last four indents of the preamble.

The last four indents of the preamble are adopted.

I put paragraph 1 to the vote.

Paragraph 1 is adopted.

I put paragraph 2 to 8 to the vote.

Paragraphs 2 to 8 are adopted.

After paragraph 8, Mr Krieg and Mr Kaspereit, on behalf of the Group of European Progressive Democrats, had tabled Amendment No 16. This amendment has now been withdrawn.

I put paragraphs 9 to 13 to the vote.

Paragraphs 9 to 13 are adopted.

After paragraph 13, Mr Dankert, on behalf of the Committee on Budgets, had tabled 15 amendments. These amendments have been withdrawn.

I put paragraphs 14 and 15 to the vote.

Paragraphs 14 and 15 are adopted.

I call Mr Prescott for an explanation of vote.

Mr Prescott. — I will not delay the House, Mr President, as the speaker who should have spoken for my group is not here, but basically the gist of the argument is that the group felt that it did not want to seem not to be in support of the entry of Greece, Portugal and Spain, as identified in Clause 1, and that is why we support it. I think the rapporteur is aware of some of the arguments from our group from Mr Dankert, who approached him, and that we feel a much satisfactory way of dealing with this is to wait for the proper reports that will be coming from the other committees, when we can debate them, and that is the reason why we abstained on the resolution but support it in an essential point, namely the agreement of Greece, Portugal, and Spain to join the Community.

President. — I put to the vote the motion for a resolution as a whole. The resolution is adopted. ⁽¹⁾

⁽¹⁾ OJ No C 39 of 12. 2. 1979.

President. — We shall now consider the motion for a resolution contained in the *Amadei interim report (Doc. 325/78): Community action in the cultural sector.*

I put to the vote the first four indents of the preamble.

The first four indents of the preamble are adopted.

After the fourth indent, Mr Amadei has tabled Amendment No 2 seeking to insert two new indents:

— aware, moreover, that European culture is not limited to the Member States of the Community and hopeful that Community action in the cultural sector will whenever possible be open to other European states and at least to the 22 member states of the European Cultural Convention;

— aware of the contribution made by the Council of Europe to a better knowledge of culture and of its activities in numerous fields referred to in the Commission's communication to the Council;

I put Amendment No 2 to the vote.

Amendment No 2 is adopted.

I put to the vote the last five indents of the preamble and paragraphs 1 to 6.

The last five indents of the preamble and paragraphs 1 to 6 are adopted.

After paragraph 6, Mrs Squarcialupi and Mr Veronesi have tabled Amendment No 1 seeking to insert the following new paragraph:

Requests that to ensure the lasting survival of the most important European monuments, special importance be attached to the training of craftsmen able to take proper action to restore these monuments using ancient techniques rather than resorting to more rapid and economic restoration methods;

I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

I put paragraph 7 to the vote.

Paragraph 7 is adopted.

After paragraph 7, Mr Lezzi has tabled Amendment No 4 seeking to insert the following new paragraph:

Underlines the urgent need for training schemes for those involved in the protection of cultural property at all levels to be accompanied, in the same spirit of economic, social and cultural stimulation, by plans for the coordinated conservation of the European cultural heritage as a whole;

I put Amendment No 4 to the vote.

Amendment No 4 is adopted.

I put paragraphs 8 and 9 to the vote.

Paragraphs 8 and 9 are adopted.

President

After paragraph 9, Mr Amadei has tabled Amendment No 3 seeking to insert the following new paragraph:

Hopes that Community action will benefit from the valuable experience in the cultural sector gained by other international organizations and that in particular cooperation with the Council of Europe will be strengthened;

I put Amendment No 3 to the vote.

Amendment No 3 is adopted.

I put paragraphs 10 and 11 to the vote.

Paragraphs 10 and 11 are adopted.

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

The resolution is adopted ⁽¹⁾.

President. — I put to the vote the motion for a resolution contained in the *Cot report (Doc. 547/78): Human rights in Iran*.

The resolution is adopted ⁽²⁾.

President. — We shall now consider the *Cifarelli motion for a resolution (Doc. 570/78/rev.): Refugees from Cambodia, Laos and Vietnam*.

I call Mr Pistillo.

Mr Pistillo. — (I) Mr President, when I spoke this morning, I proposed an amendment to paragraph 1 concerning the right body to deal with refugees.

I proposed that the words 'to the ASEAN countries' be replaced by 'to the United Nations High Commissioner for Refugees', for the reasons which I gave this morning.

I should like to propose this amendment and ask the rapporteur what he thinks.

President. — I call Mr Johnston.

Mr Johnston, deputy rapporteur. — I did indeed take note of the suggestion made this morning. It seems to me to be perfectly reasonable that the Community should operate through the United Nations organization for refugees, which is already active, as we all know, and I should be quite happy to accept the amendment.

President. — Since there are no objections to putting the oral amendment to the vote, that is agreed.

I put the preamble to the vote.

The preamble is adopted.

On paragraph 1, Mr Pistillo has tabled an amendment seeking to replace the words 'to the ASEAN countries' by the words 'to the United Nations High Commissioner for Refugees'.

I put the amendment to the vote.

The amendment is adopted.

I put to the vote paragraph 1 thus amended.

Paragraph 1 thus amended is adopted.

After paragraph 1, Mr Luster has tabled Amendment No 1 seeking to insert the following new paragraph:

Similarly calls on the Foreign Ministers meeting in political cooperation jointly to urge the Government of Vietnam to ensure

- that all citizens of Vietnam can live peacefully and freely in their own country rather than being compelled to flee and
- that the Government of Vietnam concentrate its resources on this rather than on hostile undertakings in South-East Asia;

What is Mr Johnston's position?

Mr Johnston, deputy rapporteur. — Unfortunately, I do not have the written text, but as I understand it, this is the Christian-Democratic amendment seeking to make certain representations to the Government of Vietnam. Again, it seems to me that it is a perfectly reasonable proposition and I should be prepared to accept it.

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

Amendment No 1 is adopted.

I put paragraph 2 to the vote.

Paragraph 2 is adopted.

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

The resolution is adopted ⁽³⁾.

11. *EEC-Malta Association Agreement (resumption)*

President. — The next item is the resumption of the debate on the oral question (Doc. 535/78) by Mr Klepsch, Mr Granelli, Mr Ryan, Mr Ripamonti, Mr Bertrand, Mr Martinelli, Mr Bersani, Mr Blumenfeld and Mr Vandewiele to the Commission on the EEC-Malta Association Agreement.

⁽¹⁾ OJ No C 39 of 12. 2. 1979.

⁽²⁾ OJ No C 39 of 12. 2. 1979.

⁽³⁾ OJ No C 39 of 12. 2. 1979.

President

I call Lord St Oswald to speak on behalf of the European Conservative Group.

Lord St Oswald. — Mr President, we are most grateful to our friends in the Christian-Democratic Group for raising the question of the EEC-Malta Association Agreement. It is clearly essential in all the discussions taking place in the Community on enlargement that we should keep in sight the problems this will pose for Malta. For many years now, my group has criticized to some extent the confusion which surrounds the many different kinds of agreement entered into by the Community with third countries and the extent to which the Community has a tendency to allow ever more generous terms to newly associated countries, among other effects eroding the advantages accorded in the past to countries with longer histories of friendly relations with this Community. We are determined that the advantages soon to be accorded to new Member States after the enlargement of the Community will not operate to the disadvantage of countries such as Malta. When I say we are determined, what I mean is that we urge upon the Parliament that this should not happen.

Nevertheless, I would not want the Maltese to feel that association with the Community or, indeed, membership brings advantages and privileges without obligations. This Community, committed as it is, and must remain, to the defense of democratic freedoms, cannot afford to have members and associates whose commitment is less than total to those principles fundamental to a democracy. The expulsion last November of Mr Von Hassel as an undesirable alien has given rise to anxieties, to say the least, that the present Maltese Government may not be inclined to take the right of free speech sufficiently seriously. I read at the time, and I have read since, the speech by Mr Von Hassel which prompted his expulsion, and I must say that in no other European country west of the Iron Curtain would it have prompted so severe and intemperate a response on the part of its Prime Minister or the responsible authorities.

(Interruption: 'What about Rhodesia?')

Rhodesia, so far as I know, is not in Western Europe. I can perhaps help the honourable Member with his geography.

In stating this, it is implicit that Malta's true vocation lies with Europe. This has been underlined again and again by the National Party in Malta, at present in opposition, and obviously we should do all that we can to make this vocation a reality. Malta is passing through a critical stage in her history and in her economy with the withdrawal of the British bases, and well-judged assistance on the part of the Community could make a crucial difference to the island's future. A first step might be the establishment of a Commission Information Office in Malta, which we have urged on previous occasions.

I hope that this Parliament will play its part by reviewing the effects of Community policy on the Maltese people, thus assuring them that we, too, believe their island to be a part of Europe and so expect from them European standards of behaviour — part of the democratic heritage which has evolved in spite of strains and which they share with us.

(Applause)

President. — I call Mr Prescott.

Mr Prescott. — I had no intention of speaking in this debate at all. The Political Affairs Committee has before it the allegations made by the Christian-Democratic Group about the expulsion of a citizen of the Community from Malta, so I think we should desist, particularly as the question is formulated in a most excellent way, from referring to the problems facing Malta. The political interpretation of that incident should be left, no doubt, to the report when we get it from the Political Affairs Committee and I hope we shall be able to deal with some of these charges and allegations that have been made on both sides.

But I am bound to inform this House that I bridle when I hear a lord talking to me about a democratic heritage. It is no such thing as a democratic heritage that brings that particular Member to this House and when we hear about democratic standards from a Member of this House who constantly defends the Rhodesian régime and the barbarous acts they are embarked upon in that part of the world, I must say, as indeed I have said to him before, in other forums such as the ACP, that it is extremely difficult for people fully to understand, or indeed accept, the use of dual standards in these matters. I accuse him yet again, before this House, of attempting to apply dual standards.

When we have the debate, as he has rightly said, on the problems of Malta, particularly at this critical stage, I hope that we may be able to deal with many of the allegations that have been made, because, as I understand it, particularly in regard to Malta, the expelling of persons is ill-advised, because you tend to convince people that there is something in the substance of the argument and therefore I am somewhat critical also of the expulsion. But I also except allegations which are made about circumstances in an island, about democracy and threats to democracy, to be substantiated, and I hope that the chance in the Political Affairs Committee will be taken by those that make them, to substantiate the allegations that have been made.

I finish, Mr President, on this one point: I am bound to say that there was not a great deal said — I am sorry to introduce a note of national politics — when this island was made independent from Britain's colonial rule and the government of the day, which in fact was a Tory Government, did not do much to change the balance

Prescott

between Church and State when in all those elections the Church threatened to excommunicate Socialist and Labour people if they voted for the Nationalist Party. There was no talk then of democracy. I am with you in matters that may call for criticism of dual standards in democracy, but I am a little loath to accept it when — as I think can be shown here — it is itself inspired by dual standards.

President. — I call Mr Bertrand.

Mr Bertrand, *chairman of the Political Affairs Committee.* — (NL) Mr President, I should merely like to point out that item 8 on the agenda of the Political Affairs Committee for next Monday is the appointment of a rapporteur for a report on the motion for a resolution tabled by Mr Klepsch, Mr Ryan and Mr Granelli on behalf of the Christian-Democratic Group on the expulsion of Mr Von Hassel from Malta. I should therefore like to ask Parliament not to discuss this matter today but to follow the normal procedure and wait for the report by the Political Affairs Committee on the motion for a resolution by Mr Klepsch.

President. — I call Mr Jakobsen.

Mr Jakobsen. (DK) — I fully agree that we should hear more about this matter which is being discussed somewhat late in the day, and it is clear that this topic is a matter for the Political Affairs Committee. However, I must point out that we assume that the remarks made by Mr Prescott about Lord St Oswald's right to be in this Assembly do not belong in the Political Affairs Committee and are totally out of place in this House. Mr Prescott could have spared himself the inconvenience of taking up our time with such remarks.

President. — The debate is closed.

12. *Relations between the European Community and Comecon*

President. — The next item is the oral question with debate (Doc. 538/78) by Mr Martinelli, Mr Jahn, Mr Bersani, Mr van Aerssen, Mr Müller-Hermann, Mr Vandewiele, Mr Mont, Mr Wawrzik, Mr Schwörer, Mr Ney and Mr Klepsch to the Commission:

Subject: Relations between the European Community and Comecon

Following the latest talks between Vice-President Haferkamp of the Commission and Comecon Secretary Fadeyev the Commission is asked:

1. What proposals has it submitted to recommence negotiations for an agreement establishing working relations between the EEC and Comecon and for the conclusion of trade agreements between the Community and the Comecon Member States?
2. How does it assess the political and economic implications of its proposals?
3. How have the negotiating partners reacted to its new proposals?

I call Mr Martinelli.

Mr Martinelli. — (I) Mr President, the purpose of the oral question that I and a number of colleagues — including the Chairman of our Group, Mr Klepsch — have put to the Commission is to establish exactly what is the current state of relations between the Community and Comecon following the Brussels meeting at the end of November, which was the occasion for vague hopes and resulted in a communiqué which confined itself to indicating that the two delegations had had a full and frank exchange of views and had decided to remain in contact.

Everyone knows what significance to attach, in the language of international relations, to this sort of jargon, which endeavours to put across in euphemistic terms the idea that no agreement was reached but that negotiations will be continued. Using what new arguments? Using what procedure? Over what period of time?

It is worth remembering that the visit of the Secretary-General of Comecon, Mr Fadeyev, followed that of Vice-President Haferkamp to Moscow in May last year; this was purely a good-will visit, the prime aim of which was to clarify and possibly solve the fundamental problems which, since 1975, have hampered progress towards an agreement. In a speech that Mr Haferkamp made on that occasion, he went so far as to express the hope that, with sufficient good will, the differences could be regarded as 'differences of terminology rather than substance'.

It was hoped in Brussels, therefore, that Mr Fadeyev would be able to come with a mandate which would allow him to have 'useful' discussions with the Community, but the new phase of relations which the press in the countries of Eastern Europe hoped to see starting between the two sides has not materialized. It is worth noting that in Brussels Vice-President Haferkamp did not refrain from making further concessions to the Eastern Bloc negotiators, with proposals which the press immediately dubbed the 'Haferkamp compromise'.

In this new attempt to get negotiations moving again, the Community seems to have accepted the idea that the agreement should be 'asymmetric', i.e. concluded between the EEC on the one hand, and Comecon and its Member States on the other; this proposal would mark the end of the stage of discussions on responsibilities and formalities, and would bring us closer to being able to talk about the real economic problems, thus putting an end to the anachronistic situation whereby the Community had diplomatic relations with a hundred other countries throughout the world, but was without normal relations with countries in its immediate vicinity.

The preamble to the agreement would stress the importance of trade relations, but actually

Martinelli

implementing the relevant arrangements would be a matter for the 'parties directly concerned', by means of agreements between the individual Member States of Comecon and the Community. If this 'compromise' was accepted, the European Commission was to submit it officially to the Council of the Community. That was what the press reported.

But Mr Fadeyev did not seem to be in a position to respond to this and, again according to the press, Mr Haferkamp is reported to have said that the Comecon delegation rejected any indication in the communiqué that the Community delegation had presented a compromise proposal. The Secretary-General of Comecon simply reserved the right to send a written reply; but since he also let it be known that the proposal would have to be examined by the Executive Committee of Comecon — at Foreign Minister level — which was not to meet until the end of January, the reply will not be known until February.

As the procedure for the resumption of negotiations cannot be laid down until we have this reply, no meetings of experts can take place for the time being, and Mr Haferkamp's wish expressed at the Moscow meeting, for a start to be made on meetings of experts to make arrangements in those sectors where there are no problems or they have already been solved, therefore remains a dead letter.

It is worth bearing in mind that Mr Haferkamp drew attention in Moscow to the fact that the stability of normal trade relations formed an integral part of the process of détente, which was a clear reference to the Helsinki agreements. He also recalled that, ever since 1975 the Community had declared its readiness to open negotiations immediately with a view to establishing working relations with Comecon in the field of statistics, in that of economic forecasting and on environmental matters, to name the main headings. Over and above the more or less well-informed press reports, would it be possible to give Parliament an exact account of this?

Unlike the Community, Comecon has no powers to conclude trade agreements on behalf of its Member States, and it would appear that, from the *de facto* creation of Comecon in 1949 to the Treaty of Sofia in 1959 which formally established it, these states always fought shy of the call to give cogent form to its operations. Even with the adoption of the 'General Programme of Economic Cooperation and Integration' at the 25th Session in 1971, the voluntary nature of cooperation under Comecon was reaffirmed, and the ban on the creation of supranational bodies within the organization was reinforced. Moreover, most members of Comecon seem determined to reject any scheme for the joint planning of trade with the West, as advocated

by the Soviet Union. This fact is bound to have an effect on the negotiations, which are beginning to drag on, and means that the Community's relations with the countries of the Eastern Bloc have an aspect which is not purely economic. Indeed, the attitude adopted by the Community could, one way or another, lead to a reduction in the room for manoeuvre in trade matters which the countries of Eastern Europe have in dealing with us.

We must therefore insist on respect for the normal working of our institutions; the goodwill gesture made by the Community in proposing the 'asymmetric' agreement I mentioned before must not be taken any further, and it would be advisable for the Commission to clarify its ideas on this subject.

The forthcoming enlargement of the Community will also reinforce its Europeanness and will enhance Europe's role in world affairs, which can but increase the interest shown in the Community by the Soviet Union and the other countries of Eastern Europe. Noone today, not even in the East, repeats the claim that the Community is pursuing a policy of discriminating against the Eastern countries: on the contrary, it is the collectivist economic system, the state-run economy, which makes it possible to discriminate in many ways against the market economy. We know that the Community's policy is aimed precisely at not discriminating against any country with regard to international agreements, while there would appear to be real discrimination on the part of the Soviet Union against the other members of Comecon when it maintains they are not allowed to have direct relations with the Community.

We appreciate that for Comecon — where the Soviet Union, by its population, its geographical size, its financial resources and for other reasons, has an absolutely overwhelming position — negotiations are difficult. To put it more vividly, the Soviet Union has to be careful not only in its relations with the Community but also within its own sphere, where the countries refuse to accept a subordinate role, and there is thus a danger that negotiations between the EEC and Comecon could drag on still further. This would be an economic setback for the Community too: however, even more harm would be done, and not just in economic terms, if we gave up the right to negotiate directly with all the countries of Eastern Europe; it was with satisfaction that I learnt yesterday of the statement by the President-in-Office of the Council, Mr François-Poncet, that the Council intended, as soon as possible, to authorize negotiations with Romania. I hope that the Commission will continue, as it has up to now, in conducting negotiations with Comecon to take account of all reasonable opportunities for reaching agreement while conceding nothing on matters of principle.

IN THE CHAIR: MR BERKHOUWER

Vice-President

President. — I call Mr Haferkamp.

Mr Haferkamp, *Vice-President of the Commission*. — (D) Mr President, the remarks I have to make will do more than merely answer the three questions that have been put to me here. I shall also touch on some of the problems which Mr Martinelli mentioned.

Firstly, our most recent round of negotiations with representatives of Comecon has served to clarify a number of important points. The negotiations themselves took place in Brussels and lasted for three afternoons, with the final afternoon's session going right through to 5 o'clock the following morning. I only mention this to make the point that the negotiations were very detailed, Comecon was represented by its Secretary, Mr Fadeyev, accompanied by two of his deputies, various members of the Comecon Secretariat and delegations from all the Member States of Comecon with the exception of Mongolia and Vietnam. In other words, all the East European countries were represented, as well as Cuba. The Community was represented by a Commission delegation led by myself.

I said that the negotiations had clarified a number of important points. The first of these was Mr Fadeyev's recognition of the absolute and unconditional right of the sovereign member countries of Comecon to negotiate and conclude trade agreements with the European Community. I think it is worth stressing this concession, which was repeated on a number of occasions and confirmed at our express request.

The second important point was that Comecon wants to see certain principles embodied in the agreement between Comecon and the European Community. 'Certain principles' were what was referred to and I can make no further comment on these principles, because it was simply not possible to get any more specific details of what these principles are supposed to entail while the negotiations were in progress. This wish expressed by the Comecon negotiators prompted me, however, to put forward a proposal on behalf of the European Community, with the proviso that the approval of the Council of Ministers would subsequently be required. My proposal was a threefold one.

Firstly, we declared our willingness to recognize Comecon and its member countries as contracting parties to any agreement reached between Comecon and the European Community, whereby we expressly pointed out that the European Community must also be recognized as a full contracting party. In proposing to recognize the Comecon organization and its member countries, our aim was to respond to Mr Fadeyev's assurance of the sovereign right of Comecon to negotiate and conclude trade agreements with the Community.

Secondly, we suggested that the preamble to the agreement should include a reference to the importance which both sides attach to international trade as a contribution to economic growth and social progress.

Thirdly, we proposed that the agreement itself should include a passage — to be attached to Article 5 of the proposal submitted by the Community to Comecon in November 1976 — acknowledging that the conclusion of agreements between the European Community and every single member countries of Comecon would make a positive contribution to the expansion of foreign trade. The text of the agreement should also point out that these agreements between the Community and the member countries of Comecon would lay down in suitable form the modalities of trade arrangements between these countries and the Community. Finally, this legally binding text point out that the agreement will be implemented on the basis of the relevant sections of the Final Act of the Helsinki Conference.

Our intention, as far as this final reference is concerned, was to state specifically what principles should be embodied in the agreement. The Comecon representatives were unable to express an opinion on this proposal during the November negotiations. We received no answer at all at that meeting, not even *ad referendum*. Mr Fadeyev said that we would receive a written reply to these proposals, but so far not reply has been received. It may be forthcoming after the next meeting of the Executive Committee of Comecon, which will begin in Moscow the day after tomorrow. We shall have to wait for this reply before deciding how to proceed and what conclusions to draw.

The second part of the Oral Question asks the Commission to assess the political and economic implications of its proposals. I shall have to assume for the purpose of my reply that these proposals will be accepted. The most important consequence would be the normalization of relations between the Community and Comecon and between the Community and the member countries of Comecon. The rapporteur rightly pointed out that it is an anachronism for this Community to maintain diplomatic relations with 111 states throughout the world, while relations have still not been normalized — despite the Final Act of the Helsinki Conference — with our immediate neighbours. I would regard the normalization of relations, going beyond mere trade relations, as the first significant result of the acceptance of our proposals and the signing of agreements with the member countries of Comecon. This would enable a normal working relationship to be established between the Community and Comecon. We would have trade agreements with the member countries of Comecon, and this would undoubtedly provide better conditions and a safer basis for economic and trade relations between the two sides. The offer made by the Community to the state-trading countries in 1974 on the conclusion of trade agreements is still open.

Haferkamp

This is also the background to the comments made by the President-in-Office of the Council yesterday on the possibility of negotiations getting underway with Romania in the near future. The Commission decided yesterday — and I had the honour to inform the Chairman of the Committee on External Economic Relations of this decision in writing — to submit to the Council of Ministers a proposal for directives on negotiations with Romania concerning a trade agreement on industrial products. This proposal would also cover the selection and establishment of a joint committee on these matters, consisting of representatives of Romania and the Community. The Commission has made this proposal after a year of expert discussions by experts with representatives of the Romanian Government representatives on the possibility of agreements of this kind. Mr President, ladies and gentlemen, as far as we are concerned, the most important consequences of these proposals are the elimination of an anachronism and the normalization of our relations within Europe.

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

Mr Lange. — (*D*) Mr President, ladies and gentlemen, starting with the last point Mr Haferkamp made, I think we are all in favour of normalizing relations within Europe and are agreed on the need for normalizing relations with state-trading countries. Of course, any such normalization must take place under the right conditions, and what Mr Haferkamp said here today about the negotiations with Romania — following on from what the President-in-Office of the Council said here on the same subject yesterday — clearly shows that the Community has maintained its position, and does not regard these negotiations with Comecon as a means of appeasing the state-trading countries in general and the Soviet Union in particular.

The state-trading countries — or rather, Comecon, the Comecon Secretariat and hence the most powerful member of Comecon are making rather a meal of recognizing the realities of Europe today, and of recognizing the Community as a coherent unit as far as trade and economic relations are concerned. As regards economic relations however, even some of our own Member States tend to cast some doubt on the coherence of the Community by concluding bilateral cooperation agreements with third countries, including the state-trading countries. This is a shortcoming in the Community's affairs, which will have to be done away with. We have been making this point ever since practically the whole of the Community's trade policy became the preserve of the Community on 1 January 1973, but our Member States have undermined this agreement again and again. I think, to be fair, we must make this point again here today. If the Community is to negotiate with Comecon in its own right, the Member States must put up with or adapt to the consequences of a single, harmonized policy of trade

and economic relations with countries outside the Community.

As far as the other side is concerned, I think it important that the Community — or rather, the Community's negotiators: in this case the Commission — should continue to emphasize and respect the independence of the member countries of Comecon with regard to the conclusion of trade or economic agreements, especially in view of Mr Haferkamp's statement that the Secretary-General of Comecon had confirmed the independent status of the Comecon countries. This means in practical terms that the Community is free to negotiate with the individual countries, and is free of course to act on the basis of these negotiations. It would therefore appear that no established positions have been given up, and I think that any anxiety which may have arisen here and there — not only in this House, but also within the Community in general — has, I am convinced, been removed by the stance adopted by the Community in these negotiations. But we must be assured that there will be no departure from the position adopted by the Commission's chief negotiator, Mr Haferkamp, vis-à-vis the Comecon delegation. We cannot really go into very great detail in this discussion because the Comecon negotiators have so far not replied to our proposals, and I would suggest that this discussion which was instigated by Mr Martinelli and his colleagues be continued when a reply has been received from the other side. All in all, however, I think everything possible must be done to normalize relations between the member countries of Comecon and the Community in every conceivable field.

There is one more point which I think should be raised in this context. We already maintain relations in a few cases, and there is an odd system of delivering whole factories and works for payment in the form of goods produced in these factories. It would be useful if these questions could be discussed in detail in the appropriate committee and clarified in the discussions involving Comecon and its Member States, so that we could get back to the normal form of trade relations involving the normal form of payment for goods supplied, whether these be whole factories or only capital or consumer goods. But I am quite sure that the state-trading countries will have quite a long way to go before they are in a position to do so.

I should like to say here that the position which the Commission has adopted in these negotiations receives our complete approval and support, because I can see none of the dangers which many people have referred to, or which many people privately think they perceive while not making a public song and dance about it.

The Commission should therefore feel obliged to keep us informed about the progress of the negotiations, preferably without having to be prompted by another Oral Question, so that we can see on what terms

Lange

agreements can be concluded with Comecon which will open the door to bilateral trade and economic agreements by the member countries of Comecon with the Community.

IN THE CHAIR: MR MEINTZ

Vice-President

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

Mr Jung. — (D) Mr President, ladies and gentlemen, on a number of occasions in the past, the Liberal and Democratic Group has explained clearly and precisely where it stands on the issue of relations between the European Community and Comecon. We have always emphasized that we would welcome, in principle, the conclusion of a framework agreement on cooperation between the Community and Comecon as well as the conclusion of bilateral trade agreements with each and every member country of Comecon. On the other hand — and this is something which my Group has always pointed out — we would reject any attempt to undermine the sole right of the Commission to represent the Community in matters of trade policy, such as by binding fourfold agreements between the European Community and its institutions, Comecon, the member countries of Comecon and the Member States of the Community. We have always given our full support to a united Community front on questions of trade policy.

My Group has also pointed out the difficulties caused by the utterly different structures of the two economic regions. In contrast to the European Community, Comecon does not regard itself as a regional European association of states with the ultimate aim of political union, but as a worldwide economic community on the socialist model. According to the statutes of Comecon, transference of sovereignty to Comecon is completely out of the question. It therefore follows that, unlike the European Community, Comecon does not have the power to act on behalf of its member countries in questions of foreign trade. And it was precisely because of these difficulties that negotiations between the two delegations had to be broken off prematurely. The Commission declared that it had no more room for manoeuvre in the search for a compromise and is now waiting for a written reaction from the other side.

Of course, the Commission's claim that it had no more room for manoeuvre raises a few questions. If the Commission started out with a certain room for manoeuvre in its willingness to reach a compromise with Comecon, it must have made some concessions to the other side. Mr Haferkamp told the press that the specific concessions made by the Community were threefold. Firstly, the Commission had given its approval in principle to Comecon's wish to conclude an

agreement with the Community, although this step had originally not been considered at all. Secondly, he had accepted the political demand that this agreement should be reached not with the Commission, but with the Council of Ministers. And thirdly, the Community had agreed that negotiations with the member countries of Comecon should not proceed until after the general agreement had been concluded.

I explained at the beginning of my speech that the Liberal and Democratic Group would reject any attempt to undermine the sole right of the Commission to present the European Community on questions of trade policy by the establishment, for instance, of legally binding agreements between four partners. It now appears, however, that the disparities between the negotiating powers of the two delegations have resulted in the compromise package including the conclusion of the planned agreement between the Community and Comecon and its member countries. In other words, Comecon and its member countries are given the same legal standing as the Commission.

Finally, I should like to say on behalf of my Group that, when negotiations are resumed with Comecon, we should like to see Mr Haferkamp stick rigidly to the institutional rules of the Community, protect the Community's own interests and maintain the Community position at all costs. In other words trade policy as such must remain outside the future agreement between the European Community and Comecon. Where it rightly belongs is in the individual agreements between the Community and the member countries of Comecon.

