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from 3 to 7 July 1978

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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.

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IN THE CHAIR : MR COLOMBO

*President**(The sitting opened at 5 p.m.)***President.** — The sitting is opened.1. *Resumption of session***President.** — I declare resumed the session of the European Parliament adjourned on 16 June 1978.2. *Appointment of a Member***President.** — On 29 June 1978, the House of Lords appointed Lord Murray of Gravesend a Member of the European Parliament to replace Lord Brimelow.

The credentials of this Member will be verified after the next meeting of the Bureau, on the understanding that, pursuant to Rule 3 (3) of the Rules of Procedure, he will provisionally take his seat in Parliament and on its committees with the same rights as other Members.

Allow me to offer a warm welcome to our new colleague.

*(Applause)*3. *Petitions***President.** — I have received the following petitions :

- petition by Mrs Rosenzweig, on behalf of the 'Mondial Alternatief Foundation', on the universal rights of nature,
- petition by Mr Perez and 2 000 other European civil servants in Brussels: for human rights in Argentina.

The petitions have been entered under Nos. 11/78 and 12/78 respectively in the register provided for in Rule 48 (2) of the Rules of Procedure and referred to the Committee on the Rules of Procedure and Petitions pursuant to paragraph 3 of the same Rule.

4. *Documents received***President.** — I have received the following documents :

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

- a proposal from the Commission of the European Communities to the Council for a specific directive on the overall migration limit for the constituents of plastic materials and articles intended to come into contact with foodstuffs (Doc. 173/78)

which has been referred to the Committee on the Environment, Public Health and Consumer Protection ;

- a proposal from the Commission of the European Communities to the Council for a regulation concerning the conclusion of the Agreement on fish-

eries between the European Economic Community and the Government of Sweden (Doc. 174/78)

which has been referred to the Committee on Agriculture ;

- the Second list of requests for the carry-over of appropriations from the 1977 to the 1978 financial year (non-automatic carry-overs) (Doc. 175/78)

which has been referred to the Committee on Budgets ;

- a proposal from the Commission of the European Communities to the Council for a regulation concerning the conclusion of the Agreement on fisheries between the European Economic Community and the Government of Denmark and the Home Government of the Faroe Islands (Doc. 176/78)

which has been referred to the Committee on Agriculture ;

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

I. a regulation amending Regulation (EEC) No 804/68 on the organization of the market in milk and milk products

II. a regulation on the sale of butter at reduced prices to persons receiving social assistance

(Doc. 177/78)

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

- a proposal from the Commission of the European Communities to the Council for a directive amending the Directive of 1 June 1976 laying down the revised Basic Safety Standards for the health protection of the general public and workers against the dangers of ionizing radiation (Doc. 183/78)

which has been referred to the Committee on the Environment, Public Health and Consumer Protection ;

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

I. a regulation amending Regulation (EEC) No. 1035/72 on the common organization of the market in fruit and vegetables

II. a regulation amending Regulation (EEC) No 1035/77 laying down special measures to encourage the marketing of products processed from lemons

(Doc. 207/78)

which have been referred to the Committee on Agriculture ;

- a proposal from the Commission of the European Communities to the Council for a regulation laying down for 1978 measures for the conservation and management of fishery resources including the establishment of catch quotas for herring stocks (Doc. 211/78)

which has been referred to the Committee on Agriculture ;

- a proposal from the Commission of the European Communities to the Council for a decision autho-

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rizing the United Kingdom to grant a national aid to milk producers in Northern Ireland (Doc. 212/78)

which has been referred to the Committee on Agriculture ;

- a proposal from the Commission of the European Communities to the Council for a regulation on the conclusion of the Agreement on fisheries between the European Economic Community and the Kingdom of Norway (Doc. 213/78)

which has been referred to the Committee on Agriculture ;

- a proposal from the Commission of the European Communities to the Council for a regulation amending the Financial Regulation of 21 December 1977 applicable to the General Budget of the European Communities (Doc. 214/78)

which has been referred to the Committee on Budgets ;

- a proposal from the Commission of the European Communities to the Council for a regulation on the procedure for amending the tariff nomenclature used for agricultural products

(Doc. 215/78) ;

which has been referred to the Committee on External Economic Relations

- a proposal from the European Communities to the Council for a regulation opening, allocating and providing for the administration of Community tariff quotas for certain wines having a registered designation of origin, falling within subheading ex 22.05 C of the Common Customs Tariff, originating in Tunisia (1978-79)

(Doc. 216/78)

which have been referred to the Committee on External Economic Relations as the committee responsible and to the Committee on Agriculture for its opinion ;

- a proposal for a Council Regulation (EEC) laying down certain conservation and management measures for common fishery resources off the West Greenland coast applicable in 1978 to vessels flying the flag of Canada

(Doc. 217/78)

which has been referred to the Committee on Agriculture ;

- a proposal for a Council Regulation (EEC) allocating certain catch quotas between Member States for vessels fishing in the Norwegian exclusive economic zone

(Doc. 220/78) ;

which has been referred to the Committee on Agriculture ;

(b) from the committees, the following reports :

- report by Mr Albers, on behalf of the Committee on Social Affairs, Employment and Education, on the state of preparation of the detailed and comprehensive working documents to be drawn up by the Commission for the Community Tripartite Conference (Doc. 179/78) ;

- report by Mr Ansquer, on behalf of the Committee on Economic and Monetary Affairs, on a draft Commission decision establishing Community rules for aids and interventions by Member States in favour of the iron and steel industry (Doc. 180/78) ;

- report by Mr Lamberts, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the proposal from the Commission of the European Communities to the Council (Doc. 511/77) for a directive amending Directive 73/173/EEC of 4 June 1973 on the approximation of Member States' laws, regulations and administrative provisions relating to the classification, packaging and labelling of dangerous preparations (solvents) (Doc. 181/78) ;

- interim report by Mr Prescott, on behalf of the Committee on Economic and Monetary Affairs, on the communication from the Commission of the European Communities to the Council (Doc. 471/77) on the reorganization of the Community shipbuilding industry (Doc. 182/78) ;

- report by Mr Bertrand, on behalf of the Political Affairs Committee on the conviction of the physicist Yuri Orlov, co-founder of the 'Public Group to assist the Fulfilment of the Helsinki Accords in the Soviet Union'

(Doc. 197/78) ;

- report by Mr Müller-Hermann, on behalf of the Committee on External Economic Relations, on the trade agreement between the European Economic Community and the People's Republic of China (Doc. 198/78) ;

- report by Mr Ibrügger, on behalf of the Committee on Energy and Research, on the communication from the Commission of the European Communities to the Council (Doc. 9/78) on the introduction of a Community aid system for intra-Community trade in power station coal (Doc. 199/78) ;

- report by Mr Prescott, on behalf of the Political Affairs Committee, on violations of human rights in Argentina and the procedures to be followed within the European Parliament to combat such violations throughout the world (Doc. 200/78) ;

- report by Mr Ligios, on behalf of the Committee on Agriculture, on a proposal from the Commission of the European Communities to the Council (Doc. 130/78) for a regulation on a common measure for forestry in certain dry Mediterranean zones of the Community (Doc. 201/78) ;

- report by Mr Früh, on behalf of the Committee on Budgets, on the Sixth Financial Report of the EAGGF for the year 1976 (Doc. 202/78) ;

- report by Mr Bangemann, on behalf of the Committee on Budgets, on parliamentary control of the financial operations of the EAGGF (Doc. 203/78) ;

- report by Mr Aigner, on behalf of the Committee on Budgets, on the postponement of the decision on the discharge in respect of the financial year 1976 (Doc. 204/78) ;