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

Mr Nyborg. — (DK) At the end of this month, the Eastern European version of the common market, Comecon, will be celebrating its 30th birthday, but I do not think our contribution to the birthday celebrations should be to continue our generosity towards the Comecon countries. Of course we should negotiate with them, but only on a sensible basis.

In June, Comecon wants to discuss complex long-term programmes on consumer goods and in the transport field; in other words, what Comecon is after is an intensification of trade in these fields. Comecon has so far made a brilliant job of exerting its influence in the transport sector, where — little by little — it has managed to achieve an extremely high share of the market in the West.

We all know that the competitiveness of the Comecon countries results from the way they do their costing, or perhaps it would be more accurate to say: the way they omit to do any costing. Our Western European transport undertakings are facing a serious threat and

Nyborg

we need to take coordinated action in this sector, preferably under the auspices of the OECD.

The sale of technology and know how, export support measures and other forms of support should be coordinated at Community level, so that no distortion of competition occurs. The ideal thing would be if such support measures could be gradually eliminated, so long as the USA and Japan were to go along with the idea. Support measures applied to foreign trade have a dual effect. On the one hand, the State provides exporters are given with services which cannot be obtained, or at least cannot be obtained on the same conditions from the private sector. On the other hand, public funds are then used in varying degrees to reduce the cost of such services. State intervention is thus the source of much of the distortion of competition that occurs within the Community.

The indebtedness of the Comecon countries to the West has now attained worrying proportions. The increase in 1977 was of the order of 5 thousand million dollars, and as far as is known, the total debt stood, by 1976, at some 50 thousand million dollars. These figures must, of course, be taken with quite a sizeable pinch of salt, inasmuch as our sources of information are not as complete as we would like, but I should like to ask Mr Haferkamp whether he can give us more precise — and, possibly more up-to-date figures on Comecon's indebtedness to the West.

We should also like Mr Haferkamp to let us have his views on probable developments in the debt owed to us by the Comecon countries.

The granting of loans by the West to the Comecon countries — not to mention export support arrangements and similar systems aimed at boosting sales — mean, purely from the political point of view, that the Comecon countries' industries can be bolstered up by this injection of Western capital at the cost of the sales prospects of the Western countries' manufacturing industries. The fact that the Comecon countries' production is used not so much for consumption in the Comecon countries themselves as for exporting to places like the European Community creates problems for producers in the West, and cause unemployment. Something must be done, and, as I said earlier, we want to engage in trade with the Eastern European countries, but there must be a healthy and sensible balance. This is why I hope that the Commission will engage in talks with the USA and Japan with a view to working towards a joint position on this question.

President. — I call Mr Jahn.

Mr Jahn. — (D) Mr President, ladies and gentlemen, I agree with Mr Haferkamp on two points. Firstly, the negotiations on an agreement establishing working relations should be got going again, and secondly, the ground must be prepared at long last for the negotiation

of trade agreements between the Community as a whole and the individual member countries of Comecon. Let me add right away, though, that all this must not be achieved at the price of abandoning the principles we have always adhered to.

Mr Haferkamp, you have made repeated, energetic and influential attempts to get discussions moving again. Your offer to Mr Fadeyev last November was not your first try, but, bit by bit, you have had to abandon our original negotiating position. If I am not mistaken, this is now the third step the Community has taken to reach an accommodation with the other side. You have already conceded Comecon's request that an agreement on working relations should be signed for the Community by the Council and not — as would be right and proper given the present division of powers and responsibilities — by the Commission. I have always had great reservations on the Community's acceptance that negotiations on trade agreements between the Community and the member countries of Comecon should be opened only after the agreement on working relations was signed and sealed. The Community's original demand was for negotiations on these two agreements to be conducted side by side.

Mr Haferkamp, these repeated concessions have not received their due reward from the other side, and now we have this offer to incorporate the establishment of working relations on questions of trade into this agreement, although Comecon — unlike the Community — has no powers whatsoever in this field. This is — as you yourself said, Mr Haferkamp — a big step towards complying with Comecon's demands.

You say that you went to the very limit of what the Community could make in the way of an offer to the other side, and this is something I should very much like to underline. I wonder whether in fact you have not gone beyond the limit of what the Community can bear in this respect, and I would warn you most urgently, on behalf of all my Group, against making any further concessions. As far as the establishment of treaty-based relations is concerned, we insist on a clear distinction being drawn between the powers of the two sides: in other words, working relations between the two sides based on the recognition of the European Community by Comecon and respecting the powers of the two sides, which means excluding the trade sphere. Mr Haferkamp himself is always pointing out the anomaly of the Community maintaining diplomatic relations with 111 states throughout the world, but not with its immediate neighbours.

Secondly, the Community put forward proposals years ago for trade agreements between the Community and each individual member country of Comecon, and these proposals remain or at least should remain valid.

Thirdly, the two types of agreement must be negotiated side by side, particularly in view of the fact that one

Jahn

member country of Comecon has even come out publicly against the conclusion of an agreement between the Community and Comecon before bilateral agreements with the Community have been negotiated.

Mr President, ladies and gentlemen, I should like to say in conclusion that it cannot be in the Community's interest to restrict still further the limited room for manoeuvre which the East European countries have managed to maintain in their relations with Moscow. This is truer today than ever before, in the light of recent developments.

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission. — (D) Mr President, I shall be very brief. I have been asked to supply some information on the indebtedness of the state-trading countries. I would suggest that I give these details in writing to the committee responsible. I should be very pleased if we could take the opportunity in the committee to discuss the subjects which have been raised here rather more systematically, for instance, the question of barter transactions and matters affecting costs, in other words, dumping-type activities and similar practices. To deal with all that here would be going too far. If the committee were to agree to this suggestion, I should be happy to meet them.

As regards the political point which was made here, I should like to point out that we really did go to the very limit of what we think is justifiable. We hope the other side realizes this. The fact is that, in the proposals we made and in the concessions we have made so far to Comecon in the negotiations, we have not abandoned our basic principles. We have tried to open practicable channels while upholding these principles. If we were to go any further, we should be getting dangerously near to the point at which we would have to abandon these principles, and that is something we shall not do.

It has been said here today that the basis of any agreement must be the recognition of the Community. I should like to say on this point that at no time have we engaged in discussion about the question of recognition. We do not need to. We are in there, where it counts, and we have made the other side aware of this point. Nor have we talked about powers, competencies, responsibilities and the like. We made sure at our negotiations in Moscow in May of last year — and both sides were agreed on this point — that Comecon and the Community would respect the institutional rules, the practical constraints and the realities applying to both sides. That, as far as we are concerned, is the important thing.

It is a fact that the Community as such is empowered to act on behalf of its Member States in those areas which have been ascribed to it, such as the negotiations of tariffs under GATT. It is a fact that this Community is a

single customs tariff area and that we have free exchange of goods and free convertibility within the Community. None of this applies to the area covered by Comecon. Comecon is not a single customs area, nor does it enjoy free convertibility. It consists of a multitude of sovereign areas, and that is the important point which Mr Fadeyev conceded. In other words, if what we want is normalization, we must conclude trade agreements with these sovereign states, and, as part of that process, we are prepared to establish working relations with Comecon on the basis of the principles we have referred to here while respecting the realities of the situation on the other side. Our negotiations over the last one and a half years have been strictly orientated to these principles, and this will continue to be the case. We have put forward proposals which go as far as we possibly can and I would stress here that these proposals are to be regarded as a whole, and that the other side cannot pick and choose what parts it wants to accept or reject. We are still awaiting a reply from the other side, and as far as achieving normalization in the near future is concerned, the ball is now in their court.

President. — The debate is closed.

13. *Second energy research and development programme*

President. — The next item is the report (Doc. 499/78) by Mr De Clercq, on behalf of the Committee on Energy and Research, on the

proposal from the Commission to the Council for a decision concerning a second energy research and development programme 1979–1983.

I call Mr De Clercq.

Mr De Clercq. — (NL) Mr President, ladies and gentlemen, the report and the motion for a resolution to be discussed by the House today relate to the Commission proposal on a second four-year energy research and development programme. The first programme was adopted by the Council on 22 August 1975 and was the subject of a report by Lord Bessborough. The first programme ends in 1979.

This first programme appears to have been largely a success, and so a second programme is now being proposed. I should like in this connection to congratulate the Commission on passing its proposal on early enough to allow the Committee ample time to study and work on it. If a third programme is to be proposed, we hope that it will be transmitted as early as the second programme.

The Committee on Energy and Research is at present dealing with another draft report by Mr Brown on the possibility of using wind, wave and tidal energy as sources of energy. In my report I refrain from passing

De Clercq

any judgement as this forms part of the sub-programme on solar energy which we are still working on. It would be unreasonable to approve or reject Community research on wind energy before the Committee has finished discussing Mr Brown's report.

To turn the financial aspects of the programme, it is estimated that about 125 million EUA will be spent over the four years. This is a realistic proposal by the Commission because geothermal energy can only be used in certain regions of the Community. The same position has been adopted with regard to research on the use of hydrogen. In relative terms the funds earmarked for these projects have also been cut, but they have been increased in absolute terms from 13.24 million to 15 million EUA.

It is gratifying to note that hydrogen research is being very closely coordinated with the cooperation of the Joint Research Centre. During our visit to Ispra, in which many colleagues took part, we were able to observe that a great deal is being done in hydrogen research are reaching fruition, and that considerable progress is being made with a high degree of coordination.

The present programme is not merely a continuation of the first programme, as a greater proportion of the funds is allocated to certain sectors than in the past. I was particularly pleased that the proportion of funds to be spent on solar energy is to be increased from 30% to 46%. This adjustment is logical since it may be assumed that solar energy, especially for water and domestic heating, will play a prominent part among the new energy sources in the 21st century.

This obviously does not mean that solar energy will replace coal and nuclear energy when world hydrocarbon reserves run out. The proportion of funds for geothermal energy has dropped from 22.4% to 16%; in absolute terms. However, the amount available will increase from 13 million EUA to 20 million EUA, because the overall budget has been boosted from 59 million EUA to 125 million EUA.

Account has been taken of the increase in staff numbers from 27 to 37. I would point out in connection with the financial implications of this programme that Parliament has always insisted that all funds allocated to the programmes must be fixed as part of the Communities' general budget, with the Council and Parliament acting as budgetary authority.

With regard to Article 2 of the Commission proposal, we feel it important to emphasize the purely indicative nature of the estimated expenditure commitments and staff requirements. We have also tabled an amendment to Article 2 and are convinced that it will be accepted.

As I have already said in connection with the hydrocarbons project, in the case of indirect action

account must be taken of the activities of the Joint Research Centre. The same applies to energy conservation and solar energy. The Advisory Committee on Programme Management has to ensure that there is no duplication of work by the Joint Research Centre and universities and laboratories in the Member States.

Finally, I should like to emphasize the importance of what are sometimes referred to as new energy sources. As you know, energy — especially nuclear energy — is politically a highly sensitive subject. We would therefore be wise to adopt this research programme, if only to demonstrate to certain lobbies opposed to nuclear energy that we cannot manage without nuclear energy because the new energy sources are too limited on their own. It is often argued that the new energy sources would now be making a much more effective contribution if as much money had been spent on them as on the development of nuclear energy — all the more reason to approve the programme.

Because hydrocarbon reserves will one day run out, and because of the precariousness of oil supplies — I need only point to the recent events in Iran — the Community must, for both political and economic reasons, investigate all possible realistic sources of energy. I therefore call upon you to adopt the motion for a resolution in my report, thereby voicing your approval of the Commission proposal on a second energy research and development programme.

(Applause)

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

Mr Flämig. — *(D)* Mr President, ladies and gentlemen, it would be truly amazing if the Community were not to update its energy research programme as much as the national governments, ministries and parliaments have updated theirs. It is in keeping with modern trends that in addition to the many thousands of millions of DM allocated in recent years to coal and nuclear energy research, at least several million, or even several hundred million, have been earmarked for what are commonly referred to as 'alternative' energy sources. We Socialists believe that this term is incorrect: the energy sources in question are often not alternative but simply 'additional' or 'new' energy sources.

Let me explain. Take, for example, electricity production. As we know, this form of energy has hitherto been derived from hydroelectric power, lignite, hard coal and fuel oil. To what extent is nuclear energy an alternative in this case? On closer examination it is only an alternative for low-load power production, as it is unsuitable for medium-load and peak-load production. And solar, wind, geothermal and biomass energy etc. are not alternatives to nuclear energy.

Flämig

Hydrogen is not yet an alternative, but may become one; research will have to provide the answer to that question.

When these problems are discussed by the general public, the issues at stake are often confused. For example, we are told that new additional energy sources are alternatives to nuclear power plants or that, as the rapporteur has just suggested, if as much money had been used to develop additional energy sources as had been spent on nuclear research, there would probably be no more health hazards or anti-nuclear power plant demonstrations. We believe that fundamentally different things should not be compared, and we should not expect miracles from research — including energy research.

To give a further example, this time in connection with the solar constant: each square metre of the earth's surface receives a certain amount of solar energy, which is fixed and which cannot be altered by research. However, it is possible to develop better solar cells and radiators. That is the aim of research.

To turn to the programme itself, the Commission deals with energy conservation first, and rightly so. We Socialists did the same in our energy research programme. We may certainly expect success in this field in the very near future — but I mean success, not miracles. For example, we can anticipate progress with the heat pump, and improved insulation and construction methods, etc.

Another field included in the second energy programme is hydrogen research. This is an age-old dream. The chemical industry tells us that even before the turn of the century over a dozen methods of producing hydrogen were known to chemists. Most of these were never adopted by the industry, as they were uneconomical. And that is the crux of the matter as I think Mr Brunner will agree. We don't just need additional energy sources, we need to carry out research on energy sources which make economic sense.

I should now like to discuss a further point raised in the programme under discussion, namely the burning of wood or straw, which, it is argued, could also serve as energy sources. However, we are dubious as to whether adequate funds are available for research into this. Wood and straw were burnt to provide energy as far back as the Stone Age, but these sources of energy have long since been abandoned as hopelessly uneconomical. This was because of the labour required to gather the straw, to transport it and to burn it in the space of a few hours. I don't wish to appear flippant, for it is perfectly conceivable that farmers on isolated farms could burn their straw instead of letting it rot, thereby saving a few thousand calories on their oil bills. But we should ask ourselves whether large-scale research programmes are called for: because these fuels were

uneconomical they have been replaced by other energy sources in industry, agriculture and the home.

We all remember, from our childhood days, the clatter of the mill in the gurgling stream and the windwheel for carrying water. Why have they all been abandoned? Why has the miller closed down his water-mill, which supplied energy virtually free of charge, for the sake of an electrically powered mill? Because it was more economical, because he could earn more! But this research programme — and this is an important point which we Social Democrats want to underline — should not be presented with a view merely to pleasing ecological action groups, by telling them that something is being done about other energy sources apart from nuclear energy and coal. Nor should it be presented for the purpose of proving that the programme cannot work — some people have already suspected that this may be the case. No, the programme is genuine enough, but we must not allow ourselves to get carried away.

One further point before I finish: we see that wind and wave energy are not treated under a separate heading, but are dealt with together with solar energy. Obviously, wind and waves could not exist without the sun, but neither could coal and the biomass. Mr De Clercq has just said that he would not be commenting on this point until Mr Brown's report, which deals specifically with this question, was available. However, we would like this matter to be dealt with separately, as it forms part of the second energy programme.

I would now like to raise an important question touched upon by the responsible committee in the De Clercq report, and ask Mr Brunner what steps are to be taken to avoid duplication of work? We know that the same or similar programmes are now being conducted in almost all the Community countries, for — as I said earlier — it is the 'in' thing to probe alternative or new sources of energy. So what is being done to prevent duplication?

I am sure I will be forgiven for saying so, as I mentioned a similar problem in a report of my own, but staff requirements have been assessed very generously. Extra personnel are needed for every new research programme. We were pleased to see that the programme concerns mainly indirect action research — apart from a small amount of work for Ispra on solar energy and hydrogen research. In other words, the Commission will be buying research capacity on the market. Its job is to assess the research, and for this it is claiming remarkable staff requirements.

I would like to give an example — although examples can be misleading — from the commercial sector. As the Commission does not carry out its own research but pays others to do so, it may be likened to a commercial enterprise. I would ask you to imagine such an enterprise having to hire extra staff every time a new product was added to its range. Once again, the

Flämig

example may be misleading, as goods to be purchased have to be properly assessed. I cannot say whether officials appointed to the A or B grades are always the Community's greatest experts in their particular field. We hope, Mr Brunner, that you will be able to find such people, but we suspect that the leading experts tend to opt for pure research projects on the free market, where they stand to earn much more and are not subjected to the drudgery of office work.

That, Mr President, is our mild and cautious criticism of the staff requirements. To sum up, we appeal for thrift, not only in the energy policy but also in respect of long-term staffing costs. We Socialists approve both the second energy research programme and Mr De Clercq's report.

(Applause)

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

Mr Noè. — *(I)* Mr President, Mr Brunner, ladies and gentlemen, the Christian-Democratic Group supports the motion for a resolution presented by Mr De Clercq and congratulates him on the work he has done. Perhaps I may be allowed, however — like Mr Flämig — to make a few observations.

We share the rapporteur's views, except when he claims that, if more had been spent in other fields, results would have been obtained on a similar scale to those obtained with nuclear energy. Like Mr Flämig, we cannot agree on this point, because every system, every method has its own peculiarities, and greater expenditure does not always produce better results. You cannot, as the saying goes, get blood out of a stone; indeed, if we invest in research on tide or wave power, we may perhaps be able to obtain somewhat better results, but these will always be very limited.

The three points I want to make, Mr President, are as follows. The first concerns above all the future, the work of the new Parliament. I should like to ask Mr Brunner to see that in future the new European Parliament has an opportunity to discuss not only the direct and indirect energy research projects, which is what we are discussing today, but also the pilot projects which Mr Brunner introduced — most appropriately, I think — as a means of checking the feasibility of certain programmes and obtaining valuable information on the costs involved. I hope, in short that all the aspects of this question, which is in a sense the prelude to industrial application, can at some time in the future be discussed simultaneously on the basis of a single document. This is not to suggest that I am not perfectly aware of the fact that — as is apparent from the documents — the Commission's departments are making every effort to ensure that the various initiatives complement one another.

I think however, that it would be more useful to discuss all the aspects of this question together. This will be a more time-consuming discussion, to be held at longer intervals, but will allow us more usefully to develop our ideas on this question, which represents a unified whole. That is the first remark I should like to make.

Secondly, going on to the points put forward by Mr De Clercq, I should like to dwell for a moment on the question of solar energy. Among the many current research projects, particular attention should be given, I think, to those on ways of storing the heat or energy we receive from the sun in order to overcome the major drawback of using solar energy, which is its discontinuity, and to avoid difficulties in managing electricity grids operating on solar energy.

At Ispra, for example, there are plans for experiments on storing heat to be used for heating purposes at other times of the year. In my view, we must press on with this type of research because such projects, although aimed only at exploiting solar energy and not at finding a solution to the whole energy problem, can nonetheless make a contribution of some consequence. These research projects must therefore be given greater priority and increased attention.

Lastly I should like, if I may, to comment on something which is related, though not strictly connected to this subject. Recently, Mr Brunner — we discussed this with your assistants at a meeting of the Committee on Energy and Research — in a decision on pilot schemes for the use of solar energy, the choice fell on a series of schemes relevant more to the geographical area of Europe.

However, in my modest opinion, especially in view of conditions in the developing countries, i.e. the fact that insolation is greater in that part of the world, parallel experiments should be undertaken for two reasons: firstly, as I have already said, because meteorological conditions are more favourable and solar energy is thus easier to use, and secondly because in areas not equipped with electricity supply networks, or in isolated areas, the availability, of only a few kilowatts of electricity produced — even at very high unit cost — from solar energy can be of enormous benefit. Just think of the advantage in a desert region of being able — during the period of insolation which is liable to be regular and continuous — to pump water from under ground equipment running on solar energy.

Thus, for a number of particular uses there is a great deal to be gained from the initiative taken by the Commission in this field with a view to making a check on feasibility and costs. I think that, if the Commission can put into practice some of these applications, precisely in the developing countries, it will do something very useful for these countries and also for the Community, which will thereby be able to rely on

Noè

its increased general importance in its dealings with them.

Those were the few observations I wanted to make on this subject. We shall be dealing with the production of electricity from the wind, the waves or the tides when we discuss the Brown report. I should, however, like to draw the Commission's attention once again to the importance of gathering meteorological data, which are a decisive factor both for solar energy and for locating the few areas in the Community where the wind could be used. The data for my own country, and in particular for Sardinia, which is relatively well suited for exploiting the wind, show an enormous difference in the economic return between the area of Cagliari and La Maddalena in the north of the island. Indeed, a detailed study has shown that only in that northern part of the island is the strength of the wind sufficiently constant to produce any results.

A meteorological survey not limited to the use of sunshine alone but also covering the wind could, therefore, help us in the future to find useful sectors in particular areas, even if these are unfortunately not very numerous.

(Applause)

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

Mr Granet. — *(F)* Mr President, ladies and gentlemen, the Liberal and Democratic Group wholeheartedly welcomes this second energy research and development programme and fully approves its contents. I shall therefore confine myself to making a few very brief comments.

Firstly, we should be very cautious in presenting this programme to the public, because the energy crisis, in particular with regard to oil supplies, is affecting us on a national scale — as far as France is concerned — and on a European and international scale. In France, for example, we have had load-shedding and even power cuts during the recent cold spell. And this could happen again on a larger scale in the immediate future or in the next few years. The crisis is therefore serious, and to combat it we clearly must develop a more extensive nuclear power programme.

This is how I see the Community's energy research and development programme, and I would therefore ask that it should be presented cautiously, for it should not lull the European public into thinking that we can cut back after all on nuclear power plants and nuclear energy. It should be emphasized that on the basis of this programme it is hoped that by the year 2000 soft energy may account for 8 to 10% rather than 5% of overall energy production, but that in any case soft energy will not even meet the increase in demand. I repeat, the European public must not be given the impression that

these research programmes will lead to spectacular developments in soft energy and that nuclear power will soon no longer be needed. Our research into soft energy should be continued, but we must remember that it will be incapable of solving the energy problems of the 21st century and that therefore our nuclear research programme should also be continued. That was my first point.

My second comment concerns the role of soft energy in the general context of environmental protection. The speaker before me drew the House's attention to the usefulness of meteorological studies and said that soft energy depended a great deal on such studies.

I would also point out that if certain forms of soft energy, for example solar and wind energy, were to become more widespread, the environment would not — contrary to a widely held belief — be left unpolluted: environmental protectionists and the defenders of nature and the countryside, who are very firmly opposed to nuclear energy on the grounds of pollution, should not force us to accept soft energy installations, which can be very unpleasant. In the magnificent Camargue region of France I had the opportunity of seeing the solar energy system which served a small hamlet of about 20 houses. I did not find this a very satisfactory solution from the point of view of the environment and of preserving the beauty of the Camargue.

It is amazing that in the Camargue, where the smallest electricity or telephone wire has to be buried and where people make a fuss about the smallest television aerial — and quite rightly so — a solar and wind energy installation which completely disfigures dozens of square kilometers of countryside has been accepted. I would also ask the House to consider the problem of adapting soft energy to the countryside: contrary to popular belief, it is not always easy to adapt soft energy installations to the countryside — indeed, in many cases such installations spoil the countryside.

That is mainly what I wanted to say. Once again, we welcome anything — on however modest a scale — which helps us to achieve our aims and to secure self-sufficiency for Europe in the field of energy. I believe that self-sufficiency in energy should be one of Europe's goals, but all the evidence suggests that Europe's policy on this is inadequate, and we are therefore delighted that in one sector, at least — small though this may be — an interesting programme of research is being carried out with very wide, perhaps even unanimous support.

(Applause)

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

Mr Osborn. — Mr President, we are debating the Commission's proposal for a second multi-annual energy and research programme and the report and resolution tabled by Mr De Clercq on behalf of the Committee on Energy and Research. Lord Bessborough as a rapporteur in March 1975 for the first multi-annual research and development programme has asked me to congratulate Mr De Clercq on this report and his presentation. The European Conservative Group would also like to congratulate Dr Brunner on the Commission's presentation of the proposal which is a model of its kind. For my part, I would say energy R and D at the present time must go hand in hand with the long-term energy objectives on which I have had the privilege of being rapporteur in the past, providing Europe and the Community with greater independence from outside sources of energy.

The European Conservative Group also supports the Commission's proposal and the motion for a resolution in Mr De Clercq's report, seeking Parliament's approval. Parliament is being asked to approve a programme involving commitments of 125 million EUA over the period '79-'83 of which only 7 million EUA would be committed in 1979, representing only 0.5% of the Community's total budget in 1979. I welcome the view expressed by Mr François Poncet, President-in-Office of the Council in his opening speech in this House that more should be spent on energy and energy research and I would value Dr Brunner's comments on this. Now, it is vital that the Community should concern itself with energy research and development. The European Conservative Group has consistently supported the investment of Community funds in the search to harness novel sources of energy. With regard to the comments by Mr Noè, in terms of security of supply, coming from Great Britain I have much greater confidence in wave power than he has, but I do not wish to rule out the advantages of solar energy. Now, such novel sources of energy are often said to be of a longer-term character as far as their commercial usefulness is concerned. I hope that public opinion will recognize that the Community, this Parliament and in particular the European Conservatives have been active fighters for a greater commitment to the research and development of novel, and that implies alternative, sources. But let us not imagine that 7 million EUA is sufficient. Such small sums hardly reflect the sense of urgency which business leaders and parliamentarians feel in face of the ever-lengthening shadows of energy scarcity over Europe and the world. Yet we should be contemplating the search for new sources with the attitude of preparation for war, a war for western Europe, a war for the western world's survival. Suddenly Iranian oil has been switched off. It is beyond European and American control. Where would Europe be placed if similar events came to pass in other oil-producing states? And this is a serious possibility. The economic strangulation resulting from such events would have consequences which would render this and other energy

debates meaningless, meaningless because the Council does not react purposefully, because either the Council is not here to listen or the Council does not listen, it thinks of excuses.

The Committee on Energy and Research has maintained regular dialogues with the IEA and OECD and should do so again in the next few months. It is worth examining in this document I have here the country-by-country reports prepared by them in order to understand why the Community needs this second multi-annual programme and why it also needs a more ambitious programme. Obviously this is a thick document, but the examination reveals firstly that in Belgium there is no separate energy R & D administration, and Belgian R & D programmes which would benefit from better cooperation with industrial R & D efforts. Secondly, in Denmark 'energy R & D objectives should be stated in more specific terms, in order to establish clear, defined guidelines for the work of the Danish energy agency.' 'Emphasis is required on the participation and support of Danish industry in the implementation of the results of R & D.' I ask why a Danish Socialist government has required 5 years of energy crisis to enable the IEA to arrive at these conclusions. Thirdly, and it is better, 'German R & D policy has resulted in a technically powerful programme.' The IEA expressed its satisfaction with the German programme; the suggested aid should be given to enable initial penetration of new technologies. Fourthly, commenting on Ireland: 'There is no comprehensive national R & D plan, and the modest grant for R & D would have to be considerably augmented by the Irish government if the difficulties are to be overcome.' Fifthly, in Italy existing R & D, supported by the Government, 'places emphasis on conservation and renewable sources of energy'. The IEA seeks participation by Italy in its geo-thermal R & D project. Again, in the Netherlands 'the merits of doing work nationally or by international collaboration needs to be more systematically evaluated for each project.' Seventhly, the United Kingdom, the British R & D efforts for alternative energy sources seem to be realistic, according to the IEA. They call for multiannual government finance for the energy R & D budget and more statistical information on firm's R & D expenditure, and finally, France and Luxembourg do not figure in the IEA report. The Spanish energy R & D programme lacks defined objectives, and this applies to Greece.

Thus, only two Member States, Germany — and I shall be seeing some of their work tomorrow when I visit Karlsruhe in connection with the project of Culham — and the United Kingdom, would be considered to have really thorough energy R & D programmes. For the sake of comparison let us look a moment at the US department of energy budget for 1979. US energy conservation expenditure 1979 payments: US \$ 1 010 million; Community equivalent: US \$ 1.65 million. US solar energy R & D expenditure,

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1979 payments: US \$ 309 million; Community: 3.3 million. US geothermal energy R & D expenditure 1979 payments: US \$ 130 million; Community: 1.1 million. US systems analysis modelling expenditure 1979 payments: US \$ 29 million; Community: 0.55 million. Now these comparisons may be a bit misleading, because I have stated repeatedly that total expenditure on a national basis, accumulative expenditure in all EEC countries, plus Community expenditure in total, must be compared with US expenditure. The total expenditure in spite of that is still towering 10 times above that of the Community, and there is a dire need to concentrate resources because of the scale of development, and I would certainly hope to see some of this when I compare German and United Kingdom effort. But even allowing for waste in the sledgehammer effect of American expenditure, the Community's expenditure and such expenditure as may be made by Member States is woefully inadequate. Member States for various reasons lack the policies, the financial resources and the political will to pursue energy R & D programmes on the scale required to meet the approaching emergency. It is therefore small wonder that the Commission must spend time educating the Council of Energy Ministers. It is a pity that so much official and parliamentary effort is evidently being committed at national level in Member States, and in the applicant states, when the pressing need to save scarce public funds, the time of skilled engineers and scientists could be met by a more ambitious Community programme of energy R & D.

My hope is that before the third programme is drafted, the Commission will seek a greater pooling of energy R & D efforts by the Member States, taking practical steps to transfer to the Community the management of those energy R & D programmes in which the Community is active, so that, whatever the scale of national efforts, the Community's R & D efforts will become a serious large-scale effort, commanding the respect and support of firms, scientists, engineers and officials, and a model to the USA in the prudent use of public funds. This third programme must therefore differentiate what should be subject to national leadership with Community support, IEA leadership with the support of the Community, and the national EEC member countries, and what should be subject to Community leadership, supported by both national and IEA support. I hope that the Commissioner will draw the Council's attention to the modest scale of this useful and important second multiannual energy and R & D programme. I hope that the Council will give us speedy, positive go-ahead to it. I hope the Council will note that the IEA is bidding for the participation of Member States in IEA — coordinated programmes. Would it not be more effective to concentrate on Community management of energy programmes? Would it not be more appropriate for the Commission to represent Member States in the International Energy Agency? I would like Commissioner Brunner to comment on this.

(Applause)

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

Mr Veronesi. — *(I)* Mr President, we are dealing here with the hefty document outlining the Commission's proposal for a second four-year programme on energy development and research and the thorough and wide-ranging report on this document by Mr De Clercq.

The two documents are very interesting and equally commendable. The scientific and methodological thoroughness of the one is matched by the incisive analysis of the other. It means that I am in the happy position whereby I could — and this would certainly expedite our business here — get by with a straightforward statement of agreement and approval. The Italian Communists will vote in favour of the motion tabled by Parliament's Committee on Energy and Research, and we shall give our backing to the Commission's programme.

Having said that, I shall therefore limit myself to one or two specific comments which, although they may seem disconnected, have in fact to do with the same subject, in the light of the two documents we are dealing with here. I am not going to tackle the subject in a general fashion, which could end up by being rather vague, but shall stick to the most important issues among the vast range of problems covered in the reports.

The first point I want to praise in the Commission proposal is its thorough review of how far we have got with the first four-year programme. This was absolutely fundamental to a proper understanding of the proposals. There are two reasons for this. Firstly, we can see how and with what results funds were used in earlier years, and secondly, we can get a better idea of what the future programmes involve and how they are linked to the earlier ones.

I have been one of the most vociferous among those who have asked for this kind of information in the past. In this case we can be satisfied with the results and urge the Commission to carry on in this fashion.

The second point I want to mention is the considerable increase in expenditure on the second programme when compared with the first. We agree with the Commission proposals and shall give them our support. In view of the Community's energy requirements — which have been mentioned often enough and which I am not going to dwell on here — this proposed increase is not only justified but is an absolute priority in relation to other sectors. There is no future for Europe unless we have energy and unless we are reasonably self-sufficient in energy. It is all too clear that the future of our citizens and their standard of living are dependent on the availability of energy.

The third point I want to bring out is the close relationship between the earlier programme and the one

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we are discussing today. This sense of continuity, with the occasional necessary change here and there, means that the programmes are much more convincing and are much more likely to be successful. It also means that we can appreciate the difficulties inherent in all programmes of scientific and technological research. I am referring to the difficulties of a physical nature and not the bureaucratic or political problems which are often just as great and help to make the others worse. Timetables for scientific research, even if prepared carefully and conscientiously, can only even be guides. A physicist friend of mine used to say: 'When you have planned your experiment and worked out how long it is going to take, multiply the answer by π to be on the safe side'. However, it seems that things are not going badly, to judge from the progress report on the first programme.

The fourth point I want to make concerns the strategic consistency of the Commission's programme. It rests on an awareness of the variety of possible approaches, and considers various spheres of action for a diversified application of energy resources. This is in response to the fears and concerns of the general public, who have a tendency to reject nuclear energy and want efforts directed at alternative energy sources.

With this in mind, the Commission has planned careful research on supply and demand, considering the variety of solutions for a variety of specific regional requirements and using for this purpose systems analysis and a structured approach. But can we say that the Commission programme is complete and perfect? That is certainly not the case.

In ancient Rome, Mr Brunner, when the generals returned from their victorious campaigns in the far-flung outposts of the empire, they were awarded the honour of a triumph, but at the same time the faults and weaknesses of the victorious leader were stressed to the people. It is in this spirit that I wish to make one or two points of constructive criticism for the benefit of the Community institutions.

Firstly, there is the delay in approving the programmes. The Council and elements within the Council must shoulder a heavy burden of responsibility in this respect. I hope that Parliament and the appropriate committee will ask the Council to pull its socks up.

Secondly, the efforts to coordinate matters at supranational level seem rather weak. This is not the first time we have made this criticism, and the Commission has to some extent responded to it. But we are not entirely convinced by the arguments brought forward by the Commissioner. The fact of the matter is that a Community energy programme presupposes a certain level of planning among the Member States. You have to work at this if you are going to tackle successfully imbalance, uncertainty and deficiency. It is a tricky issue, but one that has to be faced.

Thirdly, we are still concerned about collaboration and exchange of information among the various research groups and among the various technological projects. There is too much emphasis on indirect action, which increases the risk that people will be working in a compartmentalized fashion, with not enough contact.

For this reason, we should like you to take another look at strengthening the role of the Joint Research Centre. We have here technical and intellectual resources of the first order which must be used properly. It is a trump card we have to play decisively.

To sum up, we support this programme. But in addition to hoping for its success, we promise to help steer it towards the desired results by offering our political support to guide it through the difficult waters ahead.

(Applause)

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, this programme is backed up by experience, and we have scored a number of successes. For example, we have developed a heat pump for large apartment blocks, and in the field of photovoltaic conversion we have reduced costs from 60 to 15 dollars per unit. We hope to be able to cut this cost still further to two dollars. Thirdly, we were instrumental in starting up a power plant of 1 megawatt which is the first to be run on solar energy. Furthermore, in cooperation with 19 institutes we have carried out a major series of solar energy tests involving solar cells. I think that these results are promising and that we should carry on our work. If we do not concern ourselves with these forms of energy now, we shall lose the opportunity of developing them.

Moreover — and this point has been made many times — we want to conserve as much energy as possible and to increase energy savings over the next few years by another 1 to 2%. We all know why it is important that we should become less dependent on oil, and so I shall not dwell on that.

The cost of the programme is moderate — 125 million units of account. Criticism has been varied here on the staff requirements, but these can relate only to the energy model sector. I can assure you that we have been modest in our staff requirements here, which are no greater than for similar national programmes. I also believe that this programme will enable us to achieve some progress from the financial point of view. Although not an achievement in itself, it is nonetheless an indication that work is continuing in the Community.

Mr Osborn has just quoted a number of figures. It is true that our expenditure on these energy research programmes still amounts to only 10% of national expenditure, but this is no mean amount to start with.

Brunner

There has been justified criticism concerning the sluggish procedure involved, and the Council has come under fire for its slowness in reaching decisions. I would be the last not to endorse such criticism, but I must be perfectly frank in saying that a certain government has been a constant thorn in my side. We have reached a sad situation in which the specialists are all in agreement, while the experts of this government virtually refrain from commenting on the issues at stake. And then, in every Council discussion, we come up against the same delaying tactics which are sometimes drawn out over months or even a year or more. I am now at a loss to know what to do: we are repeatedly faced with the same 8 to 1 situation, and it is always the same government and the same ministers who cause the hold-ups. I think this House should be told how things stand, for there is no point in trying to fool each other. I sometimes feel like the Duke of Wellington, longing for night or the arrival of the Prussians.

President. — I note that no one else wishes to speak. The motion for a resolution will be put to the vote as it stands at the beginning of tomorrow's sitting. The debate is closed.

14. *Prices of agricultural products*

President. — The next item is the debate on the report (Doc. 404/78) by Mr W. Müller, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the relationship between producer prices, middlemen's profit margins and the final selling price to consumers of agricultural products.

I call Mr. W. Müller.

Mr Willi Müller, rapporteur. — (D) Mr President, ladies and gentlemen, in the past the Committee on the Environment, Public Health and Consumer Protection has repeatedly taken initiatives of its own in the field covered by its mandate. With a whole series of own-initiative reports, it has tried to bring its influence to bear on the promotion and formation of Community policy. After the Commission submitted its first consumer programme, the Consumer Committee did not wish to confine itself to applauding on the sidelines and to keeping a critical check on the implementation of the programme, but wanted to take an active part in shaping and developing it.

The committee considered it necessary to clarify the relationship between producer and consumer prices for agricultural products and at the same time to examine the price-influencing profit margins of the processing industry and middlemen. The committee has done so in an own-initiative report, which I am submitting to you today in its final version and on which I, as rapporteur, should like to give some additional information.

Systems of all kinds will constantly have to be examined to see whether they are sensible, or rather whether they are *still* sensible. It will have to be considered whether something which is inherently good in concept and aim eventually runs the risk of turning into the opposite. It was this rather general question which had specifically to be dealt with in the discussions on the report on the Common Agricultural Policy and its effects. An answer had to be sought to the question whether the interests of the producers and consumers of agricultural products could be reconciled. The validity of certain criticisms had to be examined, criticisms such as: the agricultural policy of the European Community has degenerated into a self-service shop for farmers; the Commission, with considerable skill in the use of euphemistic language, denies the abuses and aberrations of this policy; it is the consumers who have to bear the brunt of a mistaken policy; with their excessive profit margins, the processing industry and the middlemen are shamelessly causing consumer prices to soar.

We also had to examine how much truth there was in such statements as: the producer receives too little for his products and is surprised and annoyed to see what price the consumer ultimately pays for them; everything could be cheaper if the product could be got more directly from the producer to the consumer; the wildly increased costs of the Community agricultural policy stem from the inability to curb over-production.

The Consumer Committee examined these and other questions and did not try to sidestep the problems which arose. In its talks and discussions it tried its best to be objective, even though its mandate meant that it had to keep the interests of consumers particularly in mind. The committee members were fully aware that they were dealing with an explosive issue and might occasionally fall between two stools.

How does the committee assess the situation on the agricultural market? How important does it think the pricing policy for agricultural products is in the chain between producers and consumers, and what possibilities does it see for bringing about a change for the better?

Let me give a brief summary of the committee's views. We consider that the creation of a common agricultural market for 260 million people, and thus for 260 million consumers, as a positive outcome. It has made for efficient farming and ensures that the consumer has a large supply of high-quality food without shortages. No other area of Community policy is as integrated as agriculture. About 4/5 of the Community's financial resources are spent on agricultural policy. Over 90% of the Community's directives and regulations refer to the agricultural sector. It is still an undisputed fact — whether you welcome or deplore it — that the Common Agricultural Policy is the cornerstone of European integration. The fear that any challenge to the existing method of managing the agricultural policy

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would jeopardize European integration as a whole has occasionally prevented people from seeing that there have been negative developments and that course corrections are unavoidable.

If agriculture is the cornerstone of Community policy, it could also be the point at which the collapse may occur. Flaws may appear in the system, since market imbalances and structural surpluses are on the increase, the financial burden on public funds is growing, rising agricultural prices are affecting the consumer and threatening the hoped-for policy of stability, price formation is getting further and further away from supply and demand, and whereas the growth rates of European agricultural products show an upward tendency, there is a constant decline in demand owing to lower consumption and reduced population.

In addition to these basic considerations, Mr President, the committee dealt in detail with facts which have had and are having a particular effect on price trends. It could be noted that the inflation in the period 1974-76 slowed down noticeably thereafter. Whereas in 1974-1975 the wide difference in inflation rates was between 6% in the Federal Republic of Germany and 24% in the United Kingdom, it is now between 2.6% in Germany and 11.6% in Italy. In some countries prices are still increasing at rates which are beyond what is economically acceptable, and it is a cause for particular concern that there are wide discrepancies between the 'stability countries' and others.

During this inflationary period producer prices in the agricultural sector also rose. In 1975-1976 these rises fluctuated between over 10% and 30%. Fortunately this trend did not continue in 1977 and 1978. Instead of forcing prices upwards, producer prices in agriculture then became an anti-inflationary factor. The Committee on Consumer Protection considers this development as an initial success of a cautious Community agricultural policy. It acknowledges that over the last two years agriculture has proved to be a stabilizing factor for the cost of living. It complains, however, that consumers were hardly able to take advantage of the considerable surpluses of milk, butter, beef, wine, fruit and vegetables. It is the fault of the Community's system of market organization that surpluses are not passed on to consumers at reduced prices but are artificially 'interventined' out of the market.

The committee also doubts whether the processing industry and trade have adjusted or will adjust to the changed market situation. The report therefore deals in great detail with the problem of gross profit margins for these sectors. In an economy based on the division of labour, producer and consumer prices are not identical. Processors and traders expect their share of the final price to the consumer. This margin, which is made up of costs and profits, is basically legitimate. The size of this margin relative to the service rendered may be challenged, but not its existence. There is a predominant

impression that cost savings through rationalization, concentration and existing power of demand are by no means always — as might be expected — passed on to the consumer. Price differences between the Community countries for the same product are exaggerated and have in some cases reached indefensible proportions.

Scarcely any studies or data are available at Community level concerning the proportion of consumer expenditure on food which represents the sale profit of agriculture, or concerning the level and trend of the gross profit margins of industry and trade. The committee therefore held the view that the Commission must make a special effort in this field to bring the continuing public debate on high consumer prices and the unjustified profit margins of the processing industry and trade down to a rational, practical level. The fact that the necessary surveys and analyses will be difficult and short-term results can hardly be expected does not make such studies any less necessary. After all, it would be of considerable interest to all concerned to find out whether it is simply a stereotyped defensive reaction when the agricultural producers state that their share of the consumer profits averages only 33%, while profit margin analyses carried out in the Federal Republic of Germany on the basis of long-term market observation show that for years this share has constantly been between 46% and 49%.

The Committee on Consumer Protection, Mr President, feels it is only right not to deny or play down the effect of agricultural decisions on consumer prices. It must be stressed that they influence consumer spending on food. In fact food prices in the Community are to an increasing degree becoming divorced from the interplay of supply and demand on the market. They are rather the outcome of far-reaching political and administrative decisions.

The chapter on agricultural surpluses illustrates the truth of these statements. On page 23 of the report before the House the agricultural surpluses on 31 March 1978 are given as 160 000 tonnes of butter, 780 000 tonnes of milk powder and 320 000 tonnes of beef and veal. The most recent comparative data show how negative the trend is, particularly in the dairy sector. According to these figures, there are currently more than 400 000 tonnes of butter in the intervention stores, i. e. almost triple the March 1978 figure. The fact that at the same time there has been a slight reduction in the milk powder mountain is due to seasonal factors and is in no way indicative of a structural improvement in the situation. In the next few years, according to all advance estimates, the Community must also reckon on an annual increase of about 2-3% in agricultural products, while food consumption will remain stagnant and in some sectors will even fall.

The mountains of surpluses to which I have referred cannot be justified as the outcome of a sound

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stockpiling policy. They are too much of a good thing. In our view, it is impossible for us to keep on paying the bill for them. This would seem to be a recipe not only for conflict with the consumers but also for inconvenience for the farmers. Who other than people on the cold storage and storage business can be pleased at an increase in the mountains and lakes of surpluses?

We should also look at another part of this chapter. In July 1978 a Member of this House tabled a question to the Commission as to how much food in the fruit and vegetable sector had been destroyed in 1977. The Commission told him that it had not been destroyed but withdrawn from the market. According to Commission figures for the 1977/78 financial year, withdrawals from the market ...

President. — Mr Müller, you were allotted 15 minutes.

Mr Willi Müller, rapporteur. — (D)... Mr President, I am about to finish.

I regret that there are some things with which I shall not be able to deal, but the topic is such that it is difficult to be brief.

Mr President, demanding an end to defects and abuses does not amount to calling the agricultural policy as a whole into question. The aim is rather to bring about a policy which puts right recognized errors and shortcomings. The committee feels that such a reform is a difficult matter. It requires an enlightened and moderate approach by those concerned and, on the part of those affected, the willingness to make concessions for the sake of a common Europe.

The Committee on Consumer Protection approved the report with one vote against, thereby recommending Parliament to adopt it. The opinion of the Committee on Agriculture is attached to the report. I am sure that the draftsman of this opinion will speak later in this debate.

(Applause)

President. — I call Mr Hoffmann to speak on behalf of the Socialist group.

Mr Hoffmann, deputy draftsman of an opinion. — (D) Mr President, ladies and gentlemen, Mr Willi Müller's report is especially important for Parliament because, as far as I know, it is the first serious attempt to analyse the interdependence of agricultural policy, food policy and consumer policy. Therefore, on behalf of the Socialist Group, I should like to thank Mr Müller and ask the Commission and the Council to accept his proposals.

The basis on which the Socialist Group judges this report is Article 39 of the EEC Treaty, which states:

1. The objectives of the common agricultural policy shall be:
 - a) to increase agricultural productivity by promoting technical progress and by ensuring the rational development of agricultural production and the optimum utilization of the factors of production, in particular labour;
 - b) thus to ensure a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture;
 - c) to stabilize markets;
 - d) to assure the availability of supplies;
 - e) to ensure that supplies reach consumers at reasonable prices.

This article therefore lays down the framework within which we must assess this question. Here the Treaty already provides a pointer to integration by establishing a relationship between productivity, increased income for farmers, qualitatively and quantitatively good markets, security of supply and reasonable consumer prices. I have the impression that on occasions Parliament has not devoted sufficient attention to this relationship in its discussions. If we now proceed to the analysis and ask how successful the Common Agricultural Policy has been in the light of these aims, first of all we shall of course have to cast a glance at the past. It is obvious that the authors of this article and of the Treaties could not have foreseen that the whole economic development of the Community would be as positive as it is. Neither were these men and women aware, of course, that we would reach a situation typified by surplus production. For this reason it can be considered a very positive achievement of the common agricultural market that it has provided our countries with ample good-quality food supplies.

With regard to the individual criteria I have just mentioned, there are widely differing facts. For example, with regard to productivity and the size of production units in European agriculture there are considerable differences. You need only think of wine, olives and vegetables on the one hand, and milk and meat on the other. The same applies to incomes, which have developed in totally different ways for, for example, French and Italian smallholders or for the sector of large-scale industrial farming undertakings.

Furthermore, a reasonably true picture of the situation does not emerge unless all this is compared with industrial workers' wages in the individual countries.

The next criteria are surpluses and the level of self-sufficiency in food supplies. For reasons of time I should prefer not to quote any figures on this. Mr Müller dealt with these questions very thoroughly in his report, and the opinion of the Committee on Agriculture also contains enough data for there to be no need for me to quote them in detail.

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The conclusion may be drawn from this first section that all these factors have repercussions on producer prices and must therefore also be taken into account in the Commission's price policy. We only have to look at these questions with a certain amount of objectivity to realize very quickly that there can be a serious confrontation between producers, distributors and, lastly, consumers. I think that it would be totally absurd to bring polemics into this debate. At this point, therefore, I should like to thank the members of the Committee of Agriculture, who are naturally more sensitive to this kind of problem, for the discussion which we had. It also provided me personally with a great deal of information.

However, when dealing with these questions, it is essential to distinguish between the following five sets of problems since, in the view of the Socialist Group, they form the background against which the movement of agricultural prices should be examined.

The first set of problems concerns the effects of the international monetary system. It would be very shortsighted to suggest that the farmers are responsible for what is happening in this international sector. The same applies, for example, to the problems involving monetary compensatory amounts or the problems encountered in setting up the European Monetary System. The responsibility for this must be sought elsewhere, with the politicians.

The second set of problems involves overall economic development and capital, energy and labour costs. Here also it would be wrong to suggest that the agricultural sector alone is to blame for the effect these have on agricultural prices and consumer prices. What is more, the same applies to the effects of the GATT trade agreements. There is no need for me to go into this problem, since it has been debated several times in this House.

The next set of problems concerns those economic sectors which supply the agricultural sector. Here I feel that a further investigation by the Commission is needed, since it would be very interesting to find out what effects, for example, the chemical sector has on the agricultural sector through its supplies of fertilizers or growth-promoting substances. The influence of the engineering industry and mechanization on the agricultural sector must be just as critically examined. I think that here there is at least a mutual responsibility.

I should like to mention next the effect on prices of industries which process agricultural products. Here also there are some figures available which I do not wish to quote, since they can be looked up. It can be said that some oligopolistic undertakings are definitely very aggressive in taking advantage of their market situation. It would be interesting to investigate also the functions of some intervention points in this context.

Lastly, I should like to mention the effects of the system for distributing these products, for which the agricultural sector alone cannot be held responsible. Trade concentration has led to certain demand oligopolies, which have not in all cases had a very positive effect, and if I make a calculation on the basis of all these facts, for which the agricultural sector alone is not responsible, it emerges that more than half of the consumer price is determined by these sectors and not the agricultural sector. Thus agriculture is at the most only partly and not solely responsible for all these effects which I have mentioned so far.

The responsibility of the agricultural sector itself lies in numerous areas, which I should just like to mention. I note, however, that I only have two minutes left and must confine myself here also to a very brief summary.

It can be said that a 3% rise in Community support for agricultural prices produces a 0.5% rise in food costs; thus 3% rise in price support means 0.5% rise in consumer prices. Food costs amount on average to 25% to 30% of the family budget. This does not apply, however, to the lower income groups, where it is between 35% and 45%, and the higher the income is — but this is a platitude — the lower is the percentage spent on normal food.

However, more than two thirds of Community expenditure on the agricultural sector go to the regions of central and northern Europe, which are mostly economically well developed. This is a problem that has often been raised in this House in agricultural debates but which must of course be mentioned in connection with the question of the trend in producer and consumer prices. Owing to pressure of time, I do not wish to deal with this subject in detail either.

Another subject is the hardening of the system of monetary compensatory amounts. We have often debated this point, which at the moment can be placed in a topical context to which I should just like to refer in outline. The current debate on the European Monetary System and the elimination of monetary compensatory amounts is often slightly reminiscent — if I may say so — of a Punch and Judy show. After the introduction of a monetary system had been agreed, suddenly overnight, or rather over the Christmas holidays, everything was no longer true, and we are now faced with the problem which we have been struggling with for years, namely the elimination — with which everyone actually agrees — of monetary compensatory amounts. When it comes to the details, things look different, but I think that it can also be said here on behalf of the Socialist Group that these compensatory amounts must be abolished. *How* this is to be done remains a subject for discussion. All of us also know that these monetary compensatory amounts can vastly affect consumer prices. That is why we need to go into this problem very carefully.

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There is the complex problem of world market prices and Community prices. It is so far-reaching because it would be very easy to reduce Community surpluses if world market prices were the same as ours. But this is not the case. Ours are far higher, which means that we shall not be able to reduce the surpluses via the world market. I am also aware that these high prices in Europe must of course be compared with our high level of incomes. For this reason we cannot make any one-sided assertions about the excessively high pricing of agricultural products in Europe. But it must be said that this high level of prices naturally gives rise to particular internal difficulties.

The last problem to which I should like to refer is the connection between agricultural production and regional policy. This also affects the whole system of pricing, since any attempt to solve these problems solely by means of price policy is automatically doomed to failure, because this naturally cannot lead to any fundamental change in the situation of poor farmers. This problem has already been debated long enough by this House, and so I should just like to sum it up as follows: poor farmers produce in order to earn a living for themselves. Their contribution to surplus production cannot be curbed through price policy. This is where structural aids are called for. But it must be stated just as clearly that this excuse definitely no longer applies to surpluses arising from large-scale industrial farming, because in this case production is intended solely for intervention. I think that this is one of the most serious problems of our agricultural system.

I come now to my conclusions. The Socialist Group lends its full support to the statements and demands contained in this report by Mr Willi Müller and thanks him for this forward-looking work. We call on the Commission to have further studies carried out on the factors determining agricultural producer and consumer prices. We support the Commission in its cautious price policy designed to eliminate monetary compensatory amounts, to remove the surpluses of agricultural products and thereby not to relieve the producer of his responsibility. We urge that the Common Agricultural Policy be further developed hand in hand with regional industrial policy and consider it a matter of urgent necessity that agricultural policy should be linked more strongly than in the past with food and consumer policy. We welcome the increased participation of consumers in this policy and increased consumer information.

Mr President, I should like to conclude by thanking Mr Müller again most warmly, since in my view the report he has tabled will continue to occupy Parliament's attention, and the Commission, by providing us with the relevant figures, will help us to deepen our understanding of this problem.

President. — I call Mr Klinker to speak on behalf of the Christian-Democratic Group (EEP).

Mr Klinker. — (D) Mr President, I too shall be very brief. I should like to thank the rapporteur for his objectively expressed opinion. Although I do not agree with him on every detail, and although my Group does not agree with every detail of this report, I must say that it presents very well the task facing the agriculture and food industries in feeding the 250 million people who live in this Community. My personal view is that a bit of surplus is better than shortfalls. I think we must be aware of this point, because we are living at a time when the political situation is changing very rapidly, and if we look at the question of surpluses from this point of view, I think we can say that should Europe ever find itself in a crisis, these surpluses would very soon disappear. It is therefore part of the job of a responsible Member of the Commission to ensure that stocks are always at a certain level and to pursue a sensible policy on stocks and surpluses.

As Mr Müller has already said, it is quite evident that the rate of inflation has been slowed down by developments in the price of foodstuffs. If you look at price developments in other sectors, and if you go back as far as, say, 1960, and if you compare rises in the prices of foodstuffs and other vital commodities, you will see that foodstuffs are way down at the bottom of the list, and I am grateful to you, Mr Müller, for drawing attention to this in such an objective manner.

I think that, on the whole, the European consumer has done well out of the common agricultural policy, because he can get everything he wants, not only the produce of certain countries, but a very wide range of goods, and I think this is how it should be. After all, the constant buying and selling of goods serves to boost GNP. One thing we should not forget in taking this consumer's eye-view of the common agricultural policy is that a lot of people work in the agricultural sector and a lot of jobs are dependent on it. I have only to think of the 900 000 people who are engaged in the dairy sector alone in my own country. The livestock and meat-producing sector too accounts for over 1 million jobs.

When I hear how the trade unions talk of jobs, I cannot help thinking that we should spare a thought for this sector, for the farmers and all the other sectors which are dependent on this industry. We should spare a thought — as Mr Müller mentioned, and you too, Mr Hoffmann — for all those who work in the mechanical engineering and chemical industries, and whose work depends on the agricultural industry. It is only then that we realize that the agricultural sector, which is there simply to supply the population with food and to produce that food as rationally as possible, is much more important than most people realize. And if we go on from there and bear in mind that it was the common agricultural policy which first enabled customs barriers to be dismantled and thus gave a great boost to industrial development, and if we also bear in mind how trade in industrial goods has developed in the

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Member States of the Community, then I think we can afford to bear the costs of this agricultural policy.

I do not mean by this that we should not introduce a policy which will prevent the occurrence of excessive surpluses. We must be vigilant on this point. On the other hand, however, we — and indeed, all consumers — must realize that farmers are economically motivated, and that all the firms engaged in processing and distributing agricultural produce need to make profits if they are to function properly. We must be careful not to take a one-sided view of this. The farmer is just as dependent on prices and costs as any other economic undertaking. I do not think that agriculture need fear any comparison here. Farmers have to work longer hours, their profit margins are riskier and also lower, and so I think that the responsibility which attaches to the common agricultural policy is perfectly justifiable, even from the consumer's point of view. My group will therefore give its support to Mr Müller's report.

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

Mr. Granet. — (F) Mr President, ladies and gentlemen, I shall also try to be brief, especially as the report which has been submitted to us is technically impeccable and covers every last detail. I shall therefore limit myself to making a few political comments, without going into any detail because, as I said, there is nothing to add to the report. The rapporteur deserves full marks.

There are two aspects to the political comments I wish to make. First of all, it is quite clear that the aim of this report is to make a comprehensive investigation of the question of production and consumption, and it would be a mistake to yield to the natural but disturbing tendency to draw the facile conclusion that if consumer prices are high and there is inflation, the farmers are to blame. Indeed, I sometimes think that there is an insinuation that the farmers are finally to blame in some of the speeches we hear.

I emphatically repudiate any such idea because, quite simply, I feel that agriculture is a different kind of market from the others, as has been said hundreds of times in this House. It follows that agricultural produce should not be treated like industrial products. Furthermore, it has never been said that the European Community is merely a free trade area. It is a market organization and the first market to be organized is the market for agricultural produce.

I would also like to point out that farmers are also consumers, not only of agricultural produce but also of industrial products. It is thus very important to maintain farmers' purchasing power, but it is also natural that, in this century, farmers should expect their purchasing power to increase, just like all the other groups in society.

In Parliament, we very often talk about the need for the Community to be self-sufficient — indeed we were talking about this half an hour ago in connection with energy. The Community, clearly, should also strive to attain a certain level of self-sufficiency in the agricultural sector.

As a result of the maintenance and expansion of farmers' purchasing power, and owing to the need for a certain degree of Community self-sufficiency in agriculture and the nature of farming where, from one year to the next, there are extraordinary rises or shortfalls in yield, especially depending on the weather, farming may to some extent be held accountable for rises in consumer prices. But I think that European consumers have finally accepted that they must pay these higher prices, and this seems to me perfectly normal and legitimate.

So I would be unhappy if this report were to appear to encourage the old refrain that 'the farmers are to blame'. I do not think they are at all. I think that things are fine as they are. Perhaps it is right to tackle the issue, from a technical point of view, but in political terms it is also fair to say that when all is said and done it is only natural for consumers as a body to pay something extra to maintain and expand farmers' purchasing power.