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- report by Mr Pisoni, on behalf of the Committee on Agriculture, on taxes applicable to wine and alcoholic beverages (Doc. 379/77) (Doc. 205/78);
 - report by Mr Hughes, on behalf of the Committee on Agriculture, on the proposal from the Commission of the European Communities to the Council (Doc. 172/78) for a regulation establishing Community fishing plans for directed herring fishing in certain zones (Doc. 206/78);
 - report by Mr Cifarelli, on behalf of the Committee on Agriculture, on the proposals from the Commission of the European Communities to the Council (Doc. 207/78) for
 - I. a regulation amending Regulation (EEC) No 1035/72 on the common organization of the market in fruit and vegetables
 - II. a regulation amending Regulation (EEC) No 1035/77 laying down special measures to encourage the marketing of products processed from lemons
 (Doc. 208/78);
 - report by Lord Bruce of Donington, on behalf of the Committee on Budgets, on the second list and recapitulation of the complete list of requests for the carry-over of appropriations between the financial years 1977 and 1978 (non-automatic carry-overs) (Doc. 210/78);
 - report by Mr Patijn, on behalf of the Political Affairs Committee, embodying the opinion of the European Parliament by direct universal suffrage should be held from 7 to 10 June 1979 (Doc. 221/78);
- (c) the following oral questions :
- oral question with debate by Mr Nyborg, on behalf of the Committee on Economic and Monetary Affairs, to the Council on the realization of the customs union and the internal market (Doc. 184/78);
 - oral question with debate by Mr Nyborg, on behalf of the Committee on Economic and Monetary Affairs, to the Commission on the realization of the customs union and the internal market (Doc. 185/78);
 - oral question with debate by Mr Fellermaier, on behalf of the Socialist Group, to the Council, on the EEC-Portugal additional and financial protocols (Doc. 186/78);
 - oral question with debate by Lord Bessborough, Mr Osborn, Mr Fuchs, Mr Noé, Mr Cointat, Mr Rivierez, Mr Veronesi and Mr de Clercq to the Commission on uranium fuel (Doc. 187/78);
 - oral question with debate by Mr Hansen, on behalf of the Socialist Group, Mr Jahn, on behalf of the Christian-Democratic Group (Group of the European People's Party), Mr Pintat, on behalf of the Liberal and Democratic Group, Mr Spicer, on behalf of the European Conservative Group, Mr Porcu, on behalf of the Communist and Allies Group and by Mr Kaspereit, on behalf of the Group of European Progressive Democrats to the Council on the reactivation and updating of the EEC-Turkey Association (Doc. 188/78);
 - oral question with debate by Mr Bertrand, on behalf of the Political Affairs Committee, to the Commission, on the present state and future prospects of relations between Turkey and the European Community (Doc. 189/78);
 - oral question with debate by Mr Bertrand, on behalf of the Political Affairs Committee, to the Council, on the present state and future prospects of relations between Turkey and the European Community (Doc. 190/78);
 - oral question with debate by Mr Bertrand, on behalf of the Political Affairs Committee, to the Foreign Ministers of the nine Member States, on the present state and future prospects of relations between Turkey and the European Community (Doc. 191/78);
 - oral question with debate by Mr Hansen, on behalf of the Socialist Group, Mr Jahn, on behalf of the Christian-Democratic Group (Group of the European People's Party), Mr Pintat, on behalf of the Liberal and Democratic Group, Mr Spicer, on behalf of the European Conservative Group, Mr Porcu, on behalf of the Communist and Allies Group and Mr Kaspereit, on behalf of the Group of European Progressive Democrats, to the Commission on the reactivation and updating of the EEC-Turkey Association (Doc. 192/78);
 - oral question with debate by Mr Kofoed, on behalf of the Liberal and Democratic Group, on restriction of competition in the air transport sector (Doc. 193/78);
 - oral question with debate by Mrs Walz, Mr Flämig, Mr Normanton, Mr Blumenfeld, Mr Ellis and Mr Pintat, to the Commission, on injuries and damage caused by radiation at the Ispra Joint Research Establishment (Doc. 194/78);
 - oral question with debate by Mr Jahn, on behalf of the Christian-Democratic Group (Group of the European People's Party) on the imminent prospect of the Commission's proposal for a directive on bird conservation not being adopted (Doc. 195/78);
 - oral questions by Lord Bruce, Mr L'Estrange, Mr Guertsen, Mr Cifarelli, Mr Osborn, Mr Nolan, Mr Edwards, Mr Corrie, Mr Fellermaier, Mrs Ewing, Mr Schyns, Mr Ryan, Mr Sandri, Mr Schreiber, Mr Howell, Sir Geoffrey de Freitas, Mr Spicer, Mr Edwards, Mr Corrie, Mrs Ewing, Mr Noé, Mr L'Estrange, Mr Schmidt, Mr Osborn, Mr Scott-Hopkins, Mr Dalyell, Mr Brosnan, Mr Brugha, Mr Seefeld, Mrs Dahlerup, Mr Yeats, Mr Power, Mr Herbert, Mr Pisoni, Mr Dankert, Sir Geoffrey de Freitas, Lord Bessborough, Mr Leonardi, Mr Lagorce, Mr Edwards, Mr Soury, Lord Kennet, Mr Fitch, Mr Kavanagh, Mr Normanton, Mr Corrie, Mrs Ewing, Mr Ryan, Mr de Clercq, Lord Reay, Mr Fuchs and Mr Howell for Question Time on 4, 5 and 6 July 1978 pursuant to Rule 47A of the Rules of Procedure (Doc. 196/78);
- (d) the following motions for resolutions :
- a motion for a resolution tabled by Mr Pisoni, Mr Zagari, Mr Bersani, and Mr Fioret, pursuant to Rule 25 of the Rules of Procedure, on the possible adoption of Esperanto as the working language of the European Community (Doc. 178/78) which has been referred to the Committee on Social Affairs, Employment and Education as the committee responsible

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and to the Political Affairs Committee for its opinion;

(e) from the Council :

- a consultation, pursuant to Article 10 (1) of the Act of 20 September 1976, on its proposal to fix the period for elections of representatives to the European Parliament by direct universal suffrage from 7 to 10 June 1979 (Doc. 219/78)

which has been referred to the Political Affairs Committee.

5. *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 or motions for resolutions :

— *Committee on Economic and Monetary Affairs*

- report on the draft Commission decision establishing Community rules for aids and interventions by Member States in favour of the iron and steel industry ;

— *Committee on Social Affairs, Employment and Education*

- motion for a resolution calling on the Commission of the European Communities to speed up its preparation of documents for the next Tripartite Conference ;

— *Committee on Agriculture*

- report on the situation of the common agricultural policy and the international role of the common food aid policy

Asked for its opinion : Committee on Development and Cooperation ;

— *Committee on Regional Policy, Regional Planning and Transport*

- report on problems connected with the inland waterways of the Community.

6. *Order of business*

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

I am happy to be able to inform you that, since the Council has received a notification from all the Member States of completion of the procedures required under their respective constitutional rules for adoption of the provisions annexed to the Council Decision on elections to the European Parliament by direct universal suffrage, these provisions entered into force on 1 July 1978 as I was informed that same day by the President-in-Office of the Council.

Consequently, the item tentatively scheduled on the agenda for the sitting of Tuesday, 4 July, for the formulation of Parliament's opinion on the date of European elections, is confirmed.

As already provided for by the enlarged Bureau when drawing up the draft agenda, I therefore propose to Parliament that it should give its opinion on this

matter around noon on Tuesday, 4 July. This will mean interrupting the joint debate on the statement by the President-in-Office of the Council and the economic situation, which will be resumed afterwards.

In agreement with all the groups, I express the hope that the debate on the date of elections, which I assume will be relatively brief, will reflect the importance of an event with such far-reaching implications.

Are there any objections ?

That is agreed.

I have received a motion for a resolution tabled by Mr Ansquer, Mr de la Malène, Mr Bouquerel, Mr Brosnan, Mr Brugha, Mr Cointat, Mr Herbert, Mr Inchauspé, Mr Kaspereit, Mr Krieg, Mr Liogier, Mr Nolan, Mr Power, Mr Rivierez, Mr Yeats, on behalf of the group of European Progressive Democrats, with request for urgent debate, pursuant to Rule 14 of the Rules of Procedure, on economic and monetary union (Doc. 209/78).

I also announce that the Council has requested urgent debate on the following documents, pursuant to Rule 14 (1) :

- the proposal for a regulation on herring catch quotas (Doc. 211/78)
- the proposal for a regulation on the fisheries agreement between the EEC and Norway (Doc. 213/78)
- the proposal for a regulation on the fisheries agreement between the EEC and Sweden (Doc. 174/78)
- the proposal for a regulation on the fisheries agreement between the EEC and Faeroe islands (Doc. 176/78)
- the proposal for a regulation on fishing vessels flying the Canadian flag (Doc. 217/78)
- the proposal for a regulation on vessels fishing in Norwegian waters (Doc. 220/78).

Pursuant to Rule 14 (1), second paragraph, of the Rules of Procedure, the vote on these requests will be held at the beginning of tomorrow's sitting.

I call Mr Corrie.

Mr Corrie. — Mr President, with respect might I draw your attention and the House's attention to Item No 162 on Thursday, 6 July. This is the report by Mr Pisoni on behalf of the Committee on Agriculture dealing with the taxation of wines. In fact, the enlarged Bureau and the European Parliament, in a resolution of 13 January 1976, decided that Articles 95 to 99 on taxation would come within the terms of reference of the Committee on Economic and Monetary Affairs. The committee was asked to give an opinion on this report but was, I think, unable to do so because it was too busy. I feel this matter is so complicated and so full of importance for all the countries concerned that the committee should try to give us an opinion on this document, and I would formally ask that it be referred back to the Committee on Economic and Monetary Affairs for their opinion.

President. — I call Mr Johnston.

Mr Johnston. — Mr President, I would like to support Mr Corrie in his representations to you. I think it is wholly wrong that a report such as this, which has repercussions of a serious economic nature on, for example, the whisky industry in Scotland, should be considered by this House without the advantage of an opinion from the Committee on Economic and Monetary Affairs. It may perhaps also be of some relevance that the report is unavailable at the order office at this moment.

President. — I call Mr Klepsch.

Mr Klepsch. — (D) Mr President, I should like to make the following points on behalf of my group with regard to the Pisoni and Liogier reports. Firstly, we fully agree that it would be useful to have the opinion of the Committee on Economic and Monetary Affairs. Secondly, I would point out that Mr Liogier's report, which we have been considering in conjunction with the Pisoni report, has not even been adopted yet by the Committee on Agriculture. The final discussion is not due to take place on it until this evening or tomorrow. In view of the fact that the Presidential elections are taking place in Italy and that the Italian members, from all the groups, who have contributed with their own speeches and amendments to the two reports can attend neither the meeting of the Committee on Agriculture nor the plenary sitting because they have to be in Rome, it would be only fair to defer consideration of the Pisoni and Liogier reports until the September part-session. This would also give us the opportunity of getting the opinion of the Committee on Economic and Monetary Affairs. I therefore move that the Pisoni and Liogier reports be held over until the next part-session.

President. — I call Mr Hughes.

Mr Hughes. — Mr President, I think looking round the Chamber I am the only vice-chairman of the Committee on Agriculture here. I would only point out, while not disagreeing with anything that has gone before, that the Liogier report is on the Committee on Agriculture's agenda for tomorrow, and we were led to believe that a small part of this was required with some urgency and that all other matters have been deleted from it. Could I ask that if, when it is considered at the Committee on Agriculture tomorrow, there is a small technical part that is required as a matter of urgency, this could be retained on the agenda. Otherwise I have no objection to the proposals of either Mr Corrie or Mr Klepsch.

President. — I call Mr Klepsch.

Mr Klepsch. — (D) Mr Hughes, I would point out on behalf of my group that we have been dealing with this today. We have serious reservations because none

of the Italian members is here and we do not want to consider a matter in their absence which concerns them all, no matter what group they belong to. I therefore urge you to agree to the postponement of these two items until the autumn part session.

President. — I think Mr Hughes will also agree that items 162 and 163, that is the Pisoni and Liogier reports on wine, be held over until the September part-session.

Are there any objections?

That is agreed.

I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, you informed us briefly a few moments ago that the Council had addressed a whole series of urgent requests for opinions to the European Parliament concerning, *inter alia*, the fisheries agreement with Sweden, etc. Could you explain to the House what such urgency means in practical terms? Does it mean that the House and its committees are to take their decisions this very week or does it mean that the relevant committees can wait until after the summer recess before getting down to work? What are the implications of these urgent requests for advice from the Council?

President. — I call Mr Cointat.

Mr Cointat. — (F) I am a little surprised, Mr President, to see no reaction from the Commission when a request is made to defer Items No 162 and No 163 until September. As everyone is well aware, the wine-growing year begins in September and I do not see how it will be possible for the Council and the Commission to implement these regulations.

President. — This point has already been decided, and I regret that you did not speak earlier.

Mr Cointat. — (F) I am very sorry but I think that you must not have seen me when I asked to speak.

President. — Then if it was my fault, I call you to speak, but this does not change the decision already reached.

Mr Cointat. — (F) Mr President, I accept that but I fail to understand why neither the Commission nor the Council has asked for these items to be treated urgently when they concern the next wine-growing year which begins in September. If we defer them until September, I do not see how the decisions can be implemented and if the decisions are taken without being implemented then it would be better if they were not sent to Parliament at all!

President. — I call Mr Hughes.

Mr Hughes. — Mr President, as regards the various reports on fisheries matters on which we have had

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requests from the Council and Commission that they be taken at this part-session, the difficulty is that the actual figures could not be provided until Member States' governments had in turn provided them by 30 June. Therefore although the policy was available, it had to be spelt out in figures which could only become available after 30 June. That is why it is a matter of urgency. Because they come into operation on 1 August, this is, I think, something this House should be heard upon.

President. — I call Mr Scott-Hopkins.

Mr Scott-Hopkins. — Mr President, referring to the decision which the House is taking concerning Item No 162, that is Mr Pisoni's report, to defer it until September, do I take it now that the House will ask the Committee on Economic and Monetary Affairs to deliver an opinion on this report? This was the burden of my honourable friend's request for deferment of the debate on this report. Can we take it now that the House will ask the Committee on Economic and Monetary Affairs to formulate an opinion before the September Session and present it with the Pisoni report?

President. — This is implicit in the decision to defer. I call Mr Yeats.

Mr Yeats. — Mr President, I am sure we are all grateful to Mr Hughes for the information he has just given us on the reasoning behind these demands from the Council, but I wonder if you would ask the Council in future, when they make these sudden demands on us for the urgent insertion of these matters in our proceedings, to be so kind as to inform us why they want these matters treated so urgently. I think it would be only polite if the Council would tell us.

President. — It seems to me the vice-chairman of the Committee on Agriculture, Mr Hughes, has clearly set the terms of the question: the problem as a whole has already been debated. Certain data were lacking, and these have now been supplied, thus facilitating debate. At the same time, the Council has indicated, in its forwarding letter, the reasons for urgency.

I call Mr Klepsch.

Mr Klepsch. — (D) Mr President, I refer you to the agenda for Wednesday morning on which we have the interim report by Mr Prescott and the Ansquer report. For various reasons, which I shall briefly explain, my group considers that it would be expedient to consider these two items in reverse order, i.e. the Ansquer report first and then the Prescott interim report. Our reasons are as follows.

The report by Mr Ansquer concerns the steel industry in general and questions relevant thereto. These are

the general questions to be discussed. Mr Prescott's interim report is concerned exclusively with the shipbuilding industry and there is therefore a danger of our going over the same ground twice.

Secondly, the first report concerns a final proposal whereas the other one is merely an interim report. As these matters overlap in many respects — although of course, as far as the individual issues are concerned, Mr Prescott's interim report relates much more specifically to a particular sector — it would seem more appropriate to deal first with Mr Ansquer's general report and then Mr Prescott's interim report on shipbuilding. I repeat that our sole concern is to avoid discussing a sector in detail before discussing it in general. Hence our proposal.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, this agenda was adopted, with the approval of all the political groups, during an extremely lengthy meeting of the Bureau in The Hague. If, at the beginning of the part-session, we now start messing about with the agenda which was approved at the Bureau meeting by the chairmen of the six political groups, I am inclined to wonder if there is any point in my attending such Bureau meetings in the future. I would ask you to reject Mr Klepsch's request.

(mixed reactions)

President. — I call Mr Klepsch.

Mr Klepsch. — (D) Mr Fellermaier, do not let us start squabbling. I regret that you did not comment at all on the reasons for my proposal. In fact I am not asking for any change to the agenda but simply that two items be dealt with on Thursday in reverse order, and I have explained my reasons for making this request and I think those reasons are valid. I therefore see no reason why we should not be able to agree to proceed in the manner I have proposed.

President. — I call Mr Lange.

Mr Lange. — (D) Mr President, ladies and gentlemen. I fail to see the danger which Mr Klepsch claims would occur if the agenda were left as it is. Surely there is no danger of talking about the iron and steel industry in a debate on shipbuilding, nor is there any danger when we come to the report on the iron and steel industry of our talking about individual sectors. I therefore feel that we should stick to the original agenda since these are two quite separate subjects which have nothing to do with one another. It is wrong to say that the iron and steel industry is a general subject and that the shipbuilding industry is a subdivision thereof. These are two quite independent industries. I therefore request that these two reports be dealt with in the order originally decided.

President. — Mr Klepsch, do you insist on your request?

Mr Klepsch. — (D) I find myself in a difficult situation, Mr President, because we had decided thus. I also have the impression that my arguments do not have the support of the majority. At the same time, however, I have the feeling that this has now become a matter of prestige.

(Mixed reactions)

That was not however our intention. At all events, I must say, Mr Lange, that I am not convinced by your arguments, for the simple reason that, as everyone knows, ships are mostly built with iron and steel.

(Laughter)

However, Mr President, so as not to give the impression that my proposal was directed against Mr Prescott, I am willing to agree to the original order being maintained.

(Applause)

It might be useful in future to give careful consideration to possible overlapping. I apologise for having taken up so much time.

President. — I take note of the withdrawal of the request.

The order of business for the present part-session shall therefore be as follows:

This afternoon:

- Procedure without report
- Commission statement on action taken on the opinions of Parliament
- Presentation of the preliminary draft budget for 1979 (followed by a debate)
- Bangemann report on parliamentary control of the EDF
- Früh report on the Sixth Financial Report of the EAGGF
- Bruce report on the carry-forward of appropriations from 1977 to 1978
- Aigner interim report on the postponement of the decision on the discharge for the financial year 1976

Tuesday, 4 July 1978, 10.00 a.m. and afternoon:

- Decision on requests for urgent debate
- Joint debate on the programme of work of the German presidency, an oral question to the Council on economic recovery and, possibly, a motion for a resolution by the Group of European Progressive Democrats on economic and monetary union
- Opinion of Parliament on the date of European elections
- Oral question with debate to the Council on the EEC-Portugal additional protocol
- Joint debate on five oral questions to the Council, the Commission or the Foreign Ministers on EEC-Turkey relations

— Joint debate on two oral questions to the Council and the Commission on the realization of the customs union.

3.00 p.m.:

— Question Time (as an exception, questions to the Council and to the Foreign Ministers)

4.30 p.m.:

— Vote on motions for resolutions on which the debate has closed

Wednesday, 5 July 1978, 10.00 a.m. and afternoon:

- Prescott interim report on the reorganization of the shipbuilding industry
- Ansquer report on aids to the iron and steel industry
- Oral question with debate to the Commission on uranium fuel
- Oral question with debate to the Commission on injuries caused by radiation at the JRE
- Ibrügger report on trade in power-station coal
- Oral question with debate to the Commission on bird conservation

3.00 p.m.:

— Question Time (as an exception, questions to the Commission)

3.45 p.m.:

— Vote on motions for resolutions on which the debate has closed.

Thursday, 6 July 1978, 10.00 a.m. and afternoon:

- Bertrand report on the conviction of Yuri Orlov
- Prescott report on human rights in Argentina
- Müller-Hermann report on the trade agreement between the EEC and China

3.00 p.m.:

— Question Time (questions to the Commission)

3.45 p.m.:

— Vote on motions for resolutions on which the debate has closed

Friday, 7 July 1978, 9.00 a.m.:

- Procedure without report
- Possibly, continuation of the previous day's agenda
- Hughes report on herring fishing
- Ligios report on a common forestry measure
- Howell report on milk products
- Cifarelli report on fruit and vegetables
- Lamberts report on dangerous preparations
- Albers interim report on the preparation of the 1978 Tripartite Conference
- Oral questions with debate to the Commission on air transport competition

End of sitting:

— Vote on motions for resolutions on which the debate has closed.

President

Are there any objections?

That is agreed.

7. Limitation of speaking-time

President. — I propose that speaking time be limited as follows on all the reports and motion for resolutions on the agenda for this part-session, with the exception of the debate on economic and monetary union :

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

At its meeting of 22 June 1978, the Bureau decided, pursuant to Rule 28 of the Rules of Procedure, to allocate speaking time for the economic debate and for the debates on Portugal and Turkey in the manner indicated in the draft agenda. However, in the meantime, following agreements among the political groups, this allocation has undergone certain changes, which I now announce :

- joint debate on the statement on the programme of work of the German Presidency, the oral question and the motion for a resolution on the economic situation :

Commission and Council	60 minutes
Authors	10 minutes for each
Socialist group	40 minutes
Christian-Democratic group (EPP)	35 minutes
Liberal and Democratic group	21 minutes
European Conservative group	20 minutes
Communist and Allies group	20 minutes
Group of European Progressive Democrats	20 minutes
Non-attached Members	7 minutes

- oral question on the EEC — Portugal protocol and joint debate on the oral questions concerning EEC — Turkey relations :

Commission and Council	60 minutes
Authors	10 minutes for each
Socialist group	30 minutes
Christian-Democratic group (EPP)	25 minutes
Liberal and Democratic group	16 minutes
Communist and Allies group	20 minutes
Group of European Progressive Democrats	15 minutes
Non-attached Members	7 minutes

Are there any objections?

That is agreed.

8. Transfer of appropriations

President. — By letter of 26 June 1978, the Committee on Budgets has informed me that it has given a favourable opinion to a request from the

Commission for the transfer of appropriations totalling 120 000 EUA from Chapter 101 to Chapter 26 of the general budget for 1978.

This request was contained in Doc. 46/78.

Are there any objections?

The transfer is approved.

9. Procedure without report

President. — Pursuant to rule 27a(5) of the Rules of Procedure, the following Commission proposals have been placed on the agenda for this sitting, for consideration without report :

- Proposal from the Commission of the European Communities to the Council for a Directive amending Directive 77/799/EEC concerning mutual assistance by the competent authorities of the Member States in the field of direct taxation (Doc 134/78).

which had been referred to the Committee on Economic and Monetary Affairs ;

- Proposal from the Commission of the European Communities to the Council for a decision modifying decision 74/642 adopting a research and training programme for the European Atomic Energy Community on plutonium recycling in lightwater reactors (Doc 166/78)

which had been referred to the Committee on Energy and Research as the Committee responsible and to the Committee on Budgets for its opinion.

Unless any Member asks leave to speak on this proposal, or amendments have been tabled to it before the opening of the sitting on Friday, 7 July 1978, I shall, at that sitting, declare these proposals to be approved pursuant to Rule 27 a (6) of the Rules of Procedure.

10. Action taken by the Commission on the opinions of Parliament

President. — The Commission communication on action taken on opinions delivered by Parliament during the June 1978 part-session (PE 54.180/rev II) has been distributed.