That was my first point.

My second point is about middlemen. In order to reduce consumer prices, we have not only to reduce production costs — and I have just spoken about that — but we must also try to cut the middleman's profit margins. Here, too, we must be careful how we go about it. It would be undesirable if, in order to cut these profit margins, we ended up by systematically encouraging fierce or ruthless competition and finally giving the giant companies a monopoly of distribution.

It is our present experience in every country in Europe and in all the older-established countries that the consumer is rediscovering the benefits of small-scale trading and the retail trade which, for Europeans as a whole, are now largely synonymous with the quality of life. We must therefore avoid a situation whereby, in order to make a fraction more profit, we send the European consumer rushing into hypermarkets and big discount stores. That is not at all what the present-day voters want.

While it is necessary to attempt to cut profit margins, we must not forget that people in Europe today are clamouring for a new kind of society, a new form of growth, less emphasis on quantity, less interplay of unbridled market forces and, lastly, a society that places greater stress on quality. The farmers seek such a society as much as anyone else. We must not forget the problem of agricultural incomes, and a society in which quality matters also involves maintaining distribution

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networks which the technocrats, indeed, might find very outdated, and which were certainly considered to be very outdated 10 years ago. It is our experience today that these distribution networks, after all, accord best with the desires of the public, and that even if they inevitably involve somewhat higher costs they suit the type of relationship with distributors which modern consumers want.

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

Mrs Squarcialupi. — (1) Mr President, in our opinion there was a great need for this report by Mr Müller on the relationship between producer prices, middlemen's profit margins and the final selling price to consumers of agricultural products. There are plenty of references to consumers in the Treaty of Rome, but all too often and too easily they have been sacrificed to private interests.

We supported the Müller report when it was discussed by the Committee on the Environment, Public Health and Consumer Protection, and we are ready to do so again here. However, in our view this report is only a starting point for tackling the problem of consumer prices, and it should therefore be amended further if it is going to have any real effect. In short, we agree with what it is trying to do but feel that it does not go far enough.

There are still several reasons why we are concerned about the poor consumer, who is the minnow among the sharks, represented by the large food companies, the multinationals, the middlemen, the large wholesalers and, especially, by the common agricultural policy.

Let us take a closer look at the proposed solution. We read in Article 3 of the motion for a resolution:

the processing industry and food trade are clearly tending to use price increases at producer level as a pretext for increasing the gross profit margins without any regard for real cost.

This is where the most effective measures must be taken. There must be a new approach to the process that passes from agricultural prices to consumer prices via so many other stages and so many other deviations such as — as I said before — the large processing firms, the multinationals and the middlemen. We are not in favour of excessive price increases at producer level, but we cannot shut our eyes either to the responsibility shared by the processors and the wholesalers. In any case, a drop in producer prices in 1977 was not matched by a reduction in consumer prices. We have to find out who is to blame in the food industry and take the requisite steps. The question is 'how?'

These measures have to be taken in the light of an overall plan for production, processing and distribution. This is also how we have to interpret Community action

on the multinationals, as was made clear yesterday by some of the groups after the speech by the President-in-Office of the Council. An important part in revising the distribution system for agricultural products could be played by cooperative ventures, at the farming or consumer stage, to curb prices. We find this in Articles 6 and 7 of the motion.

On this point, however, there is a total lack of any Community policy — especially as regards consumer associations — to safeguard the consumer by reducing agricultural surpluses, introducing a new structural policy and phasing out the compensatory amounts.

In this period of economic crisis, widespread unemployment and a tightening of family budgets, the consumer is taking a closer and more critical look at Community policy. Obviously, he is going to be even more worried if he sees there is no solution to the crucial problems of agricultural policy. Politicians must follow the route signposted in the Müller report, so that the consumer no longer feels like a minnow in a sea of sharks.

President. — I call Mr Gundelach.

Mr Gundelach, Vice-President of the Commission. — Mr President, I would first of all like to congratulate the Committee on the Environment, Public Health and Consumer Protection on the initiative it has taken in preparing this report on the relationship between producer and consumer prices, and to congratulate the rapporteur, Mr Müller, on his excellent report.

I consider that the whole field of this relationship is very important (as I do the interests of producers and consumers in general). This House is well aware that producer and consumer interests in the agricultural and food sector are intimately linked, and nowhere is this link more sensitive than in the area of pricing, the area which is the main subject of the report in question. It is this relationship between various elements of the food prices paid by the consumer, the subject of the report, that I will address myself to, rather than to the question of the Common Agricultural Policy in general, on which a number of general statements have been made in the course of the debate. The fact of the matter is that very shortly we shall have, as usual and rightly so, a major debate on the Common Agricultural Policy, when the Commission shortly, as I said, submits its proposals on agricultural prices and related matters for 1979-1980, and that will be the appropriate occasion for a general debate on this vital issue in this House.

Even in this area, of the prices and the construction of prices, you can say that it is implicit that there should be a permanent conflict between consumers and producers. But if you look a little bit further, maybe that conflict is covering up a higher degree of common interest than one normally realizes. It is in the consumer's vital interest to pay prices for food that

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permit production to continue. It is the producer's interest that consumption is not reduced by unnecessary price rises, and it is not in the interest of the producers to produce for intervention or for a structural surplus which I consider something entirely different from stocks which are necessary in order to stabilize markets in order to secure supplies, in order to secure the export transactions which are necessary to Europe for its balance of payments and for its employment. Do not forget it. Let us not be so social that Europe is no longer able to pay for its own imports because it is so uncompetitive that it can no longer export. Let us not sink under the level of the sea by concern for so many other things than our vital interest in trade, that we can no longer really exist. Because, however, there is this fundamental common interest between consumers and producers. I do inform, consult and take account of both producer and consumer interests in the operation of the Common Agricultural Policy. It is therefore inaccurate to say that the Common Agricultural Policy is a policy made in the exclusive interests of farmers. We do have a food policy taking account of all the interests in question.

That there are a lot of things which can be improved here and there, we all know, and the rapporteur has rightly put his finger on a number of them. But that the consumers are left out in the snow is not correct. I have made it my business for the last couple of years to strengthen as far as I could the ties with the consumer interests. I meet with them as I meet with the agricultural producers, and I am doing everything in my power, by meeting them, consulting them — at my level and the level of my officials — by supplying them with information and visiting their national organizations, to see that they have a standing in decision-making concerning vital parts of the agricultural policy, in particular prices, but other aspects as well. And I think the European consumer interests represented in the Consumers' Consultative Committee will bear witness to this being the fact, and that the obvious development in their structures to a certain extent is due to their closer collaboration with the Commission.

The whole of field of margins for agricultural products is unfortunately a grey area, where our knowledge is limited. That is the reason why already a couple of years ago we asked our Statistical Office to start studies concerning the relationship between producer and consumer prices for agricultural and food products. The results of these studies should permit the Statistical Office regularly to produce series on those prices. We hope that by doing this we will obtain better information about the reasons for the price differences and their different evolution from one year to another.

If, on the one hand, I therefore very warmly welcome the request that the Commission should produce and publish more information in this field, I must ask you on the other hand, to have a little patience concerning the date for the outcome of this result, because it is a

major effort, and it is a major and complicated task. In the meantime, however, the Commission will continue to give, along with the price-fixing proposals, estimates regarding the effects of common agricultural prices and adjustments to the green rate on food prices to the consumer.

Mr Müller considers that the method applied by the Commission to calculate those effects is purely theoretical, based on various unknown factors and giving only a rough answer. If I can accept the last part of this remark, I cannot agree with the other criticisms laid down in this respect. I would briefly like to make the comment that the figures for the price impact on the consumer price level published by the Commission quite definitely are rather on the high side than the low. We are consistently — in order not to give any rosy picture — erring on the higher side than on the lower side. Basically the impacts have been lower than we had predicted when we presented the prices because we did not want to err in the other direction. I am naturally aware that any method must contain some shortcomings. We are at the moment investigating ways in which this calculation might be improved. But we must all bear in mind that any Community average will cover considerable differences because of different regional conditions. In this respect I fully agree with what has been stated in the motion for resolution, as on other points. They are completely in line with the agricultural policy proposed and executed by the Commission.

I have only a few comments concerning some other parts of the explanatory statement and the background to the motion for a resolution. For example, your rapporteur complains that the Commission and the Council do not take enough measures in the interest of consumers in the event of periods of high prices or shortages on the internal market. In particular, the Commission does not encourage imports of tomatoes and peaches from third countries, for example. In his view,

the European consumer cannot understand why market organization mechanisms are used to keep tomatoes from third countries out of the domestic market in order to ensure that the Community producers... can sell at prices high enough to cover their costs.

I can certainly agree with the rapporteur that there is obviously something which has not been brought home to the knowledge of the consumer, and there are some fundamental facts about our role in world trade and agricultural trade which have not been realized. And that is my excuse for taking up a couple of minutes to quote a few figures which are constantly forgotten when people are talking about Europe and agriculture. The Community is already the world's greatest importer of food and agricultural products. Our share is 22% of all imports, 49% of all imports from ACP countries, and 26% of all imports from Mediterranean countries. As a matter of trade policy most of the imports are realized

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under GATT or its special arrangements like the general preference system with developing countries, or they are realized under special arrangements like the Lomé Treaty and the Association Treaties with Greece, Cyprus, Turkey and other countries. So far as developing countries are concerned, the Community imports nearly all the quantities those countries are able to offer on the world food markets.

As regards fruits and vegetables, quantities equal to 30% of our fruit production and 12% of our vegetable production are imported from third countries. Twenty-seven per cent of agricultural products imported from ACP and Mediterranean countries are fruit and vegetables. Specifically from Mediterranean countries their share of all agricultural products imported is 63%. Furthermore, I would remind you that our intervention price for the eight fruit and vegetables under the common price system — the others are not — is below the production cost. During the last year some compensatory amounts have been applied on tomatoes, but only for a couple of days. A very small number of countries offered them at very low, and probably manipulated prices.

Thus one cannot conclude that we practise a rigid closure of Community markets. To all this, of course, should be added the very extensive measures we have taken in order to put on our markets at cheaper prices — admittedly with a financial cost — products in surplus, in particular in the dairy field. For human consumption: various schemes with regard to butter; or for fodder: liquid milk, skimmed milk, etc. I should also mention that in a number of periods of high prices we have resorted to tariff-free quota imports of certain fruits and vegetables and other commodities in order to counteract excessively high price increases in the Community.

Concerning your comparison between EEC producer prices with the so-called world market prices, you must take into consideration that the world market prices published in our annual report represent the annual average of the lowest third country offer price used for the purposes of managing our agricultural markets. We must also note that world market prices are often residual prices and are not the prices at which a large part of agriculture produce is either traded internationally or related to the cost at which they are being produced.

I can sum it up in this way. The two things to bear in mind in regard to the international markets. First they are fundamentally a limited market and for many producing countries a residual market. It is secondly a manipulated market. There is not one major exporting country which is not sending their products on to that market with some kind of support, direct subsidies, credit facilities or other forms of support, with the result that world market prices as quoted are artificially low. Secondly, since it is a marginal market, a limited

market, if we made the experiment of significantly reducing our production of agricultural commodities and importing these agricultural commodities, we would find that we could not, since we are, as I just tried to indicate, the biggest consuming and importing country in the world, import them at the prices at which they are quoted on the present international market. Our weight on the market would be such that even a relatively limited increase in our imports would immediately mean a considerable increase in world market prices. Anybody who studies the behaviour of commodity markets will know how volatile they are.

All this, Mr Chairman, however is not said in order to defend a number of defects in the Common Agricultural Policy, as I said before. These points are only made to indicate that there are some other elements which have to be taken into account as well. The House will realize when we submit our price proposals that we are eminently well aware of the shortcomings, the costs and the dangers in building up production of surpluses which cannot be sold, and that we will have both the will and the wish to take the necessary measures in order to counteract such uneconomic surplus production.

Concerning your conclusions on the Common Agricultural Policy, I can therefore assure you that these are in general the lines the Commission is following. I, too, as I just said, want to eliminate structural surpluses, as they appear in some of our more important agricultural sectors, and we are particularly thinking about milk, and possibly in the future wine, maybe olive oil, maybe sugar. Special measures must be taken in these areas, and these measures, together with a policy of extreme caution in regard to prices, I hope and trust will restore a better equilibrium on agricultural markets. I am firmly determined to propose similar measures in sectors where similar problems emerge. Our special schemes for underdeveloped areas — West Ireland and the Mediterranean regions — will enable us to get a better balance between the economic situation in the Northern and the Southern parts of the Community, or the Central and the Western parts.

I also agree that we should do more to inform the general public about the functioning of the Common Agricultural Policy. We would get a more enlightened debate, and I think also a more balanced one. Of course there is a difference between discussing seriously how we improve the functioning of the Common Agricultural Policy, which remains politically an extremely important element in European construction, how we make it more sensible, how we make it function better — there is a great difference between that type of discussion and a discussion which really wants to remove one of the founding stones of the European construction. Your committee gave us encouraging advice for the first type of discussion, and it is in that sense that I heartily welcome your report and its conclusions, and I assure you that even if on some

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points I have a somewhat different point of view, we will certainly take its findings into account in the way in which we conduct the common agricultural policy.

President. — I note that no one else wishes to speak. The motion for a resolution and the amendments which have been tabled will be put to the vote at the beginning of tomorrow's sitting.

The debate is closed.

15. Fisheries policy

President. — The next item is the joint debate on

- a report (Doc. 441/78) by Mr Klinker, on behalf of the Committee on Agriculture, on certain inspection procedures governing fishing activities and surveillance procedures governing other activities affecting the common system for the conservation and management of fishing resources;
- a report (Doc. 442/78) by Mr Klinker, on behalf of the Committee on Agriculture, on the equipment manufactured in the Community which can be used for the inspection of fishing activities in Community waters and the surveillance of other activities affecting the common system for the conservation and management of fishing resources;
- a motion for a resolution (Doc. 554/78) by Mr Hughes, on behalf of the Committee on Agriculture, on a common fisheries policy.

I call Mr Klinker.

Mr Klinker, rapporteur. — (D) Mr President, ladies and gentlemen, both reports I have to present relate to an amendment to Mr Corrie's report on the proposal of the Commission of the European Communities to the Council for a decision on the Community's financial participation in inspection and surveillance in Danish and Irish waters. On the basis of this amendment, Parliament requested the Committee on Agriculture to draw up a report on the procedures to be followed in monitoring fishing and supervising other activities which have an impact on the common fisheries policy. Parliament likewise requested a report on the possible standardization of surveillance material such as aeroplanes, helicopters or ships. In this report the Committee on Agriculture not only recommended a method for establishing a coastal surveillance service, but also proposed a method whereby Parliament could acquire a right of initiative in the light of the direct elections without infringing the Treaty and without any need for the Treaty to be amended. In our capacity as the committee responsible, we drew up these reports as a basis for future Commission decisions. This does not mean that everything in the reports must be translated into policy forthwith. Rather, they are intended as guidelines for Parliament to put forward, given that no fisheries policy has yet been agreed upon. At any rate we have laid claim here to a right of initiative which does not formally affect the Commission.

In our view the real need is for close cooperation between Parliament and the Commission in order to ensure that the common policy is presented more satisfactorily to the public. With regard to the content of this report, we have on various occasions argued in favour of establishing a common coastguard service. We have made the necessary appropriations available and we are forced to observe that as no common policy has yet been settled on, these matters also continue in a state of flux.

As regards standardizing surveillance equipment, we feel there should be two objectives. The coastal States of the Community must for the most part acquire new surveillance equipment, as the old equipment is utterly obsolete and it is uneconomical to use expensive electronic equipment when one is only monitoring trawlers. These considerations should lead if possible all the Member States to prepare a common programme for the purchase of aircraft, helicopters and speedboats for monitoring purposes, so as to prevent each country from running again into excessive costs. It would be most gratifying if the Community could settle on a standard type for surveillance purposes. Attempts by the Americans to rationalize their coastguard service may serve as examples. We should do the same. The report states what the committee would consider appropriate.

Mr President, ladies and gentlemen, in establishing a European coastal surveillance service and standardizing surveillance equipment, the aim would be to attempt to put as far as possible on a Community basis the surveillance of fishing and of other activities which have a direct impact on the common fisheries policy. Several stages are necessary for this. Genuine Community control would in fact be cheaper for all Member States than control on a national basis, and would also place Community fishermen under neutral supervision, which we feel would be of great importance for intra-Community relations in the long term.

That is the basic position of the Committee on Agriculture and the Subcommittee on Fisheries on this issue. These remarks should give the Commission and the Council an indication of how Members of Parliament would like to see a gradual development in the fisheries policy in the areas that have been outlined. In this connection I would like to say, Mr President, that for these reasons we reject the amendments of the Irish Members, because they involve a different compromise. There is no doubt that they represent what might be a halfway house to the objectives set by the Committee, but they would mean substantial changes to the committee's report, and as I have to defend this report I recommend that you reject the Irish Members' proposed amendments, but perhaps forward them to the Commission to use in its further consultations on areas dealt with in both reports. That was what I had to say, Mr President.

President. — I call Mr Hughes.

Mr Hughes. — Mr President, it seems to me wholly fitting that at the January part-session we should have these three reports and resolutions on fisheries because, as you will well recall, the Roman god, after whom this month is named, Janus, has two faces: one looking back and the other looking forward. The resolution in my name, unlike the two proposals in Mr Klinker's name which are very forward-looking, in some cases to a distant future — I think it may well be some years before we have a fully operational Community coastguard service — is very much a recapitulation of the position which this Parliament has painfully arrived at over the last 2 to 3 years. But in the end it has arrived at in a position of unanimity. The resolution which I am moving contains virtually no new elements. This a recital of where this Parliament has got to, and is in stark contrast to the apparent — and I use the word apparent advisedly — impasse that has occurred in the Council of Ministers, which has made, over the last 12 months, very considerable progress indeed towards finding a solution to the fisheries problem.

It is too easy for those commenting on the workings of the institutions of this Community to point out the absence of a final agreement and forget that, in reality, while we would still wish for that final agreement, under the continuous help and prodding of Vice-President Gundelach and Parliament, the Council of Ministers has moved a very considerable distance along the road to finding a solution and that although there remain very deep and important divisions I am not without hope. But it could be argued that it was inopportune to raise this debate and this resolution at this delicate position in time when the new French Presidency is taking over, and when there are some uncertainties as to when the next Council debate on fisheries should take place. I make no apology either for myself or for the Committee on Agriculture, for having tabled this as a matter of urgency, and I thank the Presidency and the Bureau for putting it on the agenda.

The search for a solution has at long last come to find at its heart the clear acceptance of the need of conservation of the real marine resource as the first base. Unless you conserve the fish resource base, not just on a one-year basis, but on an on-going basis, then you can make what plans you will, but there will be no fish for planned fishermen to fish. There has been a grave risk, which I think is now diminishing but is still present, that we were in danger in the Community of having heated arguments about paper fish that would never be spawned. The core of this whole proposal and the position that this Parliament has taken up is that the biological conservation of resources is the first element, and that thereafter there flows a number of inevitable conclusions.

I would note in particular the need to give a high preference — and I carefully do not say an exclusive

right — to the needs of those communities that depend almost exclusively on fishing for their livelihood. If I may, I would interpose here my personal thanks to Commissioner Gundelach who today, in the middle of a very hectic programme, took time to see representatives from the Shetland Islands who epitomize, in a very stark form, the problems facing remote communities, bereft of any other economic base, in the long-term, whatever accident North Sea oil may temporarily throw in their way. Both Parliament and the Commission in all its proposals have seen that the need to deal with that sort of problem area is important. It is a significant element in Commissioner Gundelach's commitment to their need that he took time to speak to these representatives from Shetland today and I thank him on my own behalf, and I am sure on their behalf, for his great courtesy.

But turning back to the actual motion for a resolution, I think it would bore the House to go through it in great detail. There have, however, been two amendments. Amendment No 1 by Mr Klinker, which alters paragraph 15 in line with his own proposals, which are the subject of this debate, as well states that the form of fishery inspection within the Community zone, should, in the initial phase, be based on national inspection systems but should later move to a more Community scheme.

The other amendment, Mr President — since it is in your name, I doubt if you would rule out of order from the chair — to paragraph 18 is an attempt to acknowledge in this resolution, and to correct, the fears that arose out of the problems in the Baltic last year, and I would urge Parliament tomorrow to accept both those amendments, including that of Mr Klinker. There may be minor verbal problems, but I would urge the Parliament to accept both of amendments, and since technically as President you are not in a position to move the amendment standing in your name, I would formally move them so that they can at least be voted on tomorrow.

Although we haven't got an agreement as yet, although time is not on our side if we wait too long to get it and negotiations with third countries, as we have always argued are held up and made more difficult by the absence of an internal agreed fisheries policy, already both in this House and those outside concerned in the fisheries industry are looking to the future and looking at how the fisheries industry of Europe can progress. I am thinking of a proposed conference in Hull which my friend, Mr Prescott, has been deeply involved in and I very much hope that I will be able to attend along with representatives from many other countries; but this is not exclusive to Hull. And it is this forward-looking element that I think we should stress in the whole of the debate.

I then finally, Mr President, turn to the Klinker report, and in order to save the time of the House I am now not

Hughes

speaking as rapporteur on my own report but as spokesman for the Socialist Group. As we indicated by our vote in the Committee on Agriculture we are in favour of this report. I have certain reservations as to the precision of timing involved in it, as to whether by 31 December 1981, as suggested in the Annex, some of the things proposed can be brought into being. I think it is at times, if I may say so, radically ambitious. We then also have a difficulty as I see it, even though the opinion of the Legal Affairs Committee gives some comfort, as to how far fines levied in Member States can become by 1 January 1981, even pursuant of Article 201 of the Treaty, treated as an own resource of the Community. I think there might well be both legal and time slippages on that problem. I wonder whether, though, in view of the number of amendments put down by some Irish Members of this House which we have had no chance to look at in the Committee on Agriculture, I could finish by looking at these, because it seems to me that one is faced really with the problem of nomenclature rather than of content. In English a coast-guard service means one thing in the United States and something very different in the United Kingdom. What is meant by it in this document is something very different again. In the United Kingdom sense a coastguard service is not a branch of the military. It is composed of people who man outposts looking out to sea to see if seamen are in distress. The American coast guard service preceded the creation of the United States army and navy and was a customs protection service in its first inception. Now, what is proposed in this document under the name 'coast-guard services' is neither of those things. It covers the problems facing fishermen and mariners throughout the Community. If I may use an example: in the new oil terminal in the Shetlands, there are problems of the provision of navigational aids, buoys, lighthouse and so forth and in the United Kingdom that is the responsibility of the Commissioners for Northern Lights whose office stretches back into the depths of antiquity. I would see ultimately that the provision of navigational aids and the prevention of hazards to seafarers and consequently to fishermen could well be an area that extends beyond the specific and natural interests of the nation state whose littoral it is. A recent conference on the legal problems facing the police force, the navies and the coastguard services of Norway and the United Kingdom with regard to oil rigs that span the medium line between the two countries brought very clearly into focus the fact that you can have an oil rig with five arms, two of which are in Norway and the other three in the United Kingdom, and over which, if anything happens on those rigs, neither the United Kingdom nor Norway has effective control, as well as the fact that internationalization is here an inevitable and desirable move. I hope my Irish colleagues will not make the mistake of believing that what is meant is the creation of a quasi-military marine surveillance authority. If I thought that that was what Mr Klinker's proposals were leading to, my reservations would be much greater. Although the word 'coastguard' has got connotations in the English language which I think are absent in both French and German, in so far as my

knowledge of those languages enables me to judge, we must not let the language blind one to the reality, which is that the Community as a Community must in the long term be involved in marine pollution control and the interests of all seafarers.

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

Mr Corrie. — Mr President, I am sorry to see yet again that when we debate the problem of finding a solution to a common fisheries policy, this Chamber is almost empty. Perhaps it is the later hour, perhaps it is because it has all been said before and as yet there is nothing new to say. Members in this Chamber seem to be as scarce as fish at sea.

I would, however, congratulate Mr Klinker on his two reports, and the tremendous amount of work that he does do within the Committee on Agriculture on fishing, as does Mr Hughes, and I would support his motion for a resolution.

I am sorry to say I am pessimistic and I cannot now see any agreement coming forward until at least the autumn, because I am sorry to say I do not think there is the political will in the Council from a number of countries to bring that about and we have got the direct elections intervening. There seems to be a feeling in the Council that the longer we take to reach a decision, the more chance there is of a British Government — whatever colour in is — caving in. Well, I do not think that is going to happen.

This Government and the next one is determined to protect the fishing industry in Britain, because the fishing industry is too vital to let go, particularly, in the peripheral regions. That is where the unemployment is worst at the moment, 20 and 30% in places. The modernization within the industry is causing enough problems without any cutting back in the catching effort. I do not think, honestly, that the other eight countries in many ways understand the make up of the British fleets or in particular of the Scottish fishing industry. We are not talking about large industrial concerns. We are talking about small villages in remote areas, many on islands with generations of families having been involved in fishing. We want to see that continue.

It is an interesting statistic that one purse sea netter with a crew of ten, catches about as much fish as ten smaller boats using other methods with a crew of eight. So one boat is in fact taking up the jobs of about eighty men and that is progress and you cannot stop progress. So any fleet restructuring must entail a controlled rational building programme in relation to the stocks which are available for exploitation, otherwise a tremendous imbalance could take place.

Corrie

The longer it takes to find agreement the more difficult it will become because stocks are rapidly diminishing. There is less to divide out and more dissatisfied fishermen. I wonder if the Commission can give us any idea on stocks over the last year or two and whether the conservation measures that we have put forward are in fact working for the various species. Because, as more and more areas are closed off, the pressure increases on those that are left open. When the West Coast of Scotland was shut off, the Clyde estuary was simply cleaned out. Yet the fisherman in the Clyde estuary had carefully controlled their own catches for years before, to make their stocks last and now they have gone. Where is the justice in it all? As the Commissioner knows and as Mr Hughes has said, there is a delegation here from Shetland in the gallery tonight, and I would add to what Mr Hughes has said in thanking you publicly, Commissioner Gundelach, for having seen them, because in many ways their interests are very much in line with the ideas that you have put forward and we do realize how precious your time is. And they have the same sad tale to tell: catches down 40%, hundreds less jobs, because pressure has come onto them from the North and the West and the East and the inshore boats are being squeezed up the beaches. And what are they saying? They say, look at the Faroe Isles, they opted out of the Common Market, they have now protected their fish with limits and they have a thriving fishing industry, and here are we, we joined the Common Market, we supported it for protection and what are we getting? We are getting squeezed from all sides. Here, like the Clyde, is a prime example where a fishing plan is needed to look after the interests of the fishermen.

What of present proposals? Mr Silkin put forward his idea on the 23rd and 24th and they were rejected outright. These were, as far as the Scottish fishing industry is concerned, absolute minimum proposals, so there is still a long gap between the countries. But I think perhaps that this is because there is a misunderstanding and many people in the other eight countries say, well what on earth is it that you do want? The Silkin proposals encompassed the principles which the industry would like to see established. What are those principles? The industry feels that the fish are a British resource; this is a burning issue. Above all the individual State should have the right to take non-discriminatory unilateral conservation measures where and when necessary as given under the Hague agreement. This means Britain should be able to retain the right to introduce conservation measures where it is obvious for political or other reasons that the EEC Commission or Council of Ministers is unable or unwilling to introduce the necessary and appropriate measures. And this should remain a fallback position should all else fail, to give the industry some degree of safeguard for the future. The Scottish fishermen also hope that there will be an entrenched percentage share of quotas, the application of a growth formula and, as I said, a comprehensive conservation regime. The

industry is intent on looking after its own, and so it should be in the present climate.

That is how far apart Britain and the other Eight are. But are they? I think if we look closely at the proposals that the Commission have put forward we are in fact much closer than many people think. It is also my contention that if fishermen get together and discuss these problems rather than politicians, we might reach some better conclusions. The motion for a resolution encompasses all that has gone before, as Mr Hughes has said. It shows how far politicians in Europe have come together to try and agree. There will never be a time when the fishermen of the Nine can agree. There are too few fish left for that to happen. Perhaps if some of these proposals were enacted and stocks were allowed to build up once again, we could see a thriving fishing industry in all the Community waters. I hope the Commission and Council are therefore not just going to sit back and hope a solution will evolve. It will not, and even if it did there would by then be no fish left to fish.

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

Mr Halvgaard. — (DK) It seems to me paradoxical that we should be discussing reports Nos 441/78 and 442/78 on the inspection of fishing activities and the surveillance of fishing grounds and on the equipment available for such inspection procedures at a time when a decision has still to be reached on a common fisheries policy.

Assuming that a common fisheries policy will place restrictions and limits on fishing, some form of supervision and surveillance of fishing grounds will certainly be necessary, and will depend on the nature and purpose of the restrictions at any given time. I agree that a common fisheries policy should include common surveillance measures. I can therefore go along with the general ideas behind the two reports, albeit with the reservations I mentioned earlier. It is, however, a deplorable fact that, despite countless meetings in the Council, the Commission, in committee and in this House, we have still not reached a decision on a common fisheries policy. I think this amounts to an insult to those dependent on fishing, who are forced to live with this constant uncertainty as to what the Community may one day decide in respect of them. For centuries, peoples throughout the world have fought bloody battles over territorial frontiers, whereas the freedom of the seas has been respected right up to the present day, although seven-tenths of our planet's surface is covered by water. It was therefore an event of historical importance — indeed, a new chapter in the history of the world — when, in the 1970s, the first steps were taken towards distributing and allocating marine resources and deciding how fishing grounds should be conserved. There were many reasons for this development, and the problems which gave rise to the present situation revolve not only around the question

Halgaard

of fish, but also — and even more so — that of oil and protein.