I call Lord Bruce of Donington.

Lord Bruce of Donington. — Mr President, you will recall that we have dealt with this matter at the last two part-sessions, and I did not get to my feet because I anticipated the usual verbal statement from the Commission. I now find that we do have in front of us the document PE 54.180/rev.2, which purports to convey to us the action taken by the Commission in regard to proposals that have been approved by Parliament.

Lord Bruce of Donington

On examining the document I find that it deals very fully with two items only, items which have been amended slightly. What it does not do is to contain a list of those eleven opinions that have, in fact, been adopted and does not state either what action it is proposed to take following adoption. I thought we had been through all this before, Mr President, on at least two previous occasions. The whole purpose of eliciting information from the Commission in this regard is for Parliament to be able to find out just what happens to the various proposals and resolutions that it adopts. This document does not supply the answer, and I am just wondering what is going to happen. Are we just going to be told at the beginning of every part-session that of *x* opinions and resolutions adopted by Parliament, *y* have been adopted by the Commission? Will there be any statement as to which ones these are, so that any zealous Member of Parliament can follow them up? Or are we going to carry on as we are now? I should be glad if this could be elucidated, preferably once and for all.

President. — I call Mr Tugendhat.

Mr Tugendhat, Member of the Commission. — Mr President, this is the first time, as you know, that we have adopted this procedure and, as is often the case when something is done for the first time, it may very well be that there is scope for improvement. I think that one of the difficulties 'perhaps' in Lord Bruce's view is the fact that we have not commented on those points in which Parliament was in agreement with us at the outset. Where the Commission has adopted an amendment or an alteration suggested by Parliament we have said so; where Parliament was in agreement with us, there we have not. I do not want, however, to be dogmatic. This is the first time that we have used this procedure and I am sure that the Commission, like the Bureau, will be anxious to find the best possible way of handling it.

As I am on my feet, Mr President, I might make one other comment concerning the flood damage in Germany. The Commission is in the process of discovering from the appropriate German authorities further details of the disaster and, in accordance with Parliament's wishes, a decision will be taken as soon as possible, but can only be taken once these details are established.

President. — I call Lord Bruce of Donington.

Lord Bruce of Donington. — Mr President, I am anxious not to detain the House for long and I am most grateful to the Commissioner for the statement that he has made. I think this procedure is a considerable improvement on the whole, except in one particular respect. When the verbal report was given, at least the Commissioner read the list through, so that we could note the various items that had in fact been

adopted by the Commission. We no longer have the list. If the list could be given, we could then check the items and then follow them up. Otherwise, a mere statement that you have accepted eleven opinions without amendment means nothing and in fact means less than the old verbal statement to which we have become accustomed.

President. — I should like to request the Commission as Lord Bruce of Donington has suggested, to make more concrete reference in its document to various subjects raised by Parliament, indicating explicitly which opinions it accepted and on the basis of what arguments, so that Members have the opportunity to make a more complete and immediate judgement. Naturally this must be done with an eye to brevity and the need to avoid long reports even if this is not always easy.

11. *Preliminary draft budget of the Communities for 1979*

President. — The next item is the presentation by the Commission of the European Communities of the preliminary draft general budget of the European Communities for the financial year 1979.

I call Mr Tugendhat.

Mr Tugendhat, Member of the Commission. — Mr President, as the House knows, I presented the preliminary draft budget to Parliament as soon as possible after its adoption by the Commission. When I say I presented it to Parliament, I presented it to that manifestation of Parliament that was most easily available and perhaps most interested in the matter, namely the Committee on Budgets, but it is, I think, an essential part of our budget procedure that the preliminary draft budget should not only be presented to the Committee on Budgets but that we should also, at the earliest opportunity that is convenient from Parliament's point of view, present it to the plenary session of the Parliament itself and that is what I am now doing.

In talking in the first instance to the Committee on Budgets, I am of course talking immediately after the decisions have been taken, when a good deal of the thought and the rationale and the background to the situation can necessarily be put only in a rather sketchy manner and before Parliament is in a position to put forward any very reasoned or well thought through comments of its own. At this juncture in the proceedings Parliament has had an opportunity to see the preliminary draft budget itself and has had a chance to reflect on it. Some of its thoughts have already been conveyed to us and I hope that our response will be contained in my speech, but we look forward very much to hearing what Parliament has to say and to listening to the proposals, suggestions criti-

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cisms and advice that we will no doubt get during the course of the evening.

The preliminary draft budget for 1979 is the Commission's attempt to translate into figures the objectives it set itself in its communication to the budgetary authority earlier this year. Those objectives are, I think, very largely shared by Parliament and by the Council, in other words by the two arms of our budgetary authority.

At that stage the Commission underlined that the Community budget had to be directed in the first place to the difficult economic problems which beset all our economies. In this context, expenditure in the social field has been given a central place. The Commission has proposed a major increase in expenditure of 49 % in commitment appropriations. Within that total, the aid for the employment of young people, which the Commission recently proposed as an extension of the activities of the Social Fund, is a major part and by itself would involve in fact a 20 % increase in the fund.

In addition the Commission has been anxious to develop the Community's capacity to react quickly to new problems in this important area and has therefore proposed a reserve in Chapter 100 of about 50 million EUA. This would enable social measures to be taken to assist the industrial measures which we are taking in enabling a number of important sectors to undergo the extensive reconstruction that is required.

While the Social Fund helps to tackle and relieve the direct symptoms of our economic difficulties, we also have to tackle these at source, and it is in this context that I wish to draw the Parliament's attention to our proposals for energy policy, to which we attach a very considerable importance. As the Parliament knows there is general agreement in the Community as to the importance of energy policy, but, alas, as we have seen quite recently, there is still a good deal of disagreement as to exactly how energy policy should develop. In the Commission's view there is a clear strategy to follow which has its reflection in the budget. This strategy is based on the development of Community energy resources, the essential condition for the reduction of our dependence on imported energy. This is why we are proposing increased expenditure on uranium exploration and on hydrocarbon exploration, on the development of non-traditional sources of energy, and also on energy saving. Quite apart from these, however, we attach very considerable importance to the use of our oldest, or at any rate one of our oldest, sources of energy, namely coal: the Commission has proposed measures to encourage the use of coal in power stations rather than oil and to encourage intra-Community trade in coal. These last two actions are, we quite understand, most expensive, but in our view they offer the most immediate and the most real advantages for the solution of the Community's energy needs. Overall, because spending at

present in the energy sector is low, the Commission's proposals are for an increase of some 228 % in commitment appropriations and of 353 % in payment appropriations. These are, of course, Mr President, very very substantial percentage figures, but when one starts from a very low, indeed one might almost say negligible base, any expansion at all is going to involve very large percentage increases, and that I hope is a point which will be very clearly borne in mind by those whose task it is to criticize the proposals which we have put forward. I would also like to emphasize our proposals in this field as being an example of how the Commission can be bold when boldness is required.

In addition, Mr President, with the resolution of the origin of our economic problems in mind, the Commission has proposed increased expenditure on industrial policy to allow the Community to assist in the reorganization or conversion of industrial sectors in particular difficulty and in the development of industries with advanced technology, such as data processing and aerospace.

In the same context, it is appropriate to turn to regional expenditure. Here the Commission has proposed an increase of 40 million EUA as foreseen by the European Council last December, and this represents an increase of some 7 %. This proposal, the proposal for the 7 % increase, was made against the background of continuing discussion in the Council of the new Regional Development Fund regulation, shortly to be the subject of discussion between the Council and the Parliament. This proposal does not in any sense mean that the Commission is not committed to a continuing and increasing transfer of resources in favour of the Community's poorer regions. In fact I should in passing like to point out that the reduction we have proposed in the payments appropriations is a point that could lead to a certain amount of misunderstanding. You will recall, Mr President, that the payments appropriations were very substantially increased by the Parliament at the last stage of the budget procedure for the current year despite advice from the Commission and that without an increase to match in commitment appropriations the money simply could not be spent, since payments flow from and cannot exist without prior commitments. This was a point which I recall we went into in very great detail at the end of last year and I will not weary the House by going through all the arguments now, but we made the point then that, if one increased payment appropriations without comparable increases in the commitment appropriations, it would be impossible to spend the money in the short term. The money is of course carried forward; it is not lost, it will be spent; but it means that there is an apparent reduction in the amount of money available for payment appropriations this year. The point I want to emphasize is that what has been made newly available this year must be looked at in the context of what was

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made available last year and the two have to be looked at together. The figure for payments must therefore be brought into line with the fund's real possibility and, as we have increased our commitment appropriations this year, I am sure that that will now be possible. The other point which I would like to make, while on the subject of the Regional Fund, is to mention the fact that the Council has at last accepted an idea which we have put forward for a long time and which, I know, many people in the Parliament feel very strongly about. That is the idea for a non-quota section which will enable the fund to provide more substantial support no longer necessarily linked to schemes already receiving grants in those regions which have particular needs. And although the non-quota section begins on a very modest scale, I think the fact that we are at last beginning to make a move on that front is very encouraging.

A further priority area, Mr President, related to our economic problems and also to our continually increasing mutual interdependence is the Community's aid to developing countries. For food aid, the Commission is trying to find agreement this year to the quantities it proposed for last year, but which were in most cases reduced. The products in question remain, as last year, cereals, powdered milk, butteroil and sugar. For aid to non-associated developing countries, the Commission has suggested a 50 % increase to seek to return to the five year programme it proposed some years ago to achieve a level of aid significant both politically for the Community's relations with the development world and in terms of the programme's real impact. I know that the position of non-associated developing countries is a matter of very considerable concern in some of our Member States and I hope very much that this substantial percentage increase, which is a step along a road to a more ambitious target, will be taken as a serious token of our good intentions by those Member States that have been pressing us to be more generous with non-associated countries.