Looking at this from the point of view of the fishing industry, the limitations must be seen in the light of the fear that fish stocks will be ruthlessly exploited as a result of constant improvements in fishing techniques, the fear that the sea is about to be fished clean. This anxiety has, for instance, given rise to a great deal of disagreement among marine biologists and a good deal of friction between fishermen on the one hand and biologists on the other. I believe this to be a hysterical reaction. The fact is that wherever fish are caught, the remaining fish have less competition for the available food and hence a better chance of survival.

It is highly likely that in the future we shall have to go in for fish farming to a much greater extent to produce the particular kinds of fish we want. We are notoriously conservative in our fish-eating habits, and in the same way as our forefathers decided which kinds of cereals or other crops to cultivate, we should now take the same steps to cultivate our marine resources. In other words, we should be motivated by the same considerations as we apply to agriculture.

I think that all this talk about the sea being fished clean is wildly exaggerated, and the disagreement among marine biologists and fishermen confirms this view. In any case, it will balance itself out: if the stocks of a particular kind of fish are declining drastically, it will no longer be profitable to go after that kind of fish, and there will then automatically be a close season during which the population can recover. A case in point is the turbot, which all but disappeared about a dozen years ago, but is now once again present in abundance.

If restrictions and limitations on catches are to be introduced, the current quota system is in my view a most unsatisfactory solution, which has given rise to a great deal of injustice and discontent, and which is difficult and costly to implement. It is a basic principle of the European Community's fisheries policy that every Member State's fishing fleet should be able to catch fish in the other Member States' fishing grounds on equal terms with that country's own fishing fleet. We should therefore be quite adamant that no one fishing fleet in the Community should be given preference in national or international fishing grounds over any other Member State's fishing fleet, and there must also be full freedom and equality as regards the landing and selling of the catch.

If we depart from this simple rule, we shall be on the slippery slope which might lead to a nasty tumble for the Community. Assuming that catches of particular kinds of fish must be restricted, a close season is far preferable to quota restrictions and much easier to supervise and implement, especially when it comes to surveillance of fishing vessels from non-Community countries, in accordance with the agreements which must be concluded. In other words, a simple rule such

as this one — by contrast to the present confusion of regulations and restrictions — would mean that all the Community's fishing fleets would be free to cast their nets everywhere in the Community pond, so long as the close season provisions were adhered to. These provisions would have to be laid down by the Community, and the Community fleets would be free to fish within national territorial fishing waters and zones, so long as they respected the close season and restriction provisions which would have to be laid down by the country concerned. All the fishing fleets within the European Community would then operate on equal terms and would be free to compete with each other. This would uphold the basic principle behind the Community's fisheries policy, and this should be the main concern of the Council, the Commission and of this House.

IN THE CHAIR: MR BERKHOUWER

Vice-President

President. — Ladies and gentlemen, before I call Mr McDonald, I should like to make a brief announcement regarding the agenda.

It is true, as Mr Corrie said, that the attendance at this debate is somewhat sparse, and that is something of an understatement. It is also true that the proceedings should in normal circumstances be interrupted between 8 and 9 o'clock. However, there has been some consultation between those who still wish to speak this evening, both for the Commission and from Parliament, and representatives of the staff. The conclusion was that it is perhaps better, in spite of our agreement, to complete our business. If everyone cooperates, we can finish our business by about 9 o'clock. Consequently, it will not be necessary to have an hour's break and then continue late into the night.

Since there are no objections, that is agreed.

I call Mr McDonald.

Mr McDonald. — Mr President, I will certainly comply with your wishes and be very brief. Nevertheless, I am very glad of the opportunity to intervene in this debate and speak very briefly on the three reports which are before the House.

I would like to compliment the Commissioner and indeed the Commission on the great efforts and the great concerted search that they have made for an equitable solution to this entire vexed problem.

My colleagues Mr Ryan and Mr L'Estrange and myself have submitted a series of amendments to the Klinker report, and Mr Hughes touched on the problem during the course of his speech. We agree with Mr Klinker and

McDonald

believe that what Mr Klinker set out to do is desirable and necessary; but I hope the House will understand that we cannot accept the way the rapporteur proposes to deal with the problem.

There are a number of reasons why I say this. To talk of a coast-guard service is unnecessary and goes, I think, far beyond the principles of the Economic Community: in no other area of economic activity throughout the Community have we got this kind of service, and the amendments we have tabled will certainly, I think, achieve the very same result through cooperation between the nine Member States, surveillance services of the various fishery departments and, of course, the Commission. I think therefore it is absolutely unnecessary to introduce what might amount to a new arm of NATO into the service. I would like to remind the House that, as Members representing the people of the Irish Republic, we must at all times defend our right to our sovereign territory and also our neutral status: this, I think, we must jealously guard.

It is my considered opinion that the methods Mr Klinker proposes will not achieve anything more than what can and will, I hope, be done by close cooperation between the national governments, the various naval services and the Commission. Of course, I think it is necessary that certain measures should be taken to conserve, control and to develop our fisheries right throughout the Community.

I would like to welcome the Hughes report, but at the same time call the attention of the House to paragraph 10, where Mr Hughes is particularly and, I think, unnecessarily tough on the Irish fishermen when he calls for the maintenance of very strict quotas and bans on fishing in the North Sea, the West Celtic Sea, the West of Ireland, the Irish Sea, the Mourne and Manx stocks and the Western seas. This is something that I would like the Commission to consider, because after all we have quite a number of fishermen here, and what do they do if the measures are made even stricter than they already are? You may very well say: what do we do with the whole thing? Stocks are fished out. But we must remind the Commission of the human element here.

On a number of occasions that I read of in the papers, there have been a few people fishing despite the various bans and regulations, and that is why I, too, agree that there should be an improvement in the surveillance and control services; from that point of view I welcome the reports that are before the House, but because we must defend our neutral status, my colleagues and I have submitted a series of amendments which I formally move. I hope that the House will consider them because we, after studying the problems, believe that the very same desired results can be achieved by cooperation and an organized exercise embodying the services of the nine Member States.

On the question of standardization, I think this too is highly desirable, but I wonder whether it is practical, having regard to the very varying conditions obtaining in the seas of the Community, and whether it will be possible to have a standard type of surveillance vessel to operate closer in to the shore in these differing waters. I think standardization should be introduced as far as possible, and at the same time I think we must be able to provide ourselves for the seas around the coasts of the Community.

So I would like to thank the people who have worked so hard in preparing these reports. I hope the House will extend understanding to our own particular situation and accept the amendments we have tabled, which will certainly regularize the matter as far as my country is concerned.

President. — I call Mr Nyborg.

Mr Nyborg. — (DK) Mr Halvgaard has already dealt with the first two questions in this debate, so I shall not cover the same ground again. But as regards Mr Hughes's motion for a resolution, I must say that, if we study this document more closely — and it seems at first sight to be an extremely reliable and accommodating document to all concerned — and if we look more closely at the background to this document, the influence of the United Kingdom's fishing policy is there for all to see, and I must most urgently warn against voting for this motion for a resolution.

President. — I call Mr Gundelach.

Mr Gundelach, Vice-President of the Commission. — Mr President, I want first and foremost to thank the two rapporteurs, Mr Klinker and Mr Hughes, for their usual excellent work. I furthermore associate myself with Mr Hughes's remarks on the Hull conference.

I shall admit that I have been among those who were reluctant to enter into this debate, since we have discussed at length in this House in the past, and have arrived at a very high degree of consensus between the Parliament and the Commission in regard to, the future common fisheries policy and the urgent need for it. It is the narrow interests of all members of the Council, Mr Corrie, I am not here to allot any particular responsibility, the narrow interest, maybe the fears, of members of the Council which has blocked progress.

My attitude tonight will be characterized by something a renowned European statesman once said when he was confronted with the statement which I have previously used about the common fisheries policy: 'we are doomed to succeed'. The statesman answered, no one is ever doomed to succeed — one either succeeds or one does not. There is only one thing to add, and that is one must never retreat, at least not without thinking more than twice. And that is the conclusion I would draw here tonight. We have arrived, in this House, basically

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at what is needed of a common fisheries policy. Let us not retreat from it. Let us go on pressing it, and let us not lose heart because there are difficulties in the third institution of the Community. And let us not allow that to eat into the broad agreement which has been established in this House, because that has a very significant political value. It is one of the areas, I do not hesitate to say, where the European Parliament has been most successful in its activities and has the greatest impact on general policy-building in the peoples of Europe. Do not retreat. Do not retreat from the agreement reached.

I agree that in most ways the resolution submitted by Mr Hughes does recapitulate that agreement reached in previous debates. I will not hide that there are some paragraphs where I have a concern, and a doubt — it is not explicit, or because there is a new element. Let me quote an example. After dealing with the question of the twelve sea miles, which have been proposed by the Commission. There may be some doubts as to how one organizes fishing within the twelve sea miles. In accordance with the Commission's proposal, historic rights have to be respected. But fishing can be subjected to fishing plans, and the historic rights can be subjected to the controls and limitations of the fishing plan. That is the reason why we are suggesting fishing plans. And later on the resolution suggests some special research for local communities highly dependent on fish. I am not quoting literally but that is the fundamental idea. The fundamental idea of paying special attention to local communities which are highly dependent on fishing, and have precious few other alternatives, is naturally something the Commission not only agrees with but has been militant in defending right from the beginning. It was one of the main elements in the first instruments of the common fisheries policy, the Hague Resolution of Autumn 1976. There is reference to three major areas, but not exclusively. Certainly areas like the Shetland Islands fall within that category, and even fall in the categories which were mentioned in the resolution at The Hague.

But I do not believe that we simplify or we make the adoption of the fishing policy easier by the introduction of the notion of a new zone over and above the twelve miles and the areas where, outside the twelve miles, the Commission has proposed, and will show the necessary flexibility in its future proposals, to use fishing plans. Because we do believe that the fishing plans can do the job, by limiting and controlling fishing efforts to correspond to quotas, the quotas being so to speak the denomination, because of course we agree Mr Hughes, as always, that quotas in themselves are not enough. The fishing plans are the main element to accompany them, to see to it that the quotas, the denomination, the currency in which one can distribute their allowable catches, are respected. And we do believe that these fishing plans, which can be different according to differences in biological situation, in accordance with differences in the social-demographic situation of the

fishing population in bordering areas, are the main tools through which the quota system can be made, so to speak, credible in a modern world. And I would not like to see that further complicated by new concepts and different zones.

I would also like to add that, of course, the fishing plan has the purpose, as I indicated, to sustain the quotas if there is, and there will be, preferential treatment. There I must say to the honourable Members, Mr Halvgaard, who addressed themselves to this subject, that there are in the Hague agreement certain preferential aspects which have been agreed upon and must be honoured. Others who find themselves in a similar situation must also have the same treatment. But that preference must be expressed in the quota allocation, and the fishing plans must then sustain it and see to it that life is lived accordingly. What the Commission cannot accept is that the fishing plans in themselves become an element of discrimination or of preference or hindrance of the normal execution of fishing. That we could not. And maybe it was on that point that there were some slight difficulties between Mr Silkin and the Commission, difficulties which I believe have to a large extent been overcome in the meantime. And therefore I do not look upon this too tragically, but it is of importance.

Hence, we are also agreed on the way the quotas are established. They must take into account the historic pattern, that is, the way in which fishing has been developed in the past. That must be corrected — as we have said previously and let us repeat it again — taking account of these regional interests to which reference has been made, and of such phenomena as losses which have often been significant in third country waters. Otherwise we will not arrive at an equitable sharing of burden or an equitable sharing of fishing, which is after all the only valid basis for a Community fishing policy. It is on that basis that the Commission will once again for 1979 establish a quota proposal going the whole way, taking these elements into account, and thereby providing the Council, when it meets in February, with a concrete basis on which to debate. Likewise we will develop our ideas in regard to fishing plans in accordance with what I have been stating here, which I think is fully in accordance with the thinking of the European Parliament — in a concrete form which can form the basis for, I hope, a broad agreement in the Council. That will at least take us a significant step forward. There are some outstanding issues to be settled in the field of conservation of fish. Of course we must conserve our fishing stocks, otherwise there is nothing for future fishermen to fish. We are not conserving in order to establish an aquarium. We are conserving in order to preserve the economic validity of the fishing industry.

There are a few outstanding issues, but a lot have been settled, and that is the point on which to express agreement with Mr Hughes: even if we have lamentably failed to have a total agreement up till now, there has

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nevertheless in many other respects been very considerable progress, built up stone upon stone. Therefore, let us not retreat, let us press on. There are not so many outstanding conservation problems to be solved. But it is important that they should be solved. We must agree on a quota system with the fishing plan system, otherwise we will have the kind of difficulties to which Mr Corrie was referring. We have taken some specific conservation measures which, by the way, worked very well. The herring population is coming back, we were right! We are building a new basis for a new profitable herring fishing industry. But then people have turned to mackerel, and since there have been no quotas agreed the mackerel stock is being over-fished.

Here I must say in all candour that no one Member State is more conservationist minded than the others. Because when I see the catch figures for 1978, over-fishing has been taking place. That is one of the unfortunate results of not having a fishing policy. And the one nation which claims to be more conservationist minded than all the others had done the most overfishing, and has in particular been fishing mackerel in a way which is a bit alarming. So therefore let us not blame one another, but consider this as a joint exercise. All governments are human beings subject to temptations. Therefore only an equitable common solution can safeguard everybody.

In this context I must express reservations regarding the notion of the maintenance in the future of total freedom — which does not exist by the way now, it is subject to a Community procedure — for a nation to take conservation measures on its own. It is necessary to have a safeguard measure, but it must be subject to some kind of Community control, otherwise the risk of using conservation measures for other purposes than conservation strictly speaking is too great. Exactly where the balancing point lies I do not know, but there is a proposal on the table which is not too far away from what seems to be agreeable to everybody in the Council. Mr Klinker's ideas about control are extremely interesting. Control is necessary otherwise no system will have credibility. There is already need for a strong Community element in that control similar to that in the EAGGF. But the creation of a physical force which is the property and is manned by the Community is something which belongs to the future. I think the model is good, and I like the European thinking which is involved in it and I welcome the fact that this idea is being put forward on this occasion because it is also necessary to look a bit further ahead. But it is for the future. In regard to the nature of the so-called coast guard, I agree entirely with the interpretation which Mr Hughes has given to it, and for the same reasons I do not think anybody ought to be too frightened by it. I welcome Mr Klinker's report, but I must naturally say it is not for today or tomorrow but for later. However, we will take it into account in planning our future fishing policy.

President. — I note that no one else wishes to speak. The motions for resolutions and the amendments which have been tabled will be put to the vote at the beginning of tomorrow's sitting.

The debate is closed.

16. *Directive on straight feedingstuffs*

President. — The next item is the report (Doc. 545/78) by Mr Halvgaard, on behalf of the Committee on Agriculture, on the

proposal from the Commission to the Council for a directive amending Directive No 77/101/EEC on the marketing of straight feedingstuffs.

I call Mr Halvgaard.

Mr Halvgaard, rapporteur — (DK) The intention behind the Council's draft directive is partly to supplement directive No 77/101 of 23 November 1976 on the marketing of straight feedingstuffs by certain technical provisions on the packaging and labelling of straight feedingstuffs, so as to make the consumer more aware of the contents of the package. The second aim is to fix a date from which the Member States will be required to pass legislation or take administrative measures to comply with the directive on straight feedingstuffs.

It is now proposed that this date, which was laid down in Article 15 of the directive as 1 January 1979, be deferred to 1 January 1980. The legislation on the marketing of straight and compound feedingstuffs constitutes an inseparable whole, and the aim in setting a deadline is to ensure that the directives on straight and compound feedingstuffs come into force on the same date. The Council still intends to issue a directive on compound feedingstuffs, and experience has shown that the Member States still need a certain amount of time to incorporate the Community regulations on feedingstuffs into their national legislation.

The delay in the implementation of the Community regulations on feedingstuffs is due mainly to the many amendments and modifications which are needed to keep the legislation on feedingstuffs up to date with technical developments. In view of the amendments which will have to be made to the directive on straight feedingstuffs, it has proved impossible to stick to the 1 January 1979 deadline, in addition to which it would appear advisable to have the directives on straight and compound feedingstuffs come into force at the same time, so that we can take account of the interaction between the trade in straight and that in compound feedingstuffs and thus prevent distortions on the market. This means that a Community organization for both types of feedingstuffs can be brought into being and implemented in the Member States, and that

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legislation on feedingstuffs in general can be applied in the appropriate manner.

I would therefore recommend on behalf of the Committee on Agriculture that this report be approved.

President. — I call Mr Gundelach.

Mr Gundelach, Vice-President of the Commission. — Mr President, I am very grateful to the rapporteur for his report and for the resolution which has been tabled and which is acceptable to the Commission.

President. — I note that no one else wishes to speak. The motion for a resolution, as it stands, will be put to the vote tomorrow morning. The debate is closed.

17. *Directives on brucellosis and tuberculosis*

President. — The next item is the report (Doc. 544/78) by Mr Durand, on behalf of the Committee on Agriculture, on the proposals from the Commission to the Council for

- a directive on brucellosis, tuberculosis and swine fever and prolonging certain derogations granted to Denmark, Ireland and the United Kingdom;
- a directive authorizing the Italian Republic to postpone the notification and implementation of its national plans for the accelerated eradication of brucellosis and tuberculosis in cattle.

I call Mr Liogier.

Mr Liogier, deputy rapporteur. — (F) Mr President, as deputy for Mr Durand who is unable to be present, I propose that this report, to which there seems to be no opposition, be adopted without debate.

President. — I note that no one else wishes to speak. The motion for a resolution, as it stands, will be put to the vote at the beginning of tomorrow's sitting. The debate is closed.

18. *Regulation on the market in hops*

President. — The next item is the report without debate (Doc. 572/78) by Mr Früh, on behalf of the Committee on Agriculture, on the

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.

I note that no one wishes to speak. The motion for a resolution, as it stands, will be put to the vote at the beginning of tomorrow's sitting.

19. *Natural disasters in the Ardèche region*

President. — The next item is the motion for a resolution (Doc. 571/78/rev.) by Mr Liogier, on behalf of the Group of European Progressive Democrats, on the natural disasters in the Ardèche region.

I call Mr Liogier.

Mr Liogier. — (F) Mr President, ladies and gentlemen, as you know, the Ardèche is a mainly agricultural but poor and underprivileged department of France.

Huge fires broke out at the end of the summer in the southern part, which is low-lying and very dry. By the end of October there had been 600 outbreaks and 3 500 hectares of woods, moorland and pasture land had been devastated. Things got even worse towards the end of November, as there was no let-up in the exceptionally dry weather. By 4 December there had been 698 outbreaks of fire, affecting 7 250 hectares. The last fire which raged in the south of the department devastated more than 3 000 hectares.

In order to combat disasters of this magnitude, the Ardèche had to call on outside help as well as on all its own resources. Firemen from other regions, sometimes very far away, were brought in, as were helicopters and Canadair firefighting aircraft and all kinds of other equipment to fight these fires. All this, of course, cost a great deal of money.

It meant a tremendous bill for the Ardèche department, whose finances were already strained. The department cannot properly compensate the people involved for all sorts of damage they have suffered, both materially and otherwise. An initial estimate of the damage by the department's office of agriculture indicates a figure of about 5 million francs. Unfortunately, however, the final figure may well be much higher. I could also add that the dry spell was so bad that even outside the disaster area thousands of fruit trees and various other varieties withered and are still withering.

Moreover timbers never come singly. Now, on the high plateau of the Ardèche, swept by a fierce wind which the locals call the 'burle' and which can produce massive drifts in a matter of hours, the department has been hit by a new disaster, which still persists, in the form of heavy snow, black ice and consequent fearful conditions. The roads and railways were hardly open before they were blocked again. Thousands of electricity and telephone poles have been brought down, isolating people and cutting them off from electricity, light and the means of communication, in spite of tremendous efforts by the electricity authority, the post office, the highways department and local authorities to restore order.

As for the considerable losses which people have suffered — and these losses also affect one or two

Liogier

border areas on the edge of the Ardèche, in Lozère and Haute-Savoie — it has been impossible to establish them with any accuracy until now, because they are so varied. Milk could not be collected, in this area where milk is the chief source of income. Freezers, which almost all the farms have, went off when the power failed and all or part of the year's provisions which they contained were lost. Outhouses have collapsed. And work has been disrupted or brought to a halt in places like sawmills or in the craft and business sector.

I shall not go into any more detail because radio and television — particularly the latter with its alarming pictures — have given wide coverage to the misfortune which has daily plagued my unlucky fellow-countrymen.

Ladies and gentlemen, I am relying on your feelings of active solidarity, which you have already proved on the occasion of other disasters in other areas and which you proved again on Monday evening, when the urgency of this debate was adopted unanimously.

President. — I call Mr Gundelach.

Mr Gundelach, Vice-President of the Commission — Mr President, the Commission has taken full note of the points so forcefully put by the honourable Member, Mr Liogier, about the effects of fires and snowfalls in the Ardèche region of France. However, it would be unreasonable for me to pretend that I can give an immediate positive response on the Commission's behalf. There are a number of reasons for this.

First, the Commission had not received any particular information about fires in the Ardèche at the time they broke out, and no request for such aid has up to now been made to the Commission. It is, of course, of great importance, if we are to meet the criteria of an emergency, to be put in a position to make a decision and if necessary a grant, as quickly as possible.

Secondly, the Commission decided in July last year to confine its aid to natural disasters. This is not a bureaucratic quibble, but the necessity of being able to use our limited funds in a reasonable manner. With regard to the snowfalls, the motion for a resolution points out that subsequent and recent snowfalls have aggravated the situation. We have absolutely no doubt

about this, but we must equally have in mind that heavy snowfalls and subsequent flooding have affected large parts of the Community, and given the limited funds at our disposal it would not seem to us even-handed to single out one particular area for assistance in these circumstances.

The Commission does not therefore lack in any way sympathy, but it has to try both to be even-handed and to develop its criteria for intervention in a realistic way. I shall naturally ask that all the additional information presented in this House should now be further but urgently studied by the Commission, and I will undertake this, but I could not at this stage commit the Commission any further.'

President. — I note that no one else wishes to speak. The motion for a resolution, as it stands, will be put to the vote at the beginning of tomorrow's sitting.

The debate is closed.

20. Agenda for next sitting

President. — The next sitting will take place at 9 a.m. tomorrow, Friday, 19 January 1979, with the following agenda:

- procedure without report
 - voting time
 - Squarcialupi report on noise emitted by compressors
 - McDonald report on agricultural and forestry tractors
 - Bruce report on ship inspection
 - question with debate to the Commission on the protection of the mother and child in the EEC
 - question with debate to the Commission on social security in the Community
 - question with debate to the Commission on Community policy on the family
 - Pintat motion for a resolution on the energy situation in the Community
 - question without debate to the Commission on titanium dioxide.
 - question without debate to the Commission on poultry
- End of sitting: voting time*

The sitting is closed.

(The sitting was closed at 8.35 p.m.)

ANNEX

*Questions which could not be answered during Question Time, with written answers**Question No 11, by Mr Spicer*

Subject: Eradication of rabies

Will the Commission state what progress it has made in drawing up the report on the eradication of rabies promised by Mr Vouel on its behalf in the European Parliament on 12 May 1978?

Answer

The question of the eradication of rabies was included in the communication on veterinary policy which the Commission presented to the Council and Parliament in 1978. The Commission consequently agrees that action at Community level is necessary, as is collaboration with WHO.

Such action, however, has to be placed so as to assure other necessary actions in the veterinary field, of which some must be given high priority. The working programme established by the Commission indicated the urgent need for appropriate staff, a need which was agreed to by the Council and Parliament but which has not yet been met by the Budgetary Authority. In these circumstances the Commission will further the necessary action with regard to rabies as fast as the staffing situation allows.

Question No 22, by Mr Power

Subject: EMS and lending rates

Now that the EMS is getting under way, does the Commission foresee a reduction in the lending rates on the commercial banks?

Answer

1. The lending rates of the commercial banks vary from one Member State to another, and within each State they are fixed in accordance with supply and demand on the various credit markets (building loans, investment finance, short and long-term credit).

Credit supply or demand depends not only on the exchange regulations of the countries in question but also on economic developments, investment return, propensity to save, inflationary expectations and economic and monetary policy. Consequently, to forecast how rates will develop would be guesswork, since there are numerous markets and a large number of factors which are likely to have an upward or downward influence on the lending rates on these markets.

2. However, it is possible to offer an opinion on the trend which the EMS would be likely to produce in the banks' lending rates, although it must be remembered that this trend might be accentuated or offset by other factors not directly linked to the EMS.
3. If the system is to operate in a harmonious and lasting fashion, there must be an alignment of inflation rates at the lowest possible level, without any deflationary effects. The policies which will be implemented by the governments of the Member States in order to align inflation rates at a reasonable level should have a favourable influence on inflationary expectations and therefore reduce the 'inflation bonus' included in nominal national interest rates, particularly in the lending rates of the banks.

This will be only a gradual development, however, and a sustained effort will be required. Furthermore, it might happen that credit markets come under pressure temporarily, should the monetary authorities adopt restrictive measures — for example, in order to combat excessive fluctuations on the exchange markets.

Question No 23, by Mr Herbert

Subject: Pilot scheme to combat poverty

What success has the Community's programme to combat poverty had in Member States?

Answer

It may be said that this very important programme to combat poverty has had great success.

Its principal achievement has been to awaken interest in the problems of combating poverty.

This is clearly shown by the fact that the programme was originally intended to cover a period of two years, but in December 1977 the Council, with the unanimous support of the governments of the Member States, decided to continue and extend the programme for a period of three years.

The financial resources of the programme, which is experimental, are limited, and as a rule the projects are scheduled to continue until 1 December 1980. It is therefore not possible to indicate the final results.

I can supply the honourable Member with the following information:

— On Community publications:

1. On 14 January 1977 the Commission published a first progress report on the first year of the European programme of pilot schemes and studies to combat poverty (COM 718 final);
2. In May or June 1979 the Commission intends to publish a second report covering the period from 1 December 1975 to 1 October 1978;
3. The Commission has begun work in preparation for the final report from the Commission to the Council and the European Parliament which, in accordance with the Council Decision of 12 December 1977, must be submitted by 30 June 1981.

— On national publications:

1. Progress reports and results of projects or studies have been regularly published by project leaders in almost all the Member States;
2. The projects are fully covered by the media and are likely to be better known as they progress;
3. In December 1978, in preparation for the final report from the Commission to the Council and the European Parliament, the Commission approved a proposal for the preparation of eight national reports (the Belgian report will include the report on Luxembourg) on poverty and combating poverty in the Member States of the Community. These reports will be drawn up between February 1979 and December 1980, and their publication is planned by the Commission.

Finally, I should like to thank the Members of the European Parliament, especially the members of the Social Affairs Committee, for the support and encouragement they have given the Commission in this field.

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IN THE CHAIR: MR MEINTZ

Vice-President

(The sitting 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:

— from Mr Berkhouwer a motion for a resolution, pursuant to Rule 25 of the Rules of Procedure, on the coordination at Community level of the activities of fisheries auxiliary vessels (Doc. 573/78),

which has been referred to the Committee on Social Affairs, Employment and Education as the committee responsible and to the Committee on the Environment, Public Health and Consumer Protection, the Committee on Agriculture and the Committee on Budgets for their opinions;

— from Mr Porcu and Mr Pistillo, on behalf of the Communist and Allies Group, a motion for a resolution, pursuant to Rule 25 of the Rules of Procedure, on the political situation in Turkey (Doc. 574/78),

which has been referred to the Political Affairs Committee.

3. Petitions

President. — I have received

- from the Association for a Charter for a Constitution of the European Community, a petition for a Charter for a Constitution of the European Community, based on the Declaration of the Rights of Man of 1789;
- from Mrs Reverdito and Mrs Haas, on behalf of the Uruguayan Women's Coordinating Committee, a petition on behalf of female political prisoners in Uruguay and their children; and
- from Mrs Villalon, representative of the delegation of the families of missing detainees in Chile — Chili Democratico, Rome — Political Front of the Chilean Left, Belgium, a petition on the situation of missing detainees in Chile.

These petitions have been entered under Nos 25/78, 26/78 and 27/78, respectively, in the register provided for in Rule 48 (2) of the Rules of Procedure and, pursuant to Rule 48 (3), referred to the Committee on the Rules of Procedure and Petitions.

4. Procedure without report

President. — The title of the Commission proposal designated for the *procedure without report* provided for in Rule 27A of the Rules of Procedure was announced at Monday's sitting. Since no Member has asked leave to speak and no amendments have been tabled to it, I declare this proposal approved by the European Parliament.

5. Votes

President. — The next item comprises the votes on the motions for resolutions on which the debate is closed.

I put to the vote the motion for a resolution contained in the *De Clercq report (Doc. 499/78): Second energy research and development programme*.

The resolution is adopted.¹

President. — We proceed to the motion for a resolution contained in the *Müller report (Doc. 404/78): Prices of agricultural products*:

I put the preamble and paragraphs 1 to 5 to the vote.

The preamble and paragraphs 1 to 5 are adopted.