This therefore, Mr President, is how the Commission proposes to effect for 1979 the main objectives it set out earlier in the year. But I would be incomplete in my comments if I did not refer to agriculture. In this dominant field, the Commission has tried very hard indeed to restrain expenditure in ways consistent with the efficient working of the Common Agricultural Policy. We have not, I fear, been as successful this year as we would have liked. The initial estimate drawn up by the Commission for the cost of its annual price proposals was some 9 200 million EUA or only 5,7 % above this year's figure. The final package agreed by the Council will cost about 400 million EUA more, bringing the increase to 10,3 % or 80 % more than the increase we proposed. I do hope very much that those Member States which argue that the Commission is always seeking to spend more, that the Parliament is always trying to increase that which we propose, that those Member States and those Ministers

who are constantly pointing to what they regard as the extravagance of the institution of which I am a Member and of this House, will bear very clearly in mind the fact that they were responsible for this 80 % increase and that they will not seek to make other programmes in the budget suffer as a result of their very considerable generosity in an area that is clearly very dear to their hearts. I think it is very important to get across the message that it is not the Commission that is the leading big spender in times when public expenditure should be brought closely under control, but that the responsibility lies fairly and squarely with the ministers whose colleagues look at our budget in another context in the budget Council. Nonetheless, Mr President, the increase to which I have referred, though it is very much larger than the increase we would have liked, is still much smaller than has often occurred in the past, and we should certainly be grateful for that. We are of course also anxious to see expenditures develop in certain agricultural fields, notably agricultural guidance, and particularly in relation to Mediterranean regions and fisheries policies, which we hope will justify the spending of some 140 million EUA in commitment appropriations. As has been said earlier, many of those members perhaps most particularly concerned with the Mediterranean area are not here today, for reasons which we all of us quite understand, but I do think that it is important to emphasize the fact that the Commission does pay a particular regard to this urgent need.

The preliminary draft budget that the Commission has presented, Mr President, also contains several innovations in budgetary technique, of which I should here like to mention only two. The first is a general reserve in Chapter 100 for new actions as yet not precisely defined. I do not need to remind Parliament of its own dislike of supplementary budgets. It is a point that has been made very forcibly to me during the time that I have been here, and we have noted that in most Member States a similar distaste appears to exist. It therefore seems to us appropriate that to cover possible developments in priority fields, there should be a reserve already within the budget, though of course its use must be subject to the full agreement of the budgetary authority as provided for by the procedure for transfers from Chapter 100. The other technical point that I would like to mention, Mr President because it particularly responds to the thinking of Parliament itself, concerns the new presentation that we have embarked upon for the Community's borrowing and lending operations. This will require a modification of the Financial Regulation as agreed last year when the matter was then set on one side. The Commission has made a proposal for this modification, but has also anticipated the discussion of its proposal by including in the preliminary draft budget a separate part, Part II, setting out the details of these activities in a clearer fashion than in the past. I should like to emphasize that the information in Part II is already included or implicit in the budget as is been

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presented in the past. But in such an important affair we believe that transparency is essential and that its new presentation will increase that transparency while also increasing the security of those who lend to the Community.

To look at the Commission's proposals overall, Mr President, the result is a total for commitment appropriations of 14.6 million EUA, an increase of 15.5 %, and of 13.8 million EUA for appropriations for payment, an increase of some 12.1 %. These are not large increases, Mr President, by the standard of recent years, and I know that there are some Members of Parliament who believe that the Commission's proposals are unduly modest, particularly when compared to objectives for the development of new areas of exclusively Community activity, where this can be more effective and cheaper than action at national level. Since the budget should be a policy document — in our opinion it must be a policy document — and not simply a reflection of decisions taken elsewhere, a modest proposal means a modest ambition when the Community must act in many fields.

Now I understand very well, and sympathize a good deal with the criticism that we have been too modest and that the modesty of our proposal suggests a modesty in our ambitions, but I would like to rebut that suggestion. I would like to rebut the suggestion that a modest proposal for 1979 means that our ambitions for the future are necessarily modest. First of all, I can assure the Parliament that the Commission is fully aware of, and determined to maintain its role as the initiator in the Community, and its role as the originator of grand designs. We do not suffer from lack of ambition, but we do, I think, like governments of Member States, have to work within the constraints of the moment. We have to recognize that in the present circumstances the economic situation is not one that enables us in every case to be as ambitious as we like. Let me give a few examples, however, to illustrate the fact that when it is necessary to be bold we can be bold. I have mentioned energy already. In the case of fisheries. I think our proposals, despite the very considerable difficulties that overhang that sector, are also quite ambitious. In the field of youth unemployment, nobody could accuse us of being modest in our requests, nor do I believe that we should be modest in our requests where youth unemployment is concerned.

On all these matters we have put forward important new proposals, but we cannot, of course, spend the money until those proposals are adopted. You, Mr President, and Parliament do not need to be told of the difficulties which the Member States, who in effect hold the power of legislator in these fields in the Community, have in reaching agreement on our proposals. An example of this was provided most recently indeed in the social field, over youth unemployment, and in the fields which I mentioned where the Community has adopted important proposals, we still believe that there is a sufficiently strong chance

of decisions being adopted to make it worthwhile for us to put forward proposals. There are those who would feel that we are being over-ambitious in taking that view, and when one looks at the difficulties that some of these proposals have run into in some recent Council meetings, I would not be at all surprised if that point of view is impressed upon me when I find myself in front of the budget Council later this month. Nonetheless, I think that for those who feel that we have not gone sufficiently far forward there are a sufficient number of examples to show that, where we believe that there is scope for boldness, we have been bold. But I must also say to Parliament — and I am sure that Members have heard the same message and recognize its strength in their own national parliaments — that we are operating in a very tight and very constricted period. When one looks at what has happened to the national budgets of some of our Member States, to the national budgets indeed of some of those Member States to whom we might normally look for the most sympathy and the most understanding. I think the necessity for us to cut our coat according to the cloth that is available in these rather difficult times must be apparent to everyone.

Another comment which I would like to make is rather more fundamental. I believe that all of us, all of us here, have a sense that the Community needs, and should make a further and major step forward beyond its existing areas of activity, and this, not for reasons simply of faith or dogma, but because it is the best means to tackle our common problems. Now, in that context, while the step which we have taken this year is perhaps not as ambitious as we would have liked, we must recognize that no common framework exists within which agreement to specific actions can be found and that, while our economic problems mean that in every Member State and at all levels of authority there are restrictions on public spending from which it is not possible for the Community, for the Commission to escape, that background had to colour our whole position. When the steps are taken, when the decisions are made, then I believe we will have a clear basis on which to move forward, and when the decisions are taken I hope the Parliament will not find the Commission wanting in the speed of its response.

Now, if doubts persist as to the Commission's wish to see the scale of Community action develop substantially. I would refer, though only briefly, to the three-year forward forecasts which, as usual, the Commission has sent to the budgetary authority at the same time as the preliminary draft budget. These forecasts show the expected cost of the policies the Commission believes will be necessary to ensure that the expected enlargement of the Community in the next few years is accompanied by the achievement of increased internal cohesion, with the budget thus becoming a more substantial, better balanced and more effective instrument of Community policy.

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In making our forecasts this year, we have been conscious that we are approaching the time when the existing ceiling on the total of own resources will become effective when we will reach the ceiling, in other words. We have therefore set out two hypotheses. The first assumes that agricultural expenditure continues to grow at the same rate as in the past, and that there will not be a significant increase in the cost of regional, social, energy and development policies. This hypothesis would mean the exhaustion of own resources by 1981, because of the weight of agricultural spending. The second hypothesis, and needless to say the one which we prefer, assumes greater restraint in agricultural spending because a will to tackle certain problems has been found, with more dramatic progress in other areas. This second hypothesis could just be contained for 1981 within the 1 % VAT ceiling. In other words, if there is a rather tighter control on agriculture than in the past the sort of control that we would like, that you would like but in respect of which the Council which has not been quite as economical then as it always tells us to be in others given this rather tighter control than has been the case in the past, and rather more scope for expansion in some other fields, we might just perhaps be able to cope within the ceiling in 1981. But certainly, whatever happens, 1981 or thereabouts will see the Community's resources reaching the point of exhaustion, and the pace at which they do so will depend very much indeed on what happens in the agricultural field. Obviously, however, although we are now going to be approaching the ceiling in the foreseeable future, we would reject any suggestion that the 1 % VAT rate should be regarded as imposing an absolute ceiling on Community expenditure in any field whatsoever. It is evident certainly to us and I am sure to you, that expenditure must go beyond that limit, and as we have said in the paper which we presented in April, we are examining the various possibilities for financing the budget when the existing 1 % is reached, and I can reassure the Parliament that we shall be presenting a paper later this year on this subject.

I know that there are some Members of the Parliament who are awaiting this paper with a good deal of impatience, and I would like to be able to satisfy that impatience sooner rather than later. But I think this is probably one of the most important undertakings with which I will be involved during my period in the Commission, and perhaps one of the most important undertakings with which the Commission itself will be involved. The proposals will certainly touch on every aspect of policy, including of course enlargement. Now there is a saying in the newspaper industry which I used to remember when I was a journalist, that there are some papers which would prefer to be first rather than right, and there are other papers which would prefer to be right rather than first, and we would prefer as we would in all our affairs, but

certainly with this matter to get the paper right rather than have it out first. We will move as fast as we can, but it is very important, and we do want to present as serious and deep a piece of analysis as we possibly can.

I hope, therefore, Mr President, that the message which I have given to Parliament this evening is clear. We must, as I have said earlier, try to find a new framework for the budgets for the Community's development in the economic and monetary field, and in the meantime we must continue budgetary discipline in the agricultural sector in order to contain its share of the total resources available to the Community, while we examine at the same time how to enlarge those resources. That is the background against which we have presented our budgetary proposal. I recognize that we are at the beginning of a long, hard road, a road which will be long and hard both here and in the Council, and tonight is when we will receive the first instalment, no doubt, of criticism, advice, of recommendations, but I hope also of some sympathy and some understanding of what we have tried to do.

IN THE CHAIR : MR MEINTZ

Vice-president

President. — I call Mr Bangemann.

Mr Bangemann, General rapporteur. — (D) Mr President, ladies and gentlemen, I should like to begin with a word of thanks to the Commission as this year, for the first time — and I trust not the last — we have been able to work extremely intensively and on a very friendly basis with the Commission. I would also emphasize that the remarks I am about to make are just as provisional as those made by the Commissioner a few moments ago. We have not had sufficient discussion on every aspect of this preliminary draft with the technical committees and in the Committee on Budgets so I cannot announce Parliament's official position on every point. In one or two important areas, however, I shall remind the Commission of two opinions we have adopted on the horizontal and sectoral problems of the budget and of what the Commission told us was its general purpose in its guidelines. From the tone of that last sentence, Mr President, you will have gathered that I have finished the polite introductory formalities and I am about to get down to business. I do not think, Mr Tugendhat, that what you said in defence of the volume of the budget will convince anyone.

In presenting your preliminary draft you said that it was an economy budget. You have not repeated that expression today but what you said amounted to the same thing. You said that when times were hard one had to manage as best one could. This may be quite

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true for the ordinary private budget but this principle does not quite hold for budgets of a public nature. When one considers what the Member States are doing and for what purposes they are doing it, the counter-cyclical function of a public budget at Member State level also applies at Community level. In other words, when we are faced with a difficult economic and social situation, with low levels of investment, with low rates of growth, with constantly increasing unemployment, the public budget must compensate for private restraint. It must, as far as possible, replace the private investor; it must take new initiatives, it must make a contribution to the reduction of unemployment and the elimination of social problems. In short, a public budget has counter-cyclical function. We cannot say: it is cold outside, we are having a hard winter so we must save on heat. If we do that, we shall all freeze. In other words, the economic and social situation with which we are faced compels us to assess the increased volume of the budget as such and to assess it according to whether it is capable of financing appropriate measures. An increase in the overall budget of 12 %, however, is not only the lowest increase for years, it is also, in the view of the Committee on Budgets, and this view has also been accepted by Parliament as a whole, inadequate to meet the needs arising from the economic and social situation.

Secondly, I would remind you of a report which you yourself asked to be drawn up, and a remarkable document it is too. I am referring to the McDougal report, in which you will find — though I am sure you have already analysed it in detail — an extremely detailed study of the internal balance, i.e. the question or rather the answer to the question: how can the imbalance between various regions of the Community be eliminated? This report examined the methods used in the Member States and discovered that the redistributive effect of a public budget representing from 30 to 40 % of gross national product was at the most 10 %. The report also shows that given the relevant figure for the European budget, namely 0.8 % of gross national product, a correspondingly lower balancing effect can be expected at regional level. It is therefore hardly surprising, Mr President, that regional disparities in the Community are getting wider every day, since we do not have the compensatory mechanism at Community level that we need. A budget representing 0.8 % of gross Community product is not sufficient even to halt the ever-widening disparities between the regions, let alone help to close the gap. You will find all this in this excellent McDougal report and you really ought to draw the appropriate conclusions from it.

Thirdly, you say you have not been timorous, but audacious; you say that you are the Community's initiative-taking institution and that we should continue to believe this. I think this is true as far as your intentions are concerned. I think it is also true of you personally. I believe it is true of individual Commis-

sioners, but I feel obliged to say, as a Member of Parliament, that the Commission as a whole — and not merely with regard to the budgets but in many other areas too — has lost its function as driving force of the Community. That is why we were so annoyed about the film in which the Commission portrayed itself, quite erroneously, as the engine of a bus.

Mr Tugendhat, this budget is not consistent with your own words. In the guidelines you submitted to us — and it is true that we agree with those guidelines — you say on page 5 of the French version that the budget must, in your view, play an increasing role in redistribution and stabilization within the Community. The financial resources provided must be adequate to achieve this aim. They must therefore be considerably bigger than present resources. We all agreed on this, but what practical conclusions have you drawn from this recommendation of yours, which you put before us and which we approved? With your permission, I would suggest that Parliament might now imagine itself in your position and make one or two proposals of its own in various sectors.

You have repeated today what you said on page 134 of Volume 7a of the preliminary draft budget, namely that the slowing down in budget growth was attributable to greater control over agricultural expenditure and stricter budget discipline on the part of the Community Institutions. I must confess I cannot see in what way greater control has been achieved over agricultural expenditure than in the past. We all know that the figures you have quoted are fictitious figures. We all know that with the present agricultural policy expenditure is inevitably determined after the harvests. You have not always been successful in putting forward your own ideas, some of which you have, I know, put to the Council. At the moment, there is no mechanism for restricting agricultural expenditure in the manner you have described. It just does not exist. I therefore think that the argument that the slowdown in budget growth is attributable to the fact that we have found a better method of restricting agricultural expenditure is simply not tenable.

Secondly, as far as the stricter budgetary discipline of the Community institutions is concerned, the budgetary authority has not yet adopted any positions. Neither Parliament nor the Council has said what they want to do. Even your preliminary draft will be cut by the Council. You do not need to be a great prophet to know that. You only have to listen to the rumblings coming from Council meetings. Even this so-called economy budget will be cut by the Council, despite the fact that the suit cut in your preliminary draft is already a tight fit. I have not the slightest doubt that after the Council has deliberated, we shall be standing there with trousers at half-mast and a jacket which we cannot button up. In other words, there is no way of telling at the present time what the Community institutions will do to the preliminary draft. At any rate I think that your assessment of the volume of this budget cannot be accepted by Parlia-

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ment wants a budget whose volume is consistent with the economic and social situation in which we find ourselves and which permits us to fulfil the future tasks of the Community.

To achieve these objectives — and I say this to avoid any misunderstandings — involves more than just spending money. Clearly, it would be utterly pointless to spend money in areas where it has no effect and it would be particularly pointless to propose appropriations in the budget when we know full well that they cannot be spent. You may rest assured that we shall support you, and the Council too, when it comes to avoiding the entering of spurious amounts. But if we consider what remains to be done and take a provisional look, in the brief time available, at the various sectors, I feel obliged make the following comment — and you know this, as we have already made our positions clear with regard to the various areas — it is true that in the Regional Fund payment appropriations must amount to a specific percentage of commitment appropriations. The Commission rightly points out that there is no point in increasing payment appropriations if commitment appropriations are not also increased, since experience shows that in the first two years one can expect to have 70 % of commitment appropriations at one's disposal, 35 % in the first year, 35 % in the second year and the remainder in the next two years. That is correct. It follows on logically from that, however, that if one really wants to spend Regional Fund appropriations to eliminate disparities, the commitment appropriations must be increased, since the money left over from previous years must be spent on the basis of commitment appropriations. And if you do not increase the commitment appropriations you will have the same amounts left over the following year.

The Commission is now saying that it cannot increase commitment appropriations because the European Council has decided against it.

In the first place the European Council is not part of the budgetary authority. We notice with increasing frequency that the budgetary powers which we took so many long years and so much effort to secure for ourselves are being eroded in a most perfidious manner. You may rest assured that Parliament will not take this lying down. To let the European Council decide how much we want to spend in the Regional Fund would be to allow it to encroach upon our budgetary rights. This is a matter which has nothing to do with the European Council and I am convinced, Mr President, that the European Council, in fixing these famous three figures, was totally ignorant of the difference between payment appropriations and commitment appropriations. Do you believe that the heads of government understood this budgetary mechanism when they laid down these three figures? They did not understand it in the slightest! They wanted the money to be spent. We now discover that

it cannot be spent because the Council of Finance Ministers has stupidly interpreted these decisions of the European Council as concerning commitment appropriations. We must put this right and at the request of the Committee on Budgets I have contacted the Committee on Regional Policy. We shall make a substantial change here in respect of commitment appropriations so that next year at least we can catch up the arrears and really do something for the less-favoured areas.

Secondly, with regard to the Social Fund, I agree with you that it is regrettable that there are already Member States which clearly do not want to recognize the Community's competence in respect of social matters because of this very situation! You have our full support therefore when you say that you want to expand the Social Fund.

Thirdly, as regards energy, you quoted certain impressive percentages but knowing our scepticism you qualified this by saying that these percentages are naturally very large because we are starting from a very low base. That is true, Mr Tugendhat, and it must be borne in mind above all that there is a very serious question mark hanging over the main item of your energy programme, namely coal. The point is that there is very little chance of the Council agreeing on coal; this means that if this major item in the energy sector disappears we shall be left with rates of increase which are nothing like as spectacular.

Mr Flämig, I once held a local election meeting for the FDP; we had five electors, and at the next elections we had ten. I was therefore able to proudly announce that this was an increase of 100 %. So it is too with many an energy programme.

(Laughter)

Fourthly, on industrial structural policy, you know that you have the support of Parliament. We have stated that this is one of our major concerns, but here too we must ask: where are your practical proposals? Your avowed budgetary principles should apply here too. How were the 20 million units of account spent which were provided for industrial structural policy in this year's budget? They cannot have been spent because there was no legal basis. Where is the legal basis for the extra millions which Mr Davignon has put into this preliminary draft budget? We do not have a legal basis and I am opposed, ladies and gentlemen, to our again entering fictitious, inflated figures.

Turning now to the items which must be changed in order to achieve a suitable budgetary volume, I think that more must be done in the agricultural structural policy. It is true — and agricultural specialists like you, Mr Früh, are constantly pointing this out — that the member countries are doing a great deal for the agricultural structural policy. But if you consider that if you deduct fisheries' costs expenditure on agricul-

Bangemann

tural structure has in fact declined, this cannot be allowed to continue. We cannot favour the price policy at the expense of structural policy since if you deduct fisheries' expenditure you end up with negative growth, i.e. a fall in expenditure on structures.

I have two final comments to make, Mr President, and I think I can make them without exceeding my time limit. These two comments are of a more or less personal nature. I hope, however, that consideration can be given to these points in the course of further discussion.

Direct elections are now imminent, Mr President, and with the approach of these direct elections we should now start making efforts to inform the citizens of the Community what the Community can do, or rather we need to be able to prove, on the basis of concrete examples in areas in which there has so far been no progress, that this Community is able and willing to act. I have in mind two areas in particular.

Firstly, transport. For years no real progress has been made by the Community in the field of transport policy. We do have projects, however, which are so far advanced that a small financial incentive on the part of the Community would suffice to get things moving and to show public opinion and the citizens that the Community is active. We shall have to go into this in detail. I cannot say anymore on this subject at the moment.

The second area I have in mind, and this is an area in which Parliament has already passed a resolution, is enlargement to include Greece, Spain and Portugal. We must do something in the coming year to ensure that capital flows into these applicant countries so that we can also channel capital into those regions of the Community which will have to face serious difficulties after the accession of these three Mediterranean countries. We therefore need greater resources than those that have been entered in the budget. You have already done a great deal, and we are grateful to you, but more could be done.

With these introductory comments, Mr Tugendhat, I have tried to deliver a provisional opinion for Parliament, as far as this is possible at the present time. I must repeat this reservation. You said yourself that the road before us is long and hard. We want to accompany you along this road but we do not want to be pushing you along in front of us the whole time. That is the problem. You should go on ahead of us. We shall see when future decisions are taken whether it is possible to formulate with the Council, before direct elections, a policy which is positive and provides a constructive answer to the Community's problems and persuades the citizens that this Community is worth something. We cannot pass the test of the elections unless we can produce evidence before the elections that the Community can do more than the national member countries. That is the political function of the budget for the coming year.