On paragraph 6, I have Amendment No 1, tabled by Mr Klinker and Mr Früh and rewording this paragraph as follows:

6. Is convinced that it would be a great help in improving these structures if *producer groups and cooperatives* were to be built up in those countries and regions where undertakings of this kind have as yet had no influence on the market;

What is the rapporteur's view?

Mr Willi Müller, rapporteur. — (D) Mr President, I have no hesitation about accepting this amendment. The same applies to the other two amendments tabled by Mr Klinker and Mr Früh. The same remark applies to all three.

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

Amendment No 1 is adopted.

I put paragraphs 7 to 15 to the vote.

Paragraphs 7 to 15 are adopted.

On paragraph 16, I have Amendment No 2, tabled by Mr Klinker and Mr Früh and rewording this paragraph as follows:

16. Considers that the imbalances and surpluses on some markets at the present time are caused by, among other factors, the in some cases unlimited marketing guarantees;

I put Amendment No 2 to the vote.

Amendment No 2 is adopted.

I put paragraphs 17 to 21 to the vote.

Paragraphs 17 to 21 are adopted.

On paragraph 22, I have Amendment No 3, tabled by Mr Klinker and Mr Früh and adding the following at the end of this paragraph:

- ... and does not have an adverse effect on farmers' incomes;

I put Amendment No 3 to the vote.

Amendment No 3 is adopted.

I put paragraph 22, thus amended, to the vote.

Paragraph 22, thus amended, is adopted.

I put paragraphs 23 to 29 to the vote.

Paragraphs 23 to 29 are adopted.

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

The resolution is adopted.¹

President. — We proceed to the *Klinker report (Doc. 441/78): Inspection of fishing activities*.

We must first consider the amendments to the proposal for a regulation.

On the first recital of the preamble, I have Amendment No 4, tabled by Mr L'Estrange, Mr McDonald and Mr Ryan and rewording this recital as follows:

- Whereas the common system for the conservation and management of fishing resources calls for the implementation of this policy in the waters coming under the sovereignty or jurisdiction of the Member States, hereinafter called 'Community waters',

What is the rapporteur's view?

¹ OJ C 39 of 12. 2. 1979.

Mr Klinker, rapporteur. — (D) Mr President, I said in my speech yesterday that for reasons of principle I should have to reject all the amendments of our Irish colleagues. If the House nevertheless adopts these amendments, this will put me in an awkward position, since it will undermine the *rationale* of my report. It might then be better to send the entire document back to the committee. None of these amendments was submitted at the committee meeting.

President. — I put Amendment No 4 to the vote. Amendment No 4 is rejected.

I call Mr McDonald.

Mr McDonald. — Mr President, I should be glad if you would just take Amendment No 2: in that case I would be agreeable to withdrawing the others, if necessary. Amendment No 2 replaces the idea of a coast-guard service with 'coordinated inspection', and we believe that this choice of words will procure exactly the same result. We feel that in the Klinker report this passage, as it now reads, impinges on sovereignty and certainly is not something that we can accept, having regard to our neutrality and other considerations; so I would ask you, Mr President, just to put Amendment No 2 to the vote.

President. — Thank you, Mr McDonald, but Amendment No 2 relates to the motion for a resolution, whereas at the moment we are dealing with the amendments relating to the proposal for a regulation.

May I therefore conclude that the amendments relating to the proposal for a regulation are withdrawn and that we now have only Amendments Nos 1, 2 and 3 to the motion for a resolution?

Mr McDonald. — If No 2 is not successful, there is no point in putting the rest.

President. — The following amendments, tabled by Mr L'Estrange, Mr McDonald and Mr Ryan to the proposal for a regulation, are accordingly withdrawn:

— Amendment No 5:

Preamble

The second recital to read as follows:

Whereas this system implies inspection of the fishing activities of the vessels of third countries and of Member States, the prevention of pollution of the marine environment in order to conserve fishing resources and the campaign against such pollution, *financial* participation by the Community in Community scientific research to study the marine environment and the seabed, *financial* participation by the Community in search and rescue services at sea for humanitarian purposes and, lastly, participation by the Community in any other task the Council may decide upon under a common policy of the sea,

— Amendment No 6:

Preamble

Delete the third recital.

— Amendment No 7:

Article 2

Paragraph 1

The beginning of this paragraph to read as follows:

1. A *coordinated* Community service shall be established in order to:

Paragraph 2 to read as follows:

2. The *coordinated* Community service shall be made up of aircraft and vessels operating solely under the Community flag.

— Amendment No 8:

Preamble

The fourth recital to read as follows:

Whereas a coordinated Community service shall automatically be authorized to operate throughout Community waters and whereas the Member States must give it their full support both in order to safeguard its activities and to enable it to fulfil its functions,

— Amendment No 9:

Preamble

The fifth recital to read as follows:

Whereas Member States must cooperate closely within the Community in order to implement the common system for the conservation and management of fishing resources in Community waters or a future common policy of the sea,

— Amendment No 10:

Preamble

The sixth recital to read as follows:

Whereas the Member States must ensure the implementation of a common system for the conservation and management of fishing resources in Community waters or the implementation of a common policy for the sea,

— Amendment No 11:

Preamble

Delete the seventh recital.

— Amendment No 12:

Preamble

The tenth recital to read as follows:

Whereas until the surveillance service throughout the Community is provided with the same common equipment and qualified personnel transitional measures must be taken where appropriate,

— Amendment No 13:

The title before Article 2 to read: '*Coordinated Community Service*'.

President

— Amendment No 14 :

Article 4

Paragraph 1 to read as follows :

1. The Member States shall cooperate as closely as possible within the Community to enable it to perform the functions referred to in Article 2 (1).

Paragraph 2 (a) to read :

coordination between the Community services and the corresponding Member States' administrations.

Paragraph 2 (b)

delete 'coastguard service'.— Amendment No 15 :

Article 5

Paragraph 1

Delete 'coastguard service'.

— Amendment No 16 :

Article 6

In paragraph 1, delete the words :

acting in coordination with the Community coastguard service

— Amendment No 17 :

Article 8

Delete this article.

— Amendment No 18 :

Article 9

Paragraph 1 to read as follows :

1. The Member States shall make available to the coordinated service the vessels, aircraft and personnel necessary to the performance of its tasks as assigned to it under Article 2 (1).

Paragraph 2 to be deleted.

Paragraph 3 to read as follows :

3. Each year the Community shall contribute towards the costs of leasing the equipment made available.

— Amendment No 19 :

Article 10

Replace 'Community coastguard service' by 'coordinated Community service'.

We shall now consider the motion for a resolution.

I put the first eleven indents of the preamble to the vote.

The first eleven indents of the preamble are adopted.

On the twelfth indent of the preamble, I have Amendment No 1, tabled by Mr L'Estrange, Mr McDonald and Mr Ryan and rewording this text as follows :

- whereas in this context the question of inspection will be a fundamental issue,

Is this amendment also withdrawn, Mr McDonald ?

Mr McDonald. — Yes, the amendment is withdrawn.

President. — I therefore put the twelfth indent to the vote. The twelfth indent is adopted.

On the thirteenth indent, I have Amendment No 2, tabled by Mr L'Estrange, Mr McDonald and Mr Ryan and rewording this text as follows :

- whereas coordinated inspection is essential for the proper implementation of the common system for conservation and management of fishing resources in Community waters,

I put Amendment No 2 to the vote.

Amendment No 2 is rejected.

I put the thirteenth indent of the preamble to the vote.

The thirteenth indent is adopted.

On the fourteenth indent, I have Amendment No 3, tabled by Mr L'Estrange, Mr McDonald and Mr Ryan and rewording the beginning of this indent as follows :

- whereas this Community coordination must be effective in all areas which ... (rest unchanged).

I call Mr McDonald.

Mr McDonald. — Mr President, I should like to withdraw this amendment also, as it will expedite the business of the House.

President. — I put the fourteenth indent to the vote.

The fourteenth indent is adopted.

I put the fifteenth and sixteenth indents and paragraphs 1 to 3 to the vote.

The fifteenth and sixteenth indents and paragraphs 1 to 3 are adopted.

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

The resolution is adopted.¹

President. — I put to the vote the motion for a resolution contained in the *Klinker report (Doc. 442/78): Equipment which can be used for the inspection of fishing activities.*

The resolution is adopted.¹

President. — We proceed to the *Hughes motion for a resolution (Doc. 554/78): Common fisheries policy.*

I put the preamble and paragraphs 1 to 14 to the vote.

The preamble and paragraphs 1 to 14 are rejected.

Is there no one here from the responsible committee to replace Mr Hughes, since one may well ask whether there is any point in voting on the rest of the motion ?

I call Mr Klinker.

¹ OJ C 39 of 12. 2. 1979.

Mr Klinker. — (D) I am on the committee, Mr President, but if this is rejected, then it is logical that we should reject the rest. That is quite clear. We could, however, send the whole thing back to committee.

President. — I call Mr McDonald.

Mr McDonald. — Mr President, I personally do not understand this procedure. Nobody spoke against the report in the debate last night. It is difficult to understand exactly what is going on. If people have something against the report surely they have an obligation to come and express their views clearly to the House while the debate is in progress.

President. — I call Mr Nyborg.

Mr Nyborg. — (DK) Mr President, I very much regret that I have to point out to Mr McDonald that in fact I spoke against the report during yesterday's debate — but perhaps Mr McDonald was not present.

President. — I call Mr Liogier.

Mr Liogier. — (F) Mr President, after this vote and after what has happened I simply ask, speaking as vice-chairman of the Committee on Agriculture, that the matter be sent back to that committee.

President. — Under these circumstances, the request is automatically granted.

President. — I put to the vote the motion for a resolution contained in the *Halvgaard report (Doc. 545/78): Directive on straight feedingstuffs*.

The resolution is adopted.¹

President. — I put to the vote the motion for a resolution contained in the *Durand report (Doc. 544/78): Directives on brucellosis and tuberculosis*.

The resolution is adopted.¹

President. — I put to the vote the motion for a resolution contained in the *Früh report (Doc. 572/78): Regulation on the market in hops*.

The resolution is adopted.¹

President. — Finally, I put to the vote the *Liogier motion for a resolution (Doc. 571/78/rev.): Natural disasters in the Ardèche region*.

The resolution is adopted.¹

6. Directive on the noise emitted by compressors

President. — The next item is the report by Mrs Squarcialupi (Doc. 469/78), on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the

proposal from the Commission to the Council for a directive on the limitation of the noise emitted by compressors.

Mrs Squarcialupi has the floor if she is willing to begin in the absence of the Commission representative.

Mrs Squarcialupi, rapporteur. — (I) Mr President, I refer to my written report. I must point out, however, that at this moment the seats of the Council are empty. The programme to combat noise pollution is one of the most committed and also one of the most desired. I should therefore not like to see this proposal for a directive, too, ending up in a file in company with so many others on the subject of noise pollution which are still waiting for the Council's approval.

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

Mr Willi Müller. — (D) Mr President, Mrs Squarcialupi's observations have my full support. For some considerable time, the Socialist Group has been pursuing this line too. In particular, I should like to emphasize the remarks which she added in her brief oral introduction, that we must not stand still in this field or move forward step by step, but that the Commission must do what it can to resolve the whole problem of noise, which is assuming universal dimensions and threatening to result in widespread deafness and all the problems connected with it.

Mr Vredeling's presence does not seem to me to be absolutely essential. If I am correctly informed, he will be attending our committee meeting next week in Brussels, where we shall have an opportunity of putting all these matters to him. We in the Socialist Group shall be giving this report our full support.

President. — Mr Nyborg, do you wish to speak now or do you prefer to wait for Mr Vredeling, who, I hear, will soon be here?

Mr Nyborg. — (DK) Mr President, I am sure that Mr Vredeling will be provided with an account of this debate.

The proposal for a directive before us must be seen in conjunction with the directives on noise prevention that have already been adopted. But the Council still has to adopt several others. It does not come as a surprise to find that the Council works slowly; we are well aware of the fact, but I must once more stress that it would be preferable if the Council could speed up its discussion of the proposals submitted.

¹ OJ C 39 of 12. 2. 1979.

Nyborg

Noise pollution is a serious problem in our industrialized society, and the fact that this proposal is aimed at limiting the noise emitted by compressors is a constructive move. Even though, according to a study mentioned in the report, compressors are not amongst the noisiest machines used on modern building-sites, it is still important that an effort be made to reduce noise levels in order to prevent any damage to hearing.

Leaving aside the humane aspects involved, uniform Community rules on noise abatement are needed to prevent distortions of competition. The Group of European Progressive Democrats therefore recommends adoption of this motion for a resolution.

President. — Ladies and gentlemen, it is now for you to decide whether, following the procedure we have adopted for Mrs Squarcialupi's report, we begin the debate on Mr McDonald's report or suspend proceedings until Mr Vredeling's arrival.

Are there any objections to our proceeding with the sitting?

That is agreed.

7. Directive on lighting of agricultural or forestry tractors

President. — The next item is the report by Mr McDonald (Doc. 559/78), on behalf of the Committee on Regional Policy, Regional Planning and Transport, on

the proposal from the Commission to the Council for a directive on the approximation of the laws of the Member States relating to,

- headlamps which function as main-beam and/or dipped-beam headlamps and to incandescent electric filament lamps for such headlamps,
- end-outline marker-lamps,
- front-position (side) lamps,
- rear-position (side) and stop-lamps,
- direction-indicator lamps,
- reflex reflectors,
- rear registration-plate lamps,
- front fog-lamps and filament lamps for such lamps,
- rear fog-lamps,
- reversing lamps, and
- parking lamps

for wheeled agricultural or forestry tractors.

Mr McDonald, rapporteur. — Mr President, I do not need to detain the House for any time this morning with the consideration of my report on this Commission proposal for a directive approximating the laws of

the Member States relating to the design and fitting of lighting and light signalling devices on agricultural and forestry tractors.

I might just draw the attention of the House to the fact that this proposal represents optional rather than compulsory harmonization in that it is intended to lay down certain standards for lighting and light signalling devices on tractors and, if complied with, will mean that no Member State can refuse to grant EEC-type approval or national-type approval of any tractor on grounds relating to the adequacy of the standards of the lighting system. In short, as the opinion of the Committee on Economic and Monetary Affairs next to my report makes plain, this is a proposal mainly concerned with eliminating technical barriers to trade. Had it involved a significant element of safety, which it does not, I should have had to table the amendment which the Committee on Regional Policy, Regional Planning and Transport has consistently made when safety questions are involved — namely, for insuring that the minimum standards ultimately become compulsory minimum standards throughout the entire Community. This does not, however, apply in this case, and so I would advise the House to approve the report without further ado.

Perhaps, Mr President, I might add in conclusion that the particular standards in the present proposal are the same as those which have already been adopted for motor vehicles and I wonder whether it is really necessary to take up Parliament's time, whether in committee or on the floor of the House, with matters of this sort where the enabling legislation has already been the subject of examination and approval by the Parliament.

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

Mr Nyborg. — (DK) Mr President, it is on behalf of the Committee on Economic and Monetary Affairs that I have a few comments to make, although not on Mr McDonald's report as such, as there is nothing in it with which we do not agree. You will see from the committee's opinion on the Commission proposals that we had no special comments to make. The opinion is dated 27 September 1978, and since then various things have happened. I therefore take this opportunity to ask the Commission a few questions. I assume that the Commission will be informed accordingly.

Firstly, we are inundated with directives on technical barriers to trade, and each of them has to go through a long, slow process including that in the European Parliament. This particular proposal has been under discussion since last August, and Parliament's adminis-

Nyborg

tration, the Committee on Economic and Monetary Affairs and the Committee on Regional Policy, as well as the Commission have spent time and money on it,

The problem is further aggravated by the fact that the procedure in Parliament is somewhat vague; it is a toss-up whether these directives on the removal of technical barriers to trade end up in one committee or another.

The content of this proposal is not so difficult to grasp; the gist of it is that lights approved for vehicles should automatically be approved for tractors. But it is a little difficult to understand why it is necessary to draw up a special directive before a decision can be taken. In some cases the details are so technical — whether a screw should be turned to the right or to the left before a fixture can be approved — that Members of this Parliament just do not have the technical expertise to take a decision.

In recent years, the Committee on Economic and Monetary Affairs has time and again called for a simplified procedure for the removal of technical barriers to trade and has recommended that the Commission should at least submit such proposals in batches until a more appropriate procedure is introduced. It would considerably ease the workload if we could prepare just one report on a large number of these technical directives instead of, as now, drawing up a report on each single proposal.

I should just like to mention, Mr President, that Parliament has already received some further proposals on the removal of technical barriers to trade in tractors. On Monday, you referred two of them to the Committee on Economic and Monetary Affairs along with three others: one on tower cranes for building work, one on the noise emitted by lawn-movers and another on simple pressure-vessels. The Committee on Economic and Monetary Affairs will presumably deal with all these proposals in one report in order to save both the Commission and Parliament time and money. We also know that more proposals will be submitted in the next few months and that unless we plan our work carefully we shall be unable to deal with them before direct elections. I therefore suggest that when these new proposals for directives are first discussed in the Committee on Economic and Monetary Affairs the Commission should be in a position to tell the committee which other proposed directives on the removal of technical barriers to trade will be submitted in the near future, so that we can, if possible, draw up a report that deals with all the proposals.

My second comment is that the Commission has now submitted a proposal for a directive on the removal of technical barriers to trade in products for building work. The Commission is to be thanked for this. Its

proposal will be dealt with in the same spirit in which it has been drawn up. We have, after all — if I may say so — assisted at the birth of this proposal, and I think it is only right that the indirectly-elected Parliament should also act as its godfather. If I say so here, it is because the Commission has shown that it is both possible and appropriate to draw up directives that cover a wide range of products and it can be left to the Commission, pursuant to Article 155 of the Treaty, to lay down the detailed technical provisions.

Mr President, as today is Friday and we do not have much time left, I will end here. We will naturally vote for Mr McDonald's motion for a resolution.

8. Directive on the noise emitted by compressors (contd)

President. — Since Mr Vredeling has now arrived, we resume the debate on the report by Mrs Squarcialupi (Doc. 469/78).

I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, I want to begin by apologizing for my late arrival. I had transport problems beyond my control which prevented me from being here on time.

We have read this document with interest and noted that its purport is entirely in line with our own views. The rapporteur has pointed out that the proposal will make a contribution to environmental hygiene and to the removal of technical barriers to trade.

As to the aspect of the protection of workers, the Commission did not consider it necessary to make special arrangements in respect of compressors, for two reasons. The first is that these machines do not require the constant presence of operators, and the second is that the proposed levels are such that persons who may be working in the vicinity of compressors are not exposed to critical noise levels.

In this connection, I can assure Parliament that the Commission is giving very careful attention to the problem of noise protection and will shortly be submitting to Parliament a draft directive which will indicate the method to be used for measuring noise at the work-place of the operators of construction machinery. That should enable standards to be laid down for noise levels at the place of work.

The Commission will be keeping technical progress in this area under careful review. Naturally, we shall have to allow for certain economic considerations; but in general I would point out that a number of proposals have already been approved in the matter of measures to control environmental noise. Only

Vredeling

recently a proposal was submitted on the method for measuring the noise emitted by equipment operated in the open air. Other relevant proposals concerning construction machinery and pneumatic tools are already being considered by the Council. Yet others are, still being finalized by the Commission, especially in connection with the general programme provided for in the Council decision to which the rapporteur has also drawn attention.

The rapporteur has proposed an amendment to Article 7 in her report. The Commission is able to accept that amendment and will be adjusting its proposal accordingly.

President. — I note that no one else wishes to speak. The motion for a resolution will be put to the vote, as it stands, at the end of the sitting.

The debate is closed.

9. Directive on lighting of agricultural or forestry tractors (contd)

President. — We resume the debate on the report by Mr McDonald (Doc. 559/78).

I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, the Commission thanks the rapporteur for his report and is able to accept the resolution in its entirety.

I have noted Mr Nyborg's remarks. We too would be delighted if the delay which has arisen with these proposals could be made good. But that, of course, is a matter for the Council.

Turning to Mr Nyborg's second remark, I would stress that, in cases such as this, directives are the normal instrument used to attain our aims. A directive indicates the objective and the Member States themselves must see to its attainment.

We are, of course, prepared to look into other possibilities. The specific information for which the honourable member has asked will, of course, be provided, and I assure you that the parliamentary committees will be given the data requested by them.

President. — I note that no one else wishes to speak. The motion for a resolution will be put to the vote, as it stands, at the end of the sitting.

The debate is closed.

10. Decision on ship inspection

President. — The next item is the report by Lord Bruce of Donington (Doc. 556/78), on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the

proposal from the Commission to the Council for a decision rendering mandatory the procedures for ship inspection forming the subject of resolutions at the Intergovernmental Maritime Consultative Organization (IMCO).

I call Lord Bruce.

Lord Bruce of Donington, rapporteur. — Mr President, on behalf of the Committee on Regional Policy, Regional Planning and Transport, and also as its chairman, I have pleasure in commending for Parliament's approval my committee's report on the proposal from the Commission to the Council for a decision rendering mandatory the procedures for ship inspection forming the subject of resolutions of the Intergovernmental Maritime Consultative Organization (IMCO).

From time to time the public at large in Europe, and indeed Parliament, are shocked by reports of incidents such as the 'Amoco Cadiz' disaster, earlier on in 1978, more recently that affecting the 'Christos Vitas' and then, as was drawn to our attention most forcibly during the proceedings earlier on this week, the Bantry Bay disaster. When these tragic incidents are reported there is immediately an indignant response and a public outcry concerning means of preventing these accidents, some of which result in pollution, and some of which tragically result in loss of human life. It is somewhat regrettable, too, that these matters all too frequently become merely seven days' wonders, and that after the press reports have subsided and have lost their sensational quality then public interest slumbers once again.

Mr President, my committee, with Parliament, would like to offer its sympathy with our Irish colleagues over the recent accident at Bantry Bay. What is not generally realized is this: that had the various conventions to which very large numbers of states, including European states, have subscribed been ratified and enforced by the states of the world, including the European states and members of the European Economic Community, most, if not all, of these accidents could have been avoided, or at any rate their consequences minimized. When these accidents occur there is a flurry of activity; people once again say, if only the IMCO conventions were complied with these things would not happen, and yet they seem to do very little else. There is a popular supposition that because the IMCO conventions have been signed, by some miraculous transmutation these should automatically have the force of law. This is not so. I repeat, had all the conventions been enforced and applied, most, if not all, of these accidents would have been avoided. But when I tell you, Mr President, that on average it takes four years or more for a convention to be ratified by the states subscribing to it, and very often a further period of years before enforcement legislation is adopted enabling it to be actually enforced by the states concerned, you will understand a pardonable degree of cynicism amongst those of us who have been entrusted with the task of studying this matter over the years.

Lord Bruce of Donington

I hope that at our next part-session it may be possible to discuss the very comprehensive report that has been prepared on behalf of the Committee on Regional Policy, Regional Planning and Transport as a result of its public hearing in Paris on 21 and 22 June last year. This report today merely deals with a limited aspect of matters with which my committee have dealt more comprehensively, and which, as I say we hope to be able to present to Parliament sometime during the next part-session — one would hope, Mr President, in the presence of the Council, who have a very heavy responsibility in connection with this, and also, perhaps, not on a Friday, when interest in these matters tends to be slightly less intense than it is on a Tuesday and a Wednesday.

The particular proposals that we are considering this morning are those by which those portions of the IMCO conventions that deal with ship inspection are to — if they are adopted by the Council — make it obligatory by mandate to the Member States to pass legislation and enforce it forthwith. To this extent, the Commission's proposals are most welcome. It is to be hoped, and my committee hopes, that the Commission will be resolute about pressing these particular proposals with the Council, because when they brought forward interim proposals concerning the ratification of other maritime instruments in the middle of last year, the Council, doubtless preoccupied with affairs of state, rejected the main essence of the Commission proposals, which was to render it compulsory for Member States to ratify and enforce the IMCO conventions there referred to. Council boggled at issuing a directive rendering it obligatory for Member States to ratify and enforce conventions, and merely advocated that Member States should note it.

Well, of course, we are becoming a little accustomed to a supine attitude on the part of the Council towards matters of this kind, and we do rather hope that on this occasion it will be possible for the Council to be quite forthright, and quite emphatic about it. I know, Mr President — if I may interpolate a personal note on this — that the United Kingdom would welcome a directive to enforce these measures, and I sincerely hope that other Member States may take a similar attitude.

It is too early to say whether the bringing into force of the particular inspection proposals which the Commission have brought forward would in itself have prevented the unfortunate disaster at Bantry Bay, because we do not yet know, and shall not know until the experts have finished, exactly what the causes of the disaster were. But there can be no doubt that if the proposals of the Commission for ship inspection and port inspection had been enforced for a significant period of time prior to this particular incident in Bantry Bay, the chances of its occurring at all would

have been greatly minimized. I do not in any way wish to criticize my Irish colleagues in connection with this. Irish Members of this Parliament are in very much the same position as all other Members of the European Parliament are in relation to their own governments. We all like to see that our governments keep up to the mark, and if our governments do not keep up to the mark it is not necessarily our fault. But I am bound to point out to our Irish colleagues that the Republic of Ireland has been very much lagging behind in this business of ratifying and enforcing IMCO conventions. In fact some Member States over the last two or three years have ratified seven of them, whereas I regret to say that so far Ireland has not ratified any, and it is to be hoped that following pressure from our Irish colleagues some steps may be taken in that direction.

Mr President, I would like to commend the Commission proposals to Parliament, and, if I may, to conclude on one note of congratulation to the Commission in this regard. Ever since the 'Amoco Cadiz' disaster, the Commission, despite the limited numbers of staff that it has had available, has worked incessantly on this whole problem of the enforcement of IMCO conventions. It has worked very diligently, and it has shown a very welcome initiative, which my committee entirely supports. We would hope, therefore, on that note, Mr President, that Parliament will be kind enough to approve the proposals that have been brought forward by the Commission.

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

Mr McDonald. — Mr President, I am very glad that Lord Bruce, when introducing this debate on his report, referred again to the Bantry Bay tragedy, and I would personally very much like to be associated with the condolences to the relatives of the victims of the catastrophe which were expressed here with such conviction on Monday.

Mr President, it is obviously not the moment for us here in the European Parliament to try and conduct any form of enquiry into what happened at Bantry Bay or into the reasons why the 'Betelgeuse' exploded while unloading its cargo. But this tragedy does, I am sure, underline the need for all nations, not only the Member States of the Community, to take all the steps they can to implement effectively these international conventions to which they have paid lip-service. My noble colleague a few minutes ago laid it on the line for my own government: I do not know at this minute just how many conventions we have signed, but whether we have signed conventions or not I want to assure the House that we are the innocent victims, because the multi-nationals operating and owning the oil infrastructures there are American and the ship was flying the French flag.

McDonald

Petrol-tanker accidents have been taking place with worrying frequency in the last few months, and for several years these accidents have made front page news to a point where they have virtually no impact. Nonetheless, this tanker explosion two weeks ago cost the lives of 51 people; in addition, it caused 50 000 tonnes of crude oil to spill into the sea, thus causing further pollution and affecting the lives of fishermen there on the coastline, part of the damage caused by the explosion was the wrecking of the port installations, and the labourforce there was rendered unemployed. Now I feel that obviously, since the ingredients to this disaster are international, the EEC and the Council of Ministers should surely take a very keen interest, because the whole problem is one of international proportions. Lord Bruce has already pointed out that we shall be having an opportunity of looking into all the aspects of the problems of accidents to shipping when we come to consider the report which he has drawn up on behalf of the Committee on Regional Policy, Regional Planning and Transport, following the public hearing which the committee organized in Paris 6 months ago. It seems to us that the Commission and Council have started, perhaps, on the right path, which is reinforced international cooperation which should go hand in hand with national legislation on maritime safety, applied uniformly throughout the Community. The proposal for a decision regarding mandatory procedures for ship inspection forming the subject of resolutions of the the Intergovernmental Maritime Consultative Organization is, to my mind, a step in the right direction. The European Parliament, I imagine, is pleased with this initiative and would like to draw attention to the successful result of the public hearing in Paris so that we can help to prevent all sea accidents through improved and stricter regulations.

I deeply regret that it required the accident at Bantry Bay to demonstrate how necessary are the suggestions put forward by Lord Bruce in his main report. i.e., that the international conventions covering safety must be effectively enforced in order to lessen, if not actually to prevent, horrifying accidents of the sort which occurred two weeks ago. As I understand it, the implementation of the present Commission proposal will, we hope, go some way towards lessening the risk of accidents of this sort, and I therefore join with the previous speaker in asking the House to give its approval to the proposal.

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

Mr Jung. — (*D*) Mr President, ladies and gentlemen, the Liberal and Democratic Group supports Lord Bruce's report on the introduction of mandatory procedures for ship inspection. My Group has already, on another occasion, called for all possible measures to

prevent accidents at sea like the one which occurred off the Breton coast. The Commission proposal aims at achieving the very thing that we too have been demanding.

The importance of these inspection procedures is demonstrated, among other things, by the annual report for 1977 of the German Seamen's Association, which makes it clear that inadequate qualifications on the part of holders of patents or inadequate surveillance often lead to dangerous situations at sea, if not to actual accidents. According to this report, in 1977, as on previous occasions, a number of ships were seized in German harbours because overloading or technical faults had resulted in unseaworthiness. A typical example is cited — that of a tanker which was seized in Hamburg until the principal faults were eliminated: in all four lifeboats — I repeat, in all the lifeboats, the buoyancy tanks were defective; none of the driving-units in these boats could be used because of rust; neither the emergency firepump nor the steaming-out system could be put into operation. This is a scandalous state of affairs, ladies and gentlemen, and that is why we must follow the Commission's recommendations.