The criticisms I have made are not directed at you and the Commission personally. I have been merely trying, on behalf of Parliament, to underline this function of the budget and to ensure that it can be fulfilled.

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

Lord Bruce of Donington. — Mr President, on behalf of my group, I would like to express our thanks to Mr Tugendhat for the extremely informative way — as you will see it is informative in more senses than one — the informative way in which he has presented the preliminary draft budget. It is well drawn up; it is drawn up in an orderly fashion and although, in some respects which I do not propose to argue about at this stage, it does not conform with the Financial Regulations themselves, nevertheless it does, I feel, reflect very great credit upon him and his staff that is the technical part of it. We now pass to the budget itself. I must say that I did sympathize with Mr Tugendhat when he talked of the grand design. I looked carefully at his countenance; it looked a bit dismal, I am bound to say, and the terms in which he announced the grand design were hardly those of a mighty diapason. He seemed to be half apologizing for it, as indeed he might, because, of course, he has the collegiate responsibility of presenting the budget.

But I am reluctant to feel that he had any hand in the policy at all. It is a miserable, tepid, unimaginative and stagnant budget. It is exactly the same recipe that I have listened to now on three previous occasions. Plenty of promise but no fulfilment. Its size is insignificant, 0.88 % of the gross domestic product of the Community, 2.7 % of the total national budgets. A very minuscule amount in relation to the total economies of Europe and hardly in its totality of very much economic significance.

Its principal characteristic is, of course, as usual that some 72 % of it is devoted to agriculture. Mr President, I have been present at three preliminary draft budget debates now and this is the fourth occasion. Each time I have heard the Commissioner bemoan the fact that agriculture occupies such a large proportion of the budget. Each time we have been told that something is going to be done about it and indeed, President Jenkins himself, when he first took office, promised a very hard and critical look at the whole fabric of the Common Agricultural Policy. But it still remains precisely the same, some 72 %. The Guarantee Fund of course is some 65 % of the preliminary draft budget, but as Mr Tugendhat well knows, by the time the total budget is finished, it is quite certain that the Guarantee Section will be some 3 to 4 % higher than the existing figures, if any past precedent can be taken into account.

Lord Bruce

So there is still the same hard, solid core of CAP expenditure, 1 400 million EUC of which is spent on storing surpluses throughout Europe and at least one-half of that is spent on losses on realization of surpluses. Incidentally, the true extent of these losses is not disclosed in the budget itself: 1 400 million EUC spent on storage more than all the expenditure proposed on the Social and Regional Funds combined! So we still have that problem. I give the Commissioner one point on this: there is evidence in some of the expenditure on agriculture that regional considerations are being taken into account, particularly in the Mezzogiorno irrigation scheme and in certain wine aid in the Languedoc area. This is all to the good, but nevertheless the overall impact is precisely the same as before.

All that has really happened is that outside the agricultural budget, the Commissioner has lurched in various directions. Perhaps 'lurch' Mr President, is too large a term. Perhaps I ought to say sidestepped, because lurched does give the impression of some kinetic energy somewhere. This is merely a sidestep. We find that there have been increased proposed appropriations in the energy sector, particularly in coal. But nobody ever thinks this is going to be spent; no draft regulations are yet ready for it. The Commission has not even got a fair wind from the Council on it, and indeed Parliament is dubious about some portions of the coal policy. So he knows perfectly well, the Commission knows, that the money put down for energy is not going to be spent to begin with.

There are welcome increases, ostensibly welcome increases in the social sector. Increased expenditure is proposed in vocational training and in youth measures. But once again, it is quite well known that these items are finding no favour with the Council and I suspect the Commission knows it perfectly well. It would have been far better to have put the money, or the proposed expenditure, within the existing Social Fund, where Parliament's control over it might have been better and where Council would be less able to interfere with it.

On the industrial side there have been some very slight increases, particularly in subsidies for restructuring in aerospace and in data processing. But Mr President, we have only to go back to what happened in 1977 to find some indication of what is likely here. The accounts for 1977 are now out, albeit not in the form that many of us would like, but at any rate they are out. What do they show? They show that of the proposed expenditure on industrial aid and transport under Chapter 37 none of the money put in the budget adopted last year was spent in 1977. Indeed only 30 % of the appropriations for energy put in the budget by Parliament for 1977 were in fact spent. How do we, in fact, know whether these are not merely kite-flying items, that are merely invoked in

the sure knowledge that Council will cut them down to size? Similar observations apply to research, where there have been some welcome additions which Parliament will support and my group will support, particularly in fuel-saving and uranium prospecting and so on. There are all good things and we wish the Commission well with them.

But it is when we come to the Regional Fund that we see the true face of the Commission. It is when we examine the Regional Fund that we begin to examine the fundamentals of the *raison d'être* for the Community itself. It has been said that the Regional Fund was the cornerstone of the Community. Its design was originally, in 1975 and before, to reduce the disparities between the richer and poorer areas of the Community. Despite the existence of the Regional Fund, despite the trivial amounts that have been spent in it, despite the amounts that have been spent by Member States, the richer parts of the Community continue to get richer and the poorer continue to get poorer. And at this time it is decided to fix commitment appropriations for the Fund at a figure that will produce far less in payments than was authorized last year. We have all estimated — indeed, Commissioner Giolitti knows it perfectly well, because we have had many discussions with him — that in order to maintain parity of payments in the Regional Fund, based on 35 % expenditure on commitments during the first year, it is well known — and the Committee on Regional Policy demanded it last year — that 1 000 million EUC in appropriations are required in order even to hold the *status quo* in so far as the regions are concerned. And this is the time when our brave Commission, our energetic Commission, our imaginative Commission, our enthusiastic Commission takes the opportunity to reduce the sums that are going to be spent and to make a mockery of the whole concept of the Regional Fund.

I must be fair to the Commission. I do not think the Commissioner did it willingly. I think I know what happened. Mr Jenkins went along to the European Council. He has no vote there but he attends, and precisely because he attends he thinks the Commission ought to be bound by the decisions reached by the European Council. That is why, and the Commission knows that is why, we have got these lower figures. Mr President, the European Council has no status in the European Community as such. It is not one of the institutions of the Community. I am well aware that it is powerful, but when we get to that stage, when the Commission, as a guardian of the Treaties, bows down in advance to a body that is not even an institution within the Community, then it is high time the Commission examined the reasons for its being there at all. All 8 934 of the staff of the Commission, what are they there for if they are not there to continue to try and achieve the aims and purposes set out in the Treaty itself?

Lord Bruce

This, Mr President, gives the whole budget its character. There is no real cohesion at all. There really is no grand design. Just take an example. At page 76 of the budget in Article 267, there are going to be sectoral studies and surveys on competition for which 275 000 EUC have been earmarked. Mr President, I for one am very glad to observe there are signs of life within Directorate - General IV of the Commission and that same sum at last is to be spent on having surveys. The Commission so far has exhibited a curious reluctance to deal with the multinational question. Presumably they are going to spend a little money in finding out what is happening. This is very, very welcome indeed, but the normal policies for which the Community itself was founded find no expression in this budget at all. There is no collegiate initiative or thrust in it. It seems to have been a collection of requirements dreamed up by individual directorates-general and collected together in a common document without any purpose.

This, Mr President, I am quite convinced, suits the Council. I think the Member States at the moment are quite content to see the Commission pottering along on a lot of small things. I think they are quite content to see the Commission itself from time to time drawing Parliament's and the public's attention to distant vistas which are quite unrealizable with budgets of this kind, because they think that this will keep the Commission quiet and will keep Parliament quiet. Well, Mr President, my group does not look at it at all this way. My group expects a budget to be a political instrument expressing the political will of the Community. Parliament has the will. What the Commission has now to do is to demonstrate that it has one, instead of teetering about sprinkling minor sums of money and sometimes even larger sums of money on this or that project — sprinkling minor sums of money in a pepper-pot fashion without any relevance to the grand design at all and mainly as a means of keeping directors-general and their directorates suitably employed. This is not the kind of budget we require. Either the Commission should apply its mind to doing something that it really wants to do and have the guts to do it or otherwise it should tear up budgets of this kind and not present them to Parliament at all.

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

Mr Aigner. — (D) Mr President, ladies and gentlemen, I always derive special pleasure from listening to my esteemed colleague, Lord Bruce. He complains that he has now been disappointed four times because he has participated in the budgetary procedure four times. Now I am taking part in my seventh budget debate in the European Parliament and if I had the same temperament as he I should have exploded long ago. I can therefore say on behalf

of my group that if we consider the present budget debate in isolation, Mr Bangemann, we can only be disappointed. We can only wonder why going is so tough and why the governments cannot understand that they can recover their sovereignty only if they make sufficient progress at European level for Europe to be able to make a united defence of its interests in the world. That is our objective! However, Mr President, after 17 years I can say this: if we look back to the first budget debates and compare them with the present situation, we are obliged to confess that the progress that has been made is almost miraculous. Inch by inch this edifice has been built. There is no doubt about that. We must have the courage to acknowledge the difficulties which are there. There is one particular subject I should like to dwell on, Mr President, and that is regional policy, which Mr Bangemann, quite rightly, also tackled.

We all complain about the fact that the rights arrogated to itself by the European Council encroach upon those of the budgetary authority of the Community. They are arrogated rights because they are not laid down in the Treaty and Europe can exist only on the basis of the Treaty. That is obvious. But, Mr Bangemann, can I turn the question round? Would we have a Regional Fund today if we had not brought the nine Heads of Government together at European level? I recall a discussion I had many years ago with President Hallstein during which I said to him: if you do not succeed in bringing together what I had the audacity to call the 'bigwigs' from the national governments on the European stage, you will not make any political progress. And we had the unfortunate experience in the regional policy that without the European Council we simply could not have made the necessary breakthrough. I fully agree with your point that we must now prove to the European Council that the budgetary authority is this Parliament and the Council of Ministers and we shall prove this over the issue of increased commitment appropriations. Otherwise there won't be any budget at all!

Mr President, I do not think that it is the job of group spokesmen to repeat everything that has been said by the rapporteur, partly in a personal capacity but mostly in full agreement with the basic opinions of each of the groups, and in particular with the views of the Committee on Budgets. We shall have to go into each individual item with the Commission and the Council. The purpose of this first preliminary draft and the debate on it can only be to give the Commission and Council a rough idea of the basic reaction of Parliament and the individual political groups. I do not think that this initial debate should try to do any more than that.