The US Coastguard reports that between January and May 1977 it inspected 1 180 tankers, in which 3 978 faults were registered. These few examples are enough to show that a decision on the mandatory application of ship-inspection procedures adopted by the Intergovernmental Maritime Consultative Organization is long overdue.

In conclusion, if debates could be held at regular intervals and not only on a Friday — here, of course, Lord Bruce has my full support — on the progress made and the procedures adopted concerning safety at sea and also in shipbuilding, this would be welcomed by the Liberal and Democratic Group, because this is the only way that Parliament can exercise a proper control.

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

Mr Eberhard. — (*F*) Mr President, first of all I would like to state that we shall support the motion for a resolution. We shall also endorse document No 555/78, which has been circulated to us. This document, based largely on the public hearing held last June, at which I represented our group, put forward a number of recommendations which, if put into effect, would surely prevent the recurrence of maritime disasters such as those we have recently seen.

The Assembly will probably adopt this resolution, but this in itself is hardly an adequate safeguard against such disasters in future. We know very well that the governments of the Member States, who have the power to take the action required, will find any number of reasons for evading their responsibilities.

Eberhard

For, if this were not the case, these governments would have reacted differently to the succession of disasters in recent years. There was a lot of talk about the stranding of the 'Amoco Cadiz', and its economic and environmental effects. But it was not the first such disaster. It followed the 'Torrey Canyon' and 'Ekofisk' cases, and has been followed in its turn by the casualties to the Greek tanker 'Andros Patria', with 29 lives lost, and, most recently the French tanker 'Betelgeuse', which claimed 50 victims, 15 of whom came from my own region of Normandy.

In these circumstances, are we not justified in asking our respective governments, and am I not justified in asking the French Government in particular: how long are you going to refuse to take the action so urgently required? We know what has to be done. Our motion for a resolution lists the main measures needed, and I shall therefore refrain from repeating them. We are firmly convinced that disasters can be prevented if the will exists to do so. But we are forced to the conclusion that the only will displayed by our governments is to help the capitalist enterprises maximize their profits. For example, there are a number of international conventions laying down measures to prevent accidents, combat pollution and enforce safety measures on ships. Unfortunately, as we have just heard, countries refuse to ratify these conventions on the pretext that — and I am quoting the Commission's very words in Doc. 488/78 — 'disorganized application of these international rules would only lead to distortions of competition within the Community'. We do not accept such hypotheses. Commercial attitudes should not be allowed to influence the conduct of national and Community affairs. I say this to the French Government in particular, which, in Brussels, espoused these outdated arguments; and I say it all the more vehemently because there is every indication that the argument is based on a miscalculation. If we consider, quite apart from any other consequences, the amounts of money lost in these successive disasters, it is reasonable to assume that the preventive measures we are recommending would not have cost any more if they had been taken earlier. Moreover, if the strictest safety standards were enforced and ships had to be altered accordingly, or old tonnage replaced by new ships that met the standards, this would itself provide a partial solution to the crisis in the shipbuilding and ship-repair industries.

President. — I call Mr Vredeling.

Mr Vredeling, Vice President of the Commission. (NL) Mr President, on behalf of the Commission I wish to thank the Committee on Regional Policy, in particular its chairman, for the support given by them to this proposal, which is designed to improve safety at sea. In the debate today, several speakers have already referred to the 'Amoco Cadiz' disaster. The Commission is aware that Parliament has from the

outset taken a keen interest in the problem of safety at sea and in particular in the prevention of disasters and pollution of the sea. Under the extremely active chairmanship of Lord Bruce of Donington, the Committee on Regional Policy has not been content merely to react to the various proposals submitted by the Commission, but has also itself taken the initiative in this sphere. I recall the most interesting hearing arranged some six months ago by the committee in Paris and the highly detailed report compiled by the committee, which contains a great many new ideas and proposals; these will be an important source of inspiration to the Commission for its future work.

Almost all the speakers in this debate have also made reference to the recent tragic explosion on the French tanker in Bantry Bay. This disaster has once again highlighted the imperative need to do everything possible both to enhance safety on board ships in our harbours and to rule out the risk of pollution. I imagine that Parliament, the Commission and the Council all agree that a good start can be made by strengthening controls in the Member States' harbours on the application of safety standards laid down in IMCO conventions, and the proposal now under consideration must be seen in that light. IMCO has passed two resolutions recommending its Member States to apply certain specified harbour control procedures; but these are, of course, only recommendations and the intention of our proposal is to make the application of these procedures compulsory in EEC harbours. In addition, the proposal envisages that further IMCO resolution of this kind shall be embodied in new conventions. As you know, IMCO is already working toward this end, and this will oblige the Council to adopt these norms. The Council, acting on a proposal from the Commission, will then be able to take certain decisions by a qualified majority.

Mr President, the proposal now under consideration has been placed on the agenda of the next meeting of the Council of Transport Ministers on 20 February. If the Council accepts this proposal — and I have good reason to suppose that it will — this will be the fifth practical measure taken by the Council in the area of safety at sea since the 'Amoco Cadiz' disaster. We have thus made progress, but, as recent events have shown, there is still a good deal to be done. The Commission is therefore engaged in the drafting of new proposals relating to the periodicity and criteria for the inspection of ships in our harbours and to the instruments to be used by the Member States for that purpose. The Commission knows that it can count on the European Parliament's support in this matter.

Finally, I would like to thank Lord Bruce for the tribute paid by him to our small staff who are active in this area. It is a fact that these matters have always to be dealt with by a very small number of staff, and I

Vredeling

hope that the good cooperation which the Commission enjoys with Parliament in this area will be continued in future.

President. — I note that no one else wishes to speak. The motion for a resolution will be put to the vote, as it stands, at the end of the sitting. The debate is closed.

11. *Protection of the mother and child in the EEC*

President. — The next item is the oral question, with debate (Doc. 527/78), by Mrs Squarcialupi and Mr Porcu, on behalf of the Communist and Allies Group, to the Commission, on the protection of the mother and child in the EEC countries :

The unsatisfactory reply given by the Commission to Written Question No 977/77 by Mr Dondelinger on the Commission's draft recommendation on the protection of the mother and child¹ impels us to address ourselves to the Commission again on this subject, with a view to encouraging possible developments in respect of that recommendation, above all on the eve of the International Year of the Child proclaimed by the United Nations, as we consider that the welfare of the child is determined in part by the conditions under which women approach motherhood.

While emphasizing that the application of the directive on equal pay and equal employment opportunities will depend in part on the manner in which we tackle and solve problems concerning pregnancy and motherhood as they affect working women, and that at all events women ought to be able to choose motherhood freely and responsibly, we would ask the Commission whether it intends to undertake action to tackle all the social, moral, human and economic implications of the protection of the mother and child.

The Commission is specifically asked to :

- provide an up-to-date picture of the maternity benefits accorded to working women in the Member States, indicating the duration of leave, amount of allowances, and eligibility for career advancement, notwithstanding absence on maternity leave, and drawing attention to original provisions such as interchangeability of the parental rôles ;
- tackle the problem of the harmonization of rules for the protection of the mother and child in the various Member States, as differences in the amount of benefits may lead to a distortion of competition ;
- undertake a detailed study of the cost of employing women, which is generally and superficially considered higher than that of employing men, above all because of the tasks which, given existing attitudes to motherhood, are assigned almost exclusively to women ;
- give more attention and consideration to the problem of motherhood for working women than that manifested in the Council directive on equality of employment opportunities (Article 2), bearing in mind in

particular that, where inadequate allowance is made for maternity, the price is paid not only by the mother but also by the child, especially during the first few months of life ;

- take measures to make the social partners and public opinion alive to the fact that maternity is not a matter for the woman concerned alone but has a high social value and deserves the full support of society as a whole ;
- ensure that the protection of the mother and child is not used as a pretext for confirming or renewing various discriminatory practices directed against working women.

I call Mrs Squarcialupi.

Mrs Squarcialupi. — (*I*) Mr President, I must first of all express my chagrin at seeing a question which needed the full participation of the political groups put down on the agenda for Friday morning. This is a subject which still arouses timid and uncertain attitudes and which is still confronted with a great deal of insensitivity. I am therefore obliged to deduce that the placing of this on the agenda for Friday morning was not a chance decision, but a political one, just as the reasons for the delay in holding a debate on this document, which I presented almost three months ago, were no doubt also political.

With this question on the protection of the mother and child — which I had asked certain political groups to join in tabling — we are seeking to re-establish a just scale of values which seems necessary in an institution, even if an economic one, as the Community is, on the eve of direct elections by universal suffrage, which will give our citizens for the first time the choice of their representatives in Parliament.

But the protection of the mother and child appears to be an inconvenient subject, not only for the national governments but also for the Commission, which, replying to a question by Mr Dondelinger, has stated, and I quote :

In view of the different views expressed on the subject and the changes made in the meantime in Member States' legislation,

it did not see fit to bring forward its draft recommendation, drawn up in 1966 — in other words, thirteen years ago.

Legislation on this subject is therefore very diverse among the Member States, if not totally non-existent, as is the case — so I am told — in Ireland.

Quite apart from the social aspect of this situation, the Community ought to assess the economic effects of this diversity on the functioning of the common market, for example by the distortion of competition.

The harmonization of legislation, which is one of the points of the present Oral Question, would also give an exceptional opportunity for debate on a problem

¹ OJ No C 98 of 24 April 1978, p. 13.

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which directly affects 130 million European women and, by extension, 250 million citizens. We refuse to believe that men are not concerned about the protection of women during the delicate phase of maternity.

It is not enough to acknowledge this importance in words: definite action is needed. The burden must not fall on women alone, but must be distributed equally through all sections of society as an act of human and social solidarity.

An attack on the problem at a Community level would, moreover, pave the way for a step forward culturally and socially, and not only for our peoples. What happens in Europe is not limited to Europe alone, and Community action in this direction would help to win women everywhere their rightful place in the world of work.

The two directives on parity are not enough to bring it about, as is shown by the data on unemployment and underemployment among women and by the very low status of women in the world of production. At the same time, we are obliged to note that when it comes to the problems of women, the political will to eliminate obvious and widely varied social injustices is considerably diminished. One thinks of the third directive on parity in social security and of the exceptionally long period of six years granted for bringing it into force: as regards directives concerning women, the record is a sorry one. It is said that the cost of these directives has risen. It is true. All directives have a cost, but, strangely enough, this fact only attracts particular notice when the directives concerned are those which relate to women.

In my group's question I have made allusion to the International Year of the Child, in regard to which, at least as far as we can see from the replies given by the Council in the past few days, the Commission has not presented any proposals. We are not levelling an accusation at the Commission over this omission — let us just call it that.

However, it would be a serious mistake to separate the problems of the child from the policies which are basic to the Community: for example, the policy which is designed to eliminate discrepancies between rich and poor regions. Infant mortality is more frequent in the most disadvantaged and poorest zones. The highest rate of infant mortality in the Community is found in Ireland and Italy, and in Italy infant mortality is greatest in the poorest zones of the South. Natural causes have less and less effect on the life of the foetus and of the new-born child, and close relations are merging ever more clearly between infant mortality and the social conditions of the mother and family. It is a fact that the rate of infant mortality is lowest among the children of women who have completed the longest periods of study, while it is highest among the children of agricultural workers.

Even where childhood is concerned, the question of the distribution of wealth and improving the social and cultural position of women is involved.

Here, but for reasons of time, one might open the tragic chapter of the rate of survival among children in the Third World, but I fear that we shall not lack opportunities to return to this theme.

To conclude, the Community must seize the opportunity provided by the Year of the Child to accord an appropriate social value to motherhood with the means provided by the Treaties. We know that these means are restricted: nonetheless they exist. Let us not make the mistake, which so many do make, of setting the rights of the child in opposition to those of the woman. It is from this conflict that much of the resistance found in many states to the just application of the laws on equality at work is derived. It is precisely to prevent women from finding themselves involved in a conflict between family and work, between themselves and their families, that such laws were first passed.

The capitalist system and the industrial revolution have profoundly changed the European family and also the rôle of women without indicating a new dimension for them. Up to now it is women who have managed singlehanded all the social services: child assistance, assistance to the elderly, the production of goods, while only sacrificing themselves. But today women cannot continue to make good the shortcomings and gaps in our social system on their own. They cannot continue to fulfil a rôle as a social service.

The progress towards a new place for women in society is not being interrupted and held back, but encouraged and aided. We must have the political courage to discuss these themes even in a pluri-national parliament chamber, while perhaps regarding them from an economic point of view and on the basis of those articles of the Treaty of Rome which have hitherto permitted very important initiatives to be taken in favour of women. Let us not forget that if women need Europe, Europe needs more than ever the support of the female masses of all the European countries.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, the Commission recognizes the great importance of measures to protect mothers and children; these measures also have a bearing on the immediate environment of the mother and the child and on society at large. I am thinking in particular of specific aspects which have consequences for the family. It is not a matter of protection in the narrower sense of the term but of measures holding out better possibilities for women to combine motherhood with active employment. I shall be returning to this point when we come to the oral question on family policy.

Vredeling

Mr President, measures have been taken in all the Community Member States to protect mothers, and in answer to the question by Mrs Squarcialupi and Mr Porcu I can inform Parliament that a general survey will be provided on the results obtained in this area by the Member States. You will also find information in the comparative tables on social security systems in the Member States which are published every two years by the Community and forwarded to the European Parliament. More generally, the annual report on the development of the social situation in the Community (especially the chapter dealing with family policy) provides information each year on new measures taken and on current projects. That report highlights in particular measures reflecting a certain development of attitudes towards the position of the family and the raising of children: I would draw particular attention here to the problem of maternity leave.

The Commission has now been asked to study problems of harmonization of the provisions relating to protection of the mother and the child in the Community Member States. That study would, for example, cover such aspects as the duration of paid maternity leave, which ranges from 12 or 20 weeks in the different countries; the problem of harmonization therefore arises. We must, however, consider whether it is genuinely possible to attain the objectives referred to by the honourable Members through measures of harmonization. Opinions still differ widely in the Member States on the duration of maternity leave and its distribution before and after the actual birth. I tend to the view that a priority action at Community level should, for reasons of expediency, preferably be limited to certain aspects which are genuinely of central importance. I might mention aspects such as the general introduction of statutory maternity leave or a prohibition of dismissal during such leave and for the duration of pregnancy in general. Another important factor is the level and duration of compensation for loss of earnings during absence for reasons of child-birth.

Mr President, in answer to the question concerning a study of the cost of employment opportunities for women, I would point out that Community surveys covering the cost of employment do not, and cannot, comprise data differentiated by sex, because these studies are based on the books kept by undertakings, which do not have such data. I do not think either that a further analysis of such cost would take us much further. Of course we must always bear in mind the cost angle of certain phenomena, but I do not think that we should primarily view the subject of the employment of women as a matter for a cost-benefit analysis. I can assure you, Mr President, that the Commission will see to it that the protection of mothers is not taken as a means of discriminating against women in the matter of employment. I would

draw your attention here to the directive of 9 February 1976 on equal treatment of men and women in respect of employment. Because this directive was an instrument to prevent discrimination, it could go no further than stipulating in Article 2 that the text of the directive must not be an obstacle to measures for the protection of mothers. However, to prevent discrimination against women simply because it is they who bring children into the world, the same article describes the principle of equal treatment as the absence of any discrimination on grounds of sex. This applies to both direct and indirect discrimination, and here I have in mind particularly marital status and family situation.

President. — The debate is closed.

12. Social security systems in the Community

President. — The next item is the oral question, with debate (Doc. 528/78), by Mr Schyns, Mr Vandewiele, Mr Caro, Mr Van der Gun, Mr Pisoni, Mr Wawrzik and Mrs Cassanmagnago Cerretti, to the Commission, on social security systems in the Community countries:

Having regard to the current disparity between the social security systems of the various Member States,

Having regard to the motion for a resolution tabled by Sir Brandon Rhys Williams in May 1976 on a Community social security system, and to the relevant report by Mr Glinne,

Whereas the growing number of unemployed in the various Community countries involves social security schemes in a considerable loss of revenue, while the number of those receiving social security benefit is increasing,

Whereas the progressive harmonization of the different Member States' social security systems is highly desirable, even if an overall solution can only be expected in the long term:

1. Can the Commission inform Parliament of the progress
 - which has been achieved so far, and
 - which is currently being made,
 towards attaining harmonization of this kind?
2. Can the Commission confirm its resolve, on the eve of direct elections, to do its utmost to ensure that, after attainment of the Economic Community, it will take the necessary steps to establish a more human and socially-oriented Community, through a Community social security system that meets the needs of citizens of the Member States?

I call Mr Deschamps.

Mr Deschamps. — (F) Mr President, the principal aim of the Christian-Democratic Group (EPP) in tabling this oral question with debate was to draw the attention of political leaders in the Community and in the various Member States to the noticeably lower planned rate of growth of social expenditure and the

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reduction in social revenue between now and 1980. Moreover, the report on the European social budget states — if I am not mistaken — that social expenditure should rise by some 3·2 % in real terms between 1975 and 1980.

Developments in social affairs seem to have coasted along under their own momentum in the past, and we must, unfortunately, expect to see a slowing down until a certain number of the causes of the current crisis have been overcome, whether they lie in trends in the developing countries or the international monetary situation. But, in the meantime, it must be recognized that the increase in unemployment also increases the burden on the remaining social security funds. For obvious political reasons, there can, and must, be a common interest among Member States in maintaining the national social security systems. It should therefore be possible, Mr Vredeling, to call on European solidarity to ensure their continued solvency. This consideration lay behind Parliament's action in 1976 in drawing attention, by means of the resolution tabled by Sir Brandon Rhys Williams and Mr Glinne's report on that resolution, to the substantial reduction in the revenue of social security systems while the number of beneficiaries rose sharply; it was also the reason why we suggested the progressive harmonization of the social security systems in the various countries, and described it as eminently desirable, although we were — and are — very well aware that an overall solution at Community level could only be possible in the long term.

Mr Vredeling, these are sources of real concern, and they have induced us to ask the Commission, with the approach of direct elections, for more detailed information on the results achieved to date, on the basis of that resolution adopted by Parliament on 13 May 1976 concerning a Community social security system. We should also like you to tell us what actual solutions you intend to propose in the immediate, or at least the not-too-distant, future.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, the Commission's policy on the harmonization in question was in fact established in October 1973, when we submitted our social action programme to the Council. However, the Commission would be falling short of its commitments if it did not attempt to ascertain a floor level for social security services which could then be regularly raised.

The Commission's experience during the last 20 years in this field of social security has shown us the impossibility of fully harmonizing the social security systems in the Member States, for technical and political reasons. This harmonization is indeed unnecessary, as has been shown by our experience with migrant workers. Despite completely different social

security systems within our Community, we have nevertheless been able to ensure free movement for workers without the migrant workers' having to give up any of their rights regarding social security anywhere in the Community.

We have thus — and this has been a unique process — left social security in the Member States alone, with its variety of systems, and simply seen to it that various facilities provided in the Member States, sometimes in quite different ways, were made available to migrant workers.

But, Mr President, the Commission is naturally aware that the Community — and this is also to be found in the Treaty — must play a part in improving social protection. And this realization was recently strengthened considerably by the European Council, which stated in December 1977, in connection with the development of the economic and monetary system, that a Community strategy must be evolved in respect to social security systems.

So, Mr President, what does the Commission have to offer in the way of specific proposals? There are already certain minimum criteria in this field. Here I would refer to the work of the International Labour Organization and the Council of Europe. Generally speaking, they have been ratified by the Member States, and the Commission's endeavour is that they should be respected by the Member States. It has, however, no wish to set up competitive criteria. I do not believe that this would be a good method. Our position is that we must establish the existence of certain specific needs in connection with social protection which can then gradually be satisfied by means of directives or other measures to safeguard these rights. I would like to mention two examples, one being the guarantee that the whole population of all the Member States must gradually be covered by the systems of social security, irrespective of the techniques used or the nature of the system. The second example is the guarantee in all Member States of equal treatment of men and women as regards social security, and the Council very recently adopted a directive on this point.

The Commission also intends, as part of its consideration of social protection policy, to consult independent experts who are investigating the most topical problems. I would like to refer to another aspect, i.e. the outcome of the meeting of Health Ministers in the Council last November. At this meeting, one of our proposals was taken as a priority target — namely, the drawing up of proposals in connection with social security designed to limit the persistent relatively sharp increase in public health costs.

Finally, Mr President, I would like to stress the important fact, in connection with social security, that the directive of 19 December 1978 on equal treatment for

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men and women has now been adopted. This is in fact the first time that the Council has adopted a directive, i.e., a piece of legislation, in the field of social legislation as such, and this may have far-reaching consequences for an effective Community action in this field in the future.

These are the lines along which we wish to develop our policy. Once again, we are not trying to create a uniform social security system as regards technical implementation; we are leaving this to the Member States, but we are seeing to it that within the social security field basic criteria — one might even say the genuine risks which must be covered — are in fact covered in a satisfactory way.

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

Mr Albers. (NL) Mr President, the reply which Mr Vredeling has given must be considered very satisfactory. Our group is certainly not intent on pressing for harmonization of social systems within the European Community. We believe that everything must be done to create the fullest possible coordination of the various systems which exist. There is, however, one point in Mr Vredeling's reply which I feel should be commented on. He said that it has been proved possible, even with a variety of social security systems, to create legal security for migrant workers, for instance, in this field, and that is correct. It is very clearly set down in what way migrant workers have to be paid and whether this should be done by the country of origin or the country in which they are employed. But I would like to draw the Commissioner's attention once again to the fact that frontier workers in particular consistently complain about their plight arising from the disparities in provisions on, for instance, invalidity or the nature of the invalidity, and there are great differences, for example, between the German and Dutch systems. I am aware that the Commission is still studying this subject and I believe we can assume that we shall be receiving information quite soon, but I also have the impression that in the election campaign to be conducted in the coming months, the frontier workers' difficulties will be raised regularly in meetings and it will be they who say: 'Look, we should really demand that the disadvantages which we suffer should be removed by Community measures'.

This is the point to which I wished to draw your attention.

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

Mr Eberhard. — (F) Mr President, social security is a matter of great importance. As part of the health policy, it concerns various aspects of social policy, such as birth and old age. I might add that in my

country, it was a Communist (Minister Ambroise Croizat) who, in 1946, was responsible for this important social achievement.

We are living in an age where scientific progress is opening up ever greater possibilities in man's struggle against disease and death and hence broadening his development and his freedom. The setting up in France of a social security system has contributed towards a major step forward and I am therefore opposed to the various projects seeking to jeopardize what has already been achieved and to slow down progress. These projects are anachronistic and testify to the seriousness of the crisis affecting the capitalist countries.

In particular, the recent measures taken by the French Government represent a significant step backwards in social terms. We cannot accept measures which, under the pretext of attenuating certain effects of the crisis, would have a negative effect in the health sector. Health is not only an essential requirement, but is also vitally important for economic, social and cultural progress. It is totally wrong to consider it solely in the form of short-term costs; on the contrary, in the long term it helps reduce overall costs.

This conception is, of course, opposed to the attitude which aims at immediate profit and which logically requires a reduction in social expenditure. This expenditure is covered in different ways in the Community countries — depending, of course, on the different requirements but also on the progress achieved as a result of struggles by the workers. No country has the ideal model, but such progress does lead to improvements in the legislation of each of our countries in accordance with the minimum common requirements.

I should like to make a few remarks on the cost of this policy. The continued pursuit and stepping up of policies of austerity place a heavy burden on the financing of social expenditure. Such expenditure accounts for an even greater share of the total wage bill, given that the increase in unemployment resulting from these policies leads to a significant reduction in payments to social security.

The financing of the various social security organizations is rendered more difficult by the domination and practices of pharmaceutical trusts, since profits are extremely high. How can one defend, for example, the marketing of medicines at 10 or even 100 times their production costs?

A shortsighted policy, aiming at immediate profit, in the long term leads to higher expenditure. All the available studies show that preventive expenditure can help to make considerable savings. Any policy which seeks to increase the general public's share in financing tends to increase inequality in the event of sickness. This is true of the measures recently taken by the French Government: a greater number of

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French people will be obliged to restrict their medical expenditure.

Moreover, I should like to be sure that these measures were not taken after consultation between the Health Ministers of the nine Community countries, since otherwise they would represent the beginnings of harmonization; but who would dare to refer to this as progress?

We do not consider health expenditure as a luxury. Statistics must not be used to conceal the consequences of certain regressive trends. We are firmly opposed to this in France and in the Community, and we consider that these trends reflect to a certain extent a Europe where the policies pursued do not aim primarily at satisfying social requirements. We, on the other hand, propose to take this aim as the basis for defining the guidelines for a health policy in each Member State and at Community level.

President. — The debate is closed.

13. *Community policy on the family*

President. — The next item is the oral question, with debate (Doc. 530/78), by Mr Deschamps, Mr Pisoni, Mr Granelli, Mr Bertrand, Mr Wawrzik, Mr Ney and Mr Vandewiele, to the Commission, on Community policy on the family:

At a meeting held in Brussels on 2 October 1978 to mark the tenth anniversary of the founding of COFACE — the Committee of Family Organizations in the European Communities — the spokesmen of family organizations from the nine Member States reaffirmed their unshakable determination to help to build a citizens' Europe extending far beyond a community for traders and markets, and their desire to see that in the various Community policies due weight is given to the social and family aspects of the many economic problems involved.

What practical conclusions has the Commission drawn from the meeting of 2 October 1978 — at which it was represented by Mr Burke — as far as its action programmes and the organization of its services are concerned, given the need to harmonize the Member States' policies on the family and to promote new policies at European level?

Does it intend to see that the representatives of the organizations in question are given a greater say in the shaping of the various Community policies which directly or indirectly concern them?

I call Mr Deschamps.

Mr Deschamps. (*F*) Mr President, when I made known my intention of putting a question to the Commission on family policy, I was astonished to learn that I would be the first Member of the European Parliament to do so.

Parliament has, however, discussed the family aspects of a European social policy in the past. In 1974, my first year in this Parliament, I read Chapter VII of the document on the development of the social situation in the Community, which was devoted to family matters and which put forward the trends in the Community relating to the family, its requirements, its social functions, etc.

What struck me, Mr Commissioner, what remains unchanged to this day and explains and justifies the question I am putting today on behalf of the CD-EPP Group, is that the Commission still does not seem to have realized that a specific policy is needed in this sector!

It is not enough to state — as emphasized as long ago as 1975 by Mr Delpérée, a Belgian professor at the Catholic University of Louvain and author of a study on the whole range of family questions — that social policy necessarily takes account of the problems facing all families in the Community, both at present and in the future. We must go much further! It must be realized that, to a greater extent nowadays, the family group and each of its members represents the intersection of numerous policies — health, housing, standard of living and quality of life, taxation, incomes policy, social facilities, education and training, employment and working conditions (part-time working, for example,) etc. — and there must be a family dimension to all these European policies so as to serve the interests of the family.

It is, of course, true that the Treaties do not contain any provisions relating explicitly to the family and therefore justifying a specific family policy. However, we cannot confess to insisting on a strict and narrow interpretation of the Treaties, to limiting our Community to purely economic, commercial or monetary objectives, to ignoring the evolution of our society, its new requirements, and the emphasis which must today be placed on certain social, cultural or family objectives!

The day before yesterday, in this Assembly, during the debate on the statement by the new President of the Council on the Council's programme, my colleague and friend, Alfred Bertrand, rightly emphasized that the social aims of the European Community were sadly neglected. Yesterday, during the remarkable debate on the Amadei report, numerous speakers deplored the way the cultural dimension is forgotten in the Community. With the hope of being heard and the determination to provoke positive action by the Commission and the Council, I should like to emphasize today the lack of a genuine family policy in Europe. My hopes of provoking a positive and effective reaction, in the form of a family policy with practical applications in Europe, are encouraged by three recent factors.

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Firstly, I should like to pay tribute to you, Mr Commissioner, for the fact that the Commission in seeking to establish a policy of equality between men and women — to which you referred just now — has set itself the objective of conciliating the family responsibilities of all those concerned with their professional aspirations. This is I think, the first time that there has been an explicit, or at least a clear, reference to family policy considerations in the Community's social programmes.

Secondly, there is the encouraging attitude shown by the European Parliament, which has expressed its increasing concern for the family aspects — and not only from a material point of view — of a European social policy which does at last include a practical family-policy dimension but which still lacks a genuine policy on education, on professional training adapted to the various phases of a woman's working life, on social infrastructure adjusted to the requirements of the family, a housing policy which takes account of the family aspects, etc.

All these problems, which are of fundamental importance to the family, are now provoking interventions by several Members even outside my group: Mr Meintz, Mr Van Aerssen and others have put questions on this subject to which we are impatiently awaiting answers.

The third reason for expecting a positive reaction from the Commission is the attitude of family movements themselves. Although the European Treaties seem to have ignored European families, the families themselves, through their most representative organizations, have fortunately not ignored Europe.

The Committee of Family Organizations in the European Communities, COFACE, has made itself their spokesman. It has thought deeply about the needs and responsibilities of the family group, seen in its relationship with society and in its social functions. It has drafted a programme and a guideline for a Community policy. In a public statement at an international meeting on 2 October 1978, which, I would stress, was attended by Commissioner Burke, the Committee defined the axes for a European policy which accepts the principles and priorities it has put forward for the family. Led by its chairman, Mr Joseph Gilles, COFACE made a joint and urgent approach to the Commission.

The main purpose of our question today, Mr Commissioner, is to ask what action the Commission intends to take as a result of this approach. How does it intend to translate its concern for the family, whose specific and fundamental importance has finally been recognized, in its action programmes, the organization of its departments, its efforts to harmonize the family policies of the Member States? How are you to create maintain and intensify contacts with COFACE? Do you intend to create within the Commission a direc-

torate on family policy and human problems, as urged by COFACE? Will one of the Commissioners be made specially and actively responsible for giving family aspects due consideration in the various policies and in the various Community bodies? These are questions to which our group and also, I am sure, an increasing number of Members sincerely hope you will give positive answers.

The people of Europe go to the vote on 10 June. I am sure that they will vote for a more humane, open and socially-oriented society, a society in which — as clearly shown by a recent survey among young Europeans — the family is and remains the basic institution, the basic unit which is essential for their own development.

It is your responsibility, Mr Commissioner, to assure them, through your answers to this Parliament, that they will be heard.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, Mr Deschamps has energetically broached a subject which is far from simple. There are in our Community many subjects which are potentially open to consideration, and the subject we now happen to have before us is family policy. The Commission maintains very good relations with the Committee of Family Organizations in the European Communities, which Mr Deschamps mentioned, and naturally I fully agree with all those who are working for what we call a Europe with a human face. This is particularly relevant to my own portfolio; social affairs and employment can be very important in determining that human face.

One of the many aspects which plays a very great rôle in family policy and which has already been referred to here this morning, in the reply to the question by Mrs Squarcialupi, concerns the redistribution of work. I believe that subjects such as the reduction of working-time and that kind of thing have helped to launch for the first time in various Member States discussions about the position of the woman in the family and outside, and how a family and work in the family can be reconciled with paid work outside. This kind of practical point, Mr President, is in my view well worth studying. As you know, in our document on the redistribution of work we requested that attention should be given to this matter, and this will continue to apply in the further formulation of this point. In topics which are at present being worked out, the Commission is also devoting especial attention to the position of women.

The reduction in working-time must also be related to the family situation in general, and I believe I can honestly say that there is a whole number of Community measures in favour of family interests. May I remind the House of the regulation on the free move-

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ment of workers, in which especial attention is given to the reunification of families. This is much more than an economic objective; it is indeed a genuine human problem very closely connected with the deeper significance of the family. In our discussions on the accession of Greece — and you know that this caused certain difficulties — the principle of reuniting families was strongly defended and maintained.

Mr President, I would also like to point out that in connection with the free movement of workers another essential point for the Commission has been education for migrant children. This is also very evidently connected with certain family situations and the need to learn the language of the country from which the workers originate — to mention one single aspect. We have, although it would be too much to give here, a summary of all the examples and so I will let it go at that for the moment.

I would simply like to say generally that we believe that a pragmatic approach is necessary when dealing with family policy. And when Mr Deschamps asks, 'How are you going to follow up this debate?' I would like to put forward the following general considerations — although I would not like to count the number of representatives still present in this House and this 'Friday debate' does not seem to me the best opportunity for proposing major policy lines. Family policy in the Member States is a very divergent matter, and to speak about its 'harmonization' in the Member States is rather exaggerated, to put it frankly.

I do not want misunderstandings to arise or to persist on this point: the Commission does not believe that a family policy as such must be developed as a high priority. It is taking some action in the examples which I mentioned. It takes definite situations into account and we are working on certain specific matters, but comprehensive policy is really the concern of the Member States themselves. If we bear in mind all the demographic, philosophical and historical aspects, we realize that we should be going one step too far if we were to try to do at Community level what should really be left to the Member States themselves. At the same time, we must create the natural conditions for a family policy to have more chance of succeeding in the Member States.

Last October, the Commission organized yet another special conference at which Members of the European Parliament were also present, and I believe, Mr President, that this is the way in which the Community must approach the problems of family policy. Family policy in the narrow sense of the word seems to me to be too far-reaching to be dealt with at European level. Better justice will be done to such a policy if it is left to the Member States. But if things arise at European level which affect the interests of the family as such, then we must naturally give very serious consideration

to these aspects, as in fact we do. I believe that this is the best way of approaching the problem which has been raised — for which I am grateful to them — by the honorable Members by way of this oral question.

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

Mr Albers. — (NL) Mr President, I listened with great interest to the speech by Mr Deschamps on behalf of the Christian-Democratic representatives, and to the reply of the Commissioner. The only comment I would like to make on the Commissioner's answer is that the number of people present in this House is never a measure of the attention which will really be given to a matter at a later date. If we wish to deal with social events in the European Parliament, the debate can take place on a Friday morning, when so few Members are able to attend. Nevertheless he is right: of course this is not something that has arisen suddenly, it is a matter of family policy, and family policy is naturally a subject of political debate as long as there are families and as long as there are political parties.

One point is this desire for a Community or European family policy in general. We all know that the Treaty which underlies the European Community has certain major gaps, and our group is certainly not of the opinion that we should be mainly concerned with economic problems. On the contrary, we believe that if this European Community is to develop further in the future, the development must be a social one. We therefore welcome the discussion of an item such as family policy, especially since the family consisting of a husband and wife and two children still forms the basis for calculating wages policy and for wage negotiations. This is an important fact; but I would like to draw attention to the fact that if we call for a family policy and if we start pushing such a policy forward we must not overlook the disadvantages which single people have in our society as regards social security, taxation, housing and often employment. I would also like to draw attention to a point which I looked for in vain in Mr Deschamps' speech: that of other forms of society which have gradually developed and which are gradually gaining more and more recognition although they tend to vary from state to state. I therefore believe that we must take care not to place too much stress on consideration for the family in the development of our policy in the various sectors but must bear in mind, in all the measures which will be evolved, the interests of other forms of society and the interests of single people, who deserve special attention, particularly as regards taxation, social security, housing and employment. I would therefore like to wind up the Socialist Group's contribution at the end of this debate by asking the Commissioner to give this point his attention.

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

Mrs Squarcialupi. — (*I*) Mr President, I think that much credit must go to Mr Deschamps for having been the first to raise the problem of the family in this Chamber. I agree with many things that he has said and I would not presume to criticize him if there are other things which he appears to have forgotten.

I should nevertheless like to make a few observations on what is called the Committee of Family Organizations. First of all, I must say that the meeting which took place to mark the tenth anniversary was held in quasi-clandestine form. In fact I was told nothing about it. I, who give so much attention to these problems, only learned about the meeting from the question by Mr Deschamps. It would perhaps be useful to give greater publicity to the meetings of this committee.

In his speech, Mr Deschamps implied that this association was a representative one. I do not like to differ from Mr Deschamps, but I and my group and — I believe — half of all Italians, do not in fact feel themselves represented.

First let us look at the number of representatives who go to make up this organization. I have made a very quick calculation: five Italians — Italy has 56 million inhabitants — and six Luxemburgers. Mr Meintz, Luxembourg has 400 000 inhabitants: do not make me go into a calculation of the quota for Luxembourg in relation to the Italian one. There are also seven Britons and 25 Belgians — so I can understand why Mr Deschamps feels himself to be so representative — and finally there are 17 French representatives. These numerical differences should at least make us aware that in this association divergent emphases and divergent measures have been adopted.

And now let us come to the composition of the Italian group. As far as I can see, there are five members belonging to four organizations. At least three of these organizations are completely unknown to me, notwithstanding the fact that, with a greater or smaller measure of success, I do my best to keep in touch with family problems. These four organizations all have a clear political orientation — to be precise, a Catholic one. Even if an orientation of this kind may justly claim a hearing, the fact remains that it does not represent the whole of the Italian population. Two of these associations represent rural families, and here, too, let us make a quick calculation: if half of the Italian representatives on COFACE represent rural families, agricultural workers should amount to at least 50 %. In fact, however, they only come to 14 %, while workers in industry come to 42 % and are flooding the big towns with problems arising from the shift from rural to urban zones. The families who really need help at the moment are those of the indus-

trial workers who live in the big conurbations, as, for example, those involved in tertiary services, who make up 43 %. I see no trace of any family association for migrants. And yet there are some! The migrants are the ones who pay more than any others in terms of the trauma of being uprooted from their place of origin to that where they now reside. It goes without saying that there is no trace either of any representation of women's groups.

Therefore, while supporting the remarks made by Mr Deschamps, I cannot share the belief in the representativeness of his association. I should like to add that the unhappy placing of this subject on the agenda for the Friday sitting will not even allow me to hear the replies of the Commission, since I shall have to leave in a few moments. However, I have tabled a question on this subject, and I look forward to the Commissioner's being able to give us a reply in one of the next part-sessions so that the families of Europe can feel themselves truly represented.

President. — I call Mr Deschamps.

Mr Deschamps. — (*F*) Mr President, I should first of all like to thank Mrs Squarcialupi for supporting my remarks. Obviously I gave priority to an organization which I know best and which I consider to be more representative than she says. If there are others equally representative who wish to approach the Commission, I hope that they will be given a careful hearing.

I should like to say to Mr Vredeling that our poor attendance should not be considered by him as a measure of the interest which the Assembly takes in this policy. I would remind him that for six years development and cooperation policy has been put on Friday's agenda almost as a matter of course. There are never many people present, but nevertheless his colleague, Mr Cheysson, has succeeded in making cooperation and development policy one of the most important and successful policies of the Community. You should not therefore take the number of Members present as a measure of the interest which must be attached to this family policy. If you undertake a major family policy, I assure you that you will have a vast audience in the Assembly!

Finally, I agree that you must harmonize family policies and not necessarily make a European family policy. The nations themselves — and this is the case in my country — are in the process of decentralizing their family policy. It is not therefore the time to call for excessive centralization, but to look at a number of Community policies from the specific viewpoint of the needs and interests of the family.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (*NL*) Mr President, it sometimes happens that ideas are expressed in debates which one later regrets.

Vredeling

Naturally, I did not in any way mean to allude to the fact that the House is so empty as a way of insinuating that the subject is therefore not of importance: that is far from the truth and I would like to make that clear. I simply started with the question which Mr Deschamps had put: 'How is the Commission going to follow up this debate?'. He then put all kinds of questions, such as whether we were intending to set up separate services, and these were so numerous that I was unable to give a precise answer off the cuff. This is the only reason why I referred to the fact, Mr President, and there was no other reason than that.

President. — The debate is closed.

14. Energy situation in the Community

President. — The next item is the motion for a resolution tabled by Mr Pintat, on behalf of the Liberal and Democratic Group, Mr Brown, on behalf of the Socialist Group, Mr Noè, on behalf of the Christian-Democratic Group (EPP), Lord Bessborough, on behalf of the European Conservative Group, and Mr Veronesi, on behalf of the Communist and Allies Group, on the energy situation in the Community (Doc. 569/78/rev.).

I call Mr De Clercq.

Mr De Clercq. — (*F*) Mr President, two events have once again caused an upheaval in the world oil market and have therefore placed the Community's supplies in doubt again, because it depends on Iran for about 16 % of its supplies. Even though this figure, recorded during the first six months of 1978, represents a reduction compared with 1977, it is nevertheless true that Denmark imports about 35 % of its oil from Iran, the Netherlands and Belgium import 22 % and Germany 20 %.

Hitherto Saudi Arabia has made up the deficiency caused by the stoppage of Iranian exports. It has increased its oil production to 12.85 million barrels a day, but, for technical reasons, it cannot maintain a steady rate of more than 10.5 million barrels. Since it seems that the situation in Iran is still disquieting, Saudi Arabia's contribution will soon prove to be insufficient to meet the Community's needs.

The events taking place in Iran are also affecting prices; they are not unconnected with the increase adopted by the OPEC.

Saudi Arabia, which has hitherto reserved its position regarding the principle of an increase, in view of the over-production position, has finally given in. Sheik

Yamani has already said, following the meeting at Abu Dhabi, that the events in Iran may result in a further increase at the end of this year.

The cost of the OPEC decision for the Nine has already been assessed at \$ 5,000 m. In the present economic situation, marked by inflation and unemployment, this will be a heavy burden and may even get worse.

One can nevertheless understand the attitude of the exporting countries who are suffering at their expense the fluctuations in the dollar. The real purchasing power of oil revenue has fallen by more than 60 % since 1974, whereas prices of the refined products supplied to the consumers have continued to rise. This absurd situation must be corrected. If oil prices have to be adjusted, there must also be genuine cooperation between all the countries concerned, especially the OPEC countries, who provide nearly 90 % of world oil exports. It is through cooperation and consultation that the balance of interests of the producers and the consumers can best be assured.

Mr Brunner's proposal to hold meetings between producer and consumer countries is therefore an excellent initiative. The contacts which have already been made with the Organization of Arab Petroleum-Exporting Countries seem to have been extremely fruitful. They should therefore be extended to all the producer countries, whether they are members of OPEC or not.

This situation shows how much Europe is dependent on the outside world and, as a result, on the political events affecting one or other producer-country.

Following the period of abundance and euphoria which we have had, the world is entering a new phase in the transition between oil and the other energy sources. But these new sources can only be made accessible at the cost of substantial technological effort and investment. It must be realized that the countdown has begun.

Reliable experts predict that ten years from now the oil deficiency may be as much as 6 hundred million tonnes per year. Energy savings, the use of alternative energies and in particular nuclear energy are essential. The Committee on Energy and Research and the Members of this Parliament have frequently warned the Council about its lack of political will in regard to energy.

Coal, the three nuclear options, the problem of refining, are subjects which the Council has left an one side because they affect national interests. It is time that the Council realized that without joint action the national energy policies will always have a limited effect.

de Clercq

In its objectives for 1990, the Commission has once again emphasized the urgency and the need for joint action, while the Council merely makes this a matter for bargaining between the nations. The rise in the price of oil and the difficulties of obtaining oil from Iran should, however, raise the alarm again. The precarious situation of the Community, both as regards energy supplies and in the social and economic field, should give the Council pause for thought. It is not a question of choice but of necessity.

We await the Council's reply!

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

Mr Ibrügger. — (*D*) Mr President, ladies and gentlemen, Mr De Clercq has put the word into my mouth: he spoke about alarm signals. I have the impression that the reports from Iran and the announcement of a four-stage increase in oil prices, as they reach us here in Europe and those responsible in the Council of Ministers, fail to inspire either the ability or the desire to draw any clear conclusions. Our immediate reaction is to apply ourselves once more to the day-to-day problems of Europe. Surely we must abandon this narrow approach, to which we are too often and too closely tied, precisely in the field of energy policy! We must open our eyes to the consequences which will make themselves felt for the European citizen as soon as the measures that have been announced begin to take effect in the wake of these alarm signals of which Mr De Clercq has spoken. The shock of rising oil-prices and the ban on driving are still fresh in our memories. Whoever believes that we are not going to be confronted with these things again in the future is not only being unrealistic but is taking an irresponsible attitude to the European citizen.

All the challenges with which Europe is presently confronted are immediately and essentially connected with the problem of energy supplies. Within the space of only ten generations since the Industrial Revolution, for example, the population explosion has brought the world population to the level of 4000 million, and this figure may be expected to increase to 7000 million by the year 2000. Will this not have some effect on the demand for energy throughout the world? And how are we to regard the growing world food-shortage? If we, as European citizens, bear in mind that large sections of humanity are short of food and that where people go hungry peace in the end is undermined, we must not be surprised if social problems and conflicts in the developing countries exert a direct effect on our own lives. Threats to the environment, shortages of oil and raw materials and the danger of military complications are all connected

with the problem of energy supplies. Not so very far away, two countries with which we have for some time been negotiating, Greece and Turkey, were prepared, or showed signs of being prepared, to go to war with one another because of disputes over areas expected to yield oil. To this we cannot remain indifferent: we must bear in mind the danger of conflicts arising, anywhere in the world, from quarrels over oil supplies or shortages of raw materials.

Although I am the second youngest Member of this Parliament and am addressing an inevitably empty Chamber on a Friday morning, I must say that the political powers of this Earth are arming with quite the wrong enemy in mind. The European citizen justifiably asks whether at least a modicum of the 800000 million DM which are annually spent on armaments should not be devoted to improving energy supplies in Europe and whether this would not be a valuable contribution towards guaranteeing energy supplies throughout the world, which, in their turn are capable of rendering an equally great contribution to the development of the Third World.

We cannot reconcile ourselves with the uncertain position in which we find ourselves today. The Socialist Group therefore gives this joint motion for a resolution its unqualified support. We cannot eliminate the dangers presented by the oil crisis by waiting over two years for the Council of Energy Ministers to blow the dust off documents which have been jointly produced by the Commission and this Parliament. In 1977, Parliament and the Commission submitted to the Council nine proposals which have since been lying ignored. Furthermore, there is plenty of evidence to suggest that since June 1978 none of the work done by this Parliament and its committees or by the Commission on the subject of joint energy supplies has found an echo.

What has happened to the Council proposal for promoting Community procedures for discovering hydrocarbons? Is that a negligible item in this whole problem? What is being done about promoting the use of coal for generating electricity or exploiting possibilities for energy-saving through the modernization of old buildings?

As a German representative, I come from a country which also has employment problems but which today has discovered that the middle classes, skilled workers and the entire employment situation have profited a good deal from attempts to save energy by modernizing old buildings. In the Federal Republic today, it is difficult to get any craftsmen, because they are booked out months ahead with this kind of work. Why does the Council of Ministers not regard this possibility of solving the employment problem as offering a joint task for all the member countries?

Ibrügger

All we do is to wait for reports of developments, and then we react to them. This is the inevitable impression if one studies the course of energy policy. It is our avowed aim to reduce our dependence on oil in the next few years — firstly, because we foresee bottlenecks in our supplies during the 80s and 90s, and secondly, because we have repeatedly stressed that our responsibility *vis-à-vis* the Third World must be something more than lip-service, since it means that oil must not be involved in a price war in which more and more countries of the Third World are deprived of the means of assuring their own energy supplies. We have made proposals for saving energy, we have made proposals in an attempt to find alternative energy sources or to exploit those of our own that we already have. We can no longer afford to wait and react ineffectually or, what is worse, allow ourselves to be overwhelmed by alarm signals and other developments such as those described by Mr De Clercq: we must take preventive, prophylactic action.

In the last few years, the Council of Ministers has failed to adopt the essential features of the proposals produced by the Commission, by the Parliament and by its committee. This is not the right moment to investigate the part played by individual members of the Council of Energy Ministers, but if, as it seems to me, the British Minister Benn takes the view that energy problems in Europe must be solved at the national level, then I cannot share this view, because in my opinion it is damned well his duty, as a citizen of Europe and of the world, not to regard energy problems and Europe's energy supplies from a national point of view. We in the Socialist Group regard the development of a general plan for Europe's energy supplies as urgent, indeed as long overdue, and this debate today, is, perhaps, a small step towards achieving progress in this field.

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

Mr Eberhard. — (F) Mr President, I simply wish to make a clarification with regard to paragraph 4 of the motion for a resolution. The French Communists consider that, apart from the problems of energy, any meeting between developed and developing countries should deal on a basis of equality with all the problems of raw materials and all matters of common interest.

President. I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, the whole subject of energy has been largely dominated by two events in recent months. I refer to events in Iran and the recent price increase decided by the OPEC countries, and I think it will be useful to analyse briefly the consequences of this situation here. The events in Iran, with which you

are all familiar, have resulted in a complete suspension of oil exports from that country since the end of December. The shortage has admittedly been made good by an increase in output in the other oil-producing countries, but there is nevertheless a net reduction in the total available supply of crude of some 2 million barrels per day, representing 3 to 4 % of total world consumption. It is in itself a fortunate circumstance that the supplies of oil, both in the Community and in other oil-consuming countries, were substantial, so that the reduction in world supplies could be absorbed — at least up to now. Because of the increase in production elsewhere and the favourable supply situation, the cessation of Iranian exports of crude has not had immediate catastrophic consequences for the Community, although it depends on Iranian petroleum for 16 % of its total imports. Briefly, the situation is as follows: there is no reason to dramatize the position, but the present state of affairs cannot continue indefinitely, otherwise the negative consequences will make themselves much more strongly felt. As measures of prudent administration, I believe that the governments and the Community must urge the consumers to make an additional effort to save energy. Mr President, particularly against the background of the present situation, energy saving must be one of our principal objectives.

A word now about the price increase decided by the OPEC countries. Last December a decision was taken to increase oil prices by an average of 10 %. For the Community countries, that increase means an additional burden of some 4.8 thousand million dollars, a figure which will have some effects on the Community's balance of payments and, of course, on the general price-index. We estimate the increase in the index at about 0.35 percentage points, while the growth in the national product will probably be some 0.3 percentage points lower than would otherwise have been the case.

The December price increase, combined with the events in Iran, have brought home to us yet again the extremely vulnerable position of the Community in respect of imported energy supplies. We must not lose sight of the fact that 56 % of our energy requirement consists of imported sources of energy, a fact which recent events have once again highlighted and which the Commission had already repeatedly stressed — in other words, the situation of surplus oil supplies which prevailed last year gave a misleadingly favourable impression of the underlying situation. The assumption of ample energy supplies in the 1980s is far too uncertain to take as a basis for the policy of countries like ours which are so heavily dependent on imported energy. As you know, the Community has laid down objectives for 1985, and the targets for the subsequent five years up to 1990 are under discussion at present. I must remind you yet again that — as previous speakers have already pointed out — the

Vredeling

basis for decisions on ways of achieving these targets is extremely meagre; that goes for Council decisions too. In my view, the Community should give particular attention to programmes for coal and nuclear energy, but, as I have already said, I feel that the European Parliament has rightly taken the initiative set down in paragraph 3 of the resolution at this particular time.

When speaking of the Community policy in this area, we must obviously bear in mind the fact that we do not live in isolation and that our own action must be placed in a world context of interdependence. That is also the basis for our conception of relations between the consumer and producer countries. We have not yet drawn definitive conclusions, but the very least that we can hope for are regular meetings of experts from the various countries. The aim here must not be so much to take actual decisions as to arrive at an informal exchange of views on short and longer-term developments. Such an exchange of information can be extraordinarily valuable and might also lead to decisions' being taken by either party — the producers or consumers — which, more than hitherto, will take account of the consequences for the other party.

Mr President, that is the approach to which the Commission feels should be given preference on the basis of the ideas developed recently by my colleague, Mr Brunner, who is mainly responsible for energy matters.

President. — I note that no one else wishes to speak.

The motion for a resolution, together with the amendments that have been moved, will be put to the vote at the end of the sitting.

The debate is closed.

15. Directive on titanium dioxide

President. — The next item is the oral question, without debate (Doc. 531/78), by Mr Fioret, Mr Martinnelli, Mrs Cassanmagnago Cerretti, Mr Bersani, Mr Pisoni, Mr Scelba, Mr Liogios, Mr Vernaschi and Mr Ripamonti, to the Commission, on the application of the EEC directive on titanium dioxide:

1. Is the Commission aware that two Member States have requested exemption in accordance with Article 10 (2) of the Directive of 20 February 1978 on waste from the titanium dioxide industry¹ for as many as five industrial establishments which represent approximately one-third of the EEC's productive capacity?
2. Does the Commission not think that failure to apply the Directive to such a large section of the industry in the sector may make the Directive itself quite pointless?
3. If so, what action does the Commission intend to take to avoid this danger?

I call Mr Deschamps.

Mr Deschamps. — (*F*) Mr President, I have gladly agreed to present this question, although I must confess my ignorance of the technical aspects of titanium dioxide. I know, on the other hand, that it is a highly dangerous product, the free discharge of which into certain places, particularly the sea, can cause very serious damage.

It seems to me that the action we are taking within this Parliament is liable to be neutralized in three ways. First, the Commission may fail to take action on some of our suggestions on subjects to which we attach great importance. Secondly, the Council may leave pending — it does this too often — a number of projects which we have amended and approved. Thirdly, the Commission might not enforce the directives or regulations which have actually been adopted by the Council.

The question which I am presenting today, Mr President, concerns a fourth way in which action by this Parliament could be neutralized, namely granting or allowing too many exemptions, which would make these directives practically ineffectual or pointless. In the case of titanium dioxide it is said that, more than one-third of the producers have asked to be exempted from the application of the directive.

How effectual can a directive be, when more than one-third of those who should be subject to it ask, and obtain, dispensation from it?

When we approved this directive, was there, and is there still, a real danger? Is the Commission determined to refuse exemptions or to limit their scope and in what way? If there was no danger, we should have been told that this directive was in fact pointless!

I do not think that that is the case, Mr President, and I therefore await the Commission's answer with interest.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (*NL*) Mr President, I shall be very brief. We are dealing here with the application of a technically complex directive, in particular as regards Article 10 (2). Two Member States have informed us — on 15 and 16 August last year — of the reasons why they were requesting exemption from the directive for eight industrial undertakings, two in the United Kingdom and six in the Federal Republic.

¹ OJ No L 54, 25 February 1978, p. 190.

Vredeling

The Commission is looking into the justification for these applications and has set up a group of independent experts and Commission officials, who are jointly looking into the matter under the chairmanship of the responsible Commission official. What we want is a reasoned technical and scientific opinion on the arguments put forward by the companies in the Member States concerned in support of their application for exemption. The 'modified opinion' in this matter is expected by 20 February 1979; that is the final date which must be met.

I cannot go into further details of the reasons put forward by the undertakings concerned, because the information concerned is strictly confidential. I hope that the Members of Parliament will bear with me when I say that the Commission is not at present able to give a more complete answer.

President. — This item is closed.

16. *Competition in the poultry sector*

President. — The next item is the oral question, without debate (Doc. 533/78), by Mr Früh and Mr Schwörer, to the Commission, on competition in the poultry sector:

Has the Commission examined whether the Netherlands law on the promotion of investment (WIR) has produced competitive advantages in the Dutch poultry sector resulting in a considerable increase in the number of laying hens?

What conclusion has the Commission reached?

What measures does the Commission intend to take to establish equality of competition and to stabilize the Community egg market?

I call Mr Deschamps.

Mr Deschamps. — (F) Mr President, I am no more a specialist in this field than on titanium dioxide. The question nevertheless interests me as a consumer, since it relates to problems of competition between sellers of poultry.

I shall simply say to Mr Vredeling that the authors of the question have told me how much importance they attach to this problem and with what interest they await an answer. I hope that it will be a little more detailed than that which has just been given to the previous question.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, I do feel sympathy with Mr Deschamps. I too am standing in today for a great many colleagues on a great many matters which do not in any way fall within my terms of reference. I am

therefore reading out the notes handed to me by the experts, and I cannot go any further, because otherwise I should be overstepping my bounds, and that would be rather dangerous at this time, Mr President. I must apologize for this state of affairs. The fact that I am a kind of stand-in and the manner in which these debates take place on a Friday morning cause me to wonder, Mr President, whether this really is the best form for an exchange of views between Parliament and the executive.

President. — The obvious ideal would be for the entire Commission to be present.

This item is closed.

17. *Votes*

President. — The next item comprises the votes on the motions for resolutions on which the debate is closed.

I put to the vote the motion for a resolution contained in the *Squarcialupi report (Doc. 469/78): Directive on the noise emitted by compressors.*

The resolution is adopted ¹.

President. — I put to the vote the motion for a resolution contained in the *McDonald report (Doc. 559/78): Directive on lighting of agricultural or forestry tractors.*

The resolution is adopted ¹.

President. — I put to the vote the motion for a resolution contained in the *Bruce report (Doc. 556/78): Decision on ship inspection.*

The resolution is adopted ¹.

President. — We shall now consider the *motion for a resolution* tabled by Mr Pintat and others (Doc. 569/78/rev.): *Energy situation in the Community.*

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

The preamble and paragraphs 1 to 3 are adopted.

After paragraph 3, I have Amendment No 1, tabled by Mr Noè on behalf of the Christian-Democratic Group (EPP) and inserting the following new paragraph:

- 3a. Calls on the Commission to take action, in close collaboration with the Member States, aimed at making available throughout the Community a sufficient number of sites for the construction of nuclear power-stations, in accordance with the instructions given at the meeting of the European Council in Bremen on 6 and 7 July 1978;

I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

¹ OJ C 39, 12. 2. 1979.

President

On paragraph 4, I have Amendment No 2, tabled by Mr Noè on behalf of the Christian-Democratic Group (EPP) and adding the following to this paragraph :

4. ... contacts be established, with powers delegated to the Commission ;

I put Amendment No 2 to the vote.

Amendment No 2 is adopted.

I put paragraph 4, thus amended, to the vote.

Paragraph 4, thus amended, is adopted.

I put paragraphs 5 and 6 to the vote.

Paragraphs 5 and 6 are adopted.

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

The resolution is adopted ¹.

18. *Dates of the next part-session*

President. — There are no more items on the agenda. I thank the representatives of both Council and Commission for their contributions to our debates.

The enlarged Bureau proposes that the Parliament hold its next sittings in Luxembourg during the week from 12 to 16 February 1979.

Are there any objections ?

That is agreed.

19. *Approval of the minutes*

President. — Rule 17 (2) of the Rules of Procedure requires me to submit for the approval of Parliament the minutes of the present sitting, which were compiled during the debates.

Are there any comments ?

The minutes¹ of proceedings are approved.

20. *Adjournment of the session*

President. — I declare the session of the European Parliament adjourned.

The sitting is closed.

(The sitting was closed at 12 a.m.)

¹ OJ C 39, 12. 2. 1979.