Now, on behalf of my group I should like to broach the first question on which the rapporteur placed special emphasis, namely the volume of the budget. Is it sufficient? Mr Bangemann, I was very glad that at

Aigner

the end of your speech you explained that the important thing was not to spend more money but to use the budgetary policy — and the budget determines the fortunes of a nation or a community of States — to help the Community to progress. It has always been our objective to try, by means of the final say, to break through the blockade in the Council of Ministers, in areas in which the Council was unable to reach agreement on new activities — industrial policy, research policy and energy policy — and to use our powers to initiate new activities.

This has been our main purpose and we must assert this purpose, Mr Bangemann, even more firmly this time. The reasons are quite simple. Like myself you belong to Parliament's Control Sub-committee and you know that it has always been a major concern of ours to initiate new activities in the budget but that in certain circumstances we have achieved nothing because the legislative power — i.e. Commission plus Council — was not able to implement the budget in the manner the European Parliament wanted. I think that in an analysis of our basic budgetary policy of recent years and of the implementation of the budget we should state in no uncertain terms what we are aiming at, how we want it implemented, even if the Council does not see it our way and, Mr Bangemann, we should mobilize the determination of all our groups and, if necessary, use Parliament's weapon of the final say to ensure that its political will triumphs. In so doing, we may find ourselves hitting the wrong opponent but we have no other alternative. That is the basic principle of the Community's new budget law. This means that we will be attaching much more political importance to consultation with the nine Finance Ministers from year to year. It is in that framework that a compromise on the political and budgetary organization of the Community for the coming year must be sought.

Mr President, I close with a word of thanks to the Commission and with an appeal to it to be the partner of Parliament, not only in the establishment of the budget but also — and that is much more crucial — in the implementation of the budget. I can assure you that if the public clearly discerns genuine solidarity between public opinion, as represented by this House, and the executive, by which I mean the Commission, we shall have placed the Council of Ministers in a different situation than if this solidarity does not become manifest.

It is for that reason, Mr Bangemann, that we are trying jointly, with all the groups, to reach a compromise with the quorum that we need to give weight to our wishes before the Council of Ministers. If you show determination as our spokesman I hope that the time will come when Lord Bruce will look back, not in anger, but with satisfaction at our having taken another step forward.

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

Mr Shaw. — Mr President, I must say I rise with a certain sense of irresponsibility, glad to have had the privilege of shepherding the 1978 budget through this House and feeling greatly honoured at that privilege, but none the less relieved to feel that our colleague, Mr Bangemann, now has that heavy burden upon his shoulders and he has already indicated to us how right we are to place our confidence in him.

May I say, Mr President, that we do, of course, welcome the Commissioner's introduction to his budget and the candid way in which he explained it to us. Naturally, he would not expect us to be wholly happy at everything he tells us. That is natural in every sense, particularly since this is the beginning of the series of consultations that the budget works its way through from one institution to another and if we were satisfied at the start, then, quite frankly, I would have suspected that the whole system had gone wrong somewhere. However, in looking at it, the Commissioner has told us that he regards the increases that have been made as being disciplined increases, with 15 ½ % increase in commitment appropriations and just over 12 % in payment appropriations. Perhaps the most significant statement at first sight was the statement that he feels that the Commission has got a firmer grip on agriculture expenditure. Well, it may be argued that at the moment, as we look at the preliminary draft budget, things do look a little better, but I am bound to query, as earlier speakers have done, whether in fact the Commissioner really feels that the grip will be maintained, because, of course, we know full well that at this juncture we are not really discussing agriculture at all. Agriculture does not become a serious matter in this budget until we have received the letter of intent. However, I am glad to note that the Commission feels that, as far as it can, it is getting a better balance at this stage. I only hope that we do not get from the Council a letter of amendment countering this reduction by roughly the same reduction in other fields because that of course will make the words in this debate completely meaningless, particularly, of course, if we look at the guarantee and the guidance sections and the imbalance between them.

I am bound to say that I think the Commissioner has shown an intent and a policy. There are selective increases that he has put forward within the confines of the discipline that he set himself, and he has shown that there is a purpose. The social policy with the heavy increase that he has outlined, particularly on youth unemployment, which, of course, is a matter that is of the greatest possible concern to all of us, the increase in the energy policy and indeed the whole research and energy and industry and transport policy as disclosed in the budget and in particular in the summary in Volume VII, all these, I believe, show

Shaw

welcome indications that the Commission is directing its attention to certain sectors and I am glad that that is so.

I wonder, however, if I could devote my real attention, Mr President, to what I might call the budgetary merry-go-round. Clearly, the whole essence of what the Commissioner has been telling us is that he has been more than usually careful to see that his increases are in his view necessary and purposeful. In other words he is saying that in his view there is much less than usual for the Council to cut at, and I would like to see this year in comparing the preliminary draft and the draft some evidence of the fact that the Council and the Commission are working closer together. Now by that I mean in no sense that there is collusion between the two. Of course there is not. But I would remind this House, Mr President, that this process began a long time ago with the production of guidelines by the Commission, by the discussion of those guidelines here in this House and by the discussion of those guidelines between the Commission and the Council; and frankly, if we are going to get between the preliminary and the draft budget a big difference every year, one is bound to question the usefulness of all that hard work that goes into those preliminary discussions. So I say at the outset, I would hope that this year there will not be seen this vast difference in opinion between the Commission and the Council, because I hope that as a result of all this preliminary work the Council and the Commission will be seen to be pursuing the same objectives, and, as I say, this will confirm the usefulness of all that preliminary work that has gone on earlier in the year.

Now, the next point I wish to make concerns the budgetary process itself. It is a very long one: it is far longer than the process that we see exposed to the public gaze in a national Parliament and, that being so, there is clearly a much greater chance of changes in attitudes being made throughout that procedure. Nowhere was it more apparent than last year, when very naturally and very properly, as indeed I foretold during one of the debates in this House, the Council, that is to say the Ministers that make up the Council, changed their mind and very naturally, too, because the climate of opinion changed early in the autumn of last year, and I am not sure that this may not happen again in the autumn of this year. Indeed, in the important meetings of the Council that are taking place — I think either later this week or next week — to discuss this whole matter the Ministers may well feel that their opinions are changing. The need to do something to try and restore our economy and get things moving again may become the stronger. Indeed, one of these days we may find that the Council actually outdoes the proposals of the Commission. I have a feeling it may be rather a long way off, but none the less it is possible, and we must never confuse the impossible with the improbable. But the

point I want to make is that things at this stage are very fluid and subject to change, and here again I believe that any proper dissatisfaction with the rate of progress being made as disclosed in this draft budget should be aired at this stage, because then it can come into the general discussion that will take place later with the Council, and the views based on the preliminary draft budget which was properly drawn up in the climate that existed at that time can then be adjusted in a proper way to meet the changes that we now deem to be necessary.

Well now, Mr President, those are my main points. My last few words can be said very briefly. Firstly, in dealing with agriculture I must voice the view of my group that we continue to be disappointed that there is no evidence of a rural fund being set up so that the needs of the rural areas might be drawn under one head and treated as one problem rather than as separate several problems. We believe that there would be benefit in doing that. Lastly, I would mention the Regional Fund. Obviously we were disappointed last year, and I know that I was not particularly popular for the way that I dealt with the matter last year. I felt it was right to deal with it in that manner, because I felt that the Council had genuinely tried to meet us on so many matters that we in turn ought to help it in its particular difficulty. But I would point out that the Commission had certain ideas at the beginning of our discussions last year about the Regional Fund. By and large we in Parliament backed up those original ideas of the Commission and what I would like to know is, does it still believe in the original ideas that it put forward or has it now become acclimatized — if I may use that word, with the rain pouring down on us — acclimatized to the views of the Council, because, if in fact the Commission still holds to its original view, then I would like to see some reflection of that in its budget and we would certainly support it in that?

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

Mr Spinelli. — (*I*) Mr President, last year the budget was approved by a majority vote of Parliament and opposed by my group alone. Well, I must confess that, considering the debate that preceded that budget and some of the things said and votes cast on that occasion, I had expected the Commission, in drawing up the preliminary draft budget for 1979, to bear in mind what had happened last year. Instead, with this budget the Commission shows, I won't say a lack of ambition, but at the least a shortage of ideas: it shows an inward-looking attitude, it shows us the image of a cautious Community which is only prepared to let its expenditure rise when it comes to safeguarding or defending a given situation. Lacking is that grand design, that pioneer spirit, in the various Member States, in the Community as a whole and as regards the rest of the world.

Spinelli

In justifying this negative stance of mine, I shall confine myself to a series of precise examples, since, only just having received the text, this is the only way I can proceed.

As for the *Revenue* section, it is not enough to announce that the increases are down on past years, without explaining why. It is not enough to ask all the Member States to start tightening their belts. What we were expecting from you was rather a kind of 'fresco' of the public finance activities of the whole Community, an analysis of the efforts being made and a picture of the general context against which to see Community public spending. But this analysis is lacking and people just keep telling us to tighten our belts, thus showing that they have no Revenue policy, however much we all may boast about our own resources. Mr Commissioner, I hope that the time has come for us to start clearing up our ideas about the new income that will come from the 1 % VAT ceiling because, given the slowness of the Community legislative machinery, we really have no time to lose. We must start finding out what the new Community taxes will be, as this budget already brings us up to 0.75 % of the net taxable) total.

And now we come to the *Expenditure* section. As for social policy, the Commissioner told us that there had been considerable development. This is true: there has been very considerable development, even if we recognize that, in effect, the Community's social policy, as it has developed, also includes national policies. It could still be maintained that, if it did not exist, the Member States would manage all the same by themselves. Nevertheless, there is one field in which the Community absolutely has to intervene, especially as things stand at present. I am talking here of measures designed to help us cope with the consequences of industrial redevelopment and boost our collapsed economy. And what have you done? Opposite these measures you have made a token entry, thereby showing that you have no idea how to intervene to face the consequences of redevelopment.

With regard to regional policy, we were told that the European Council had its own ideas; but the only valid commitment is the one we made in year one. You said, quite rightly, that expenditure cannot be laid down unless there are corresponding commitments. However, the Commission then went on actually to cut back expenditure on regional policy instead of increasing its commitments. I was pleased to note that you have at last entered an extra-quota appropriation which will give the Commission a more efficient structure for drawing-up regional policy and which will mean that the Commission will no more be confined to the role of sharing out funds amongst the Member States according to the pressure they exert.

But even here I must note with displeasure that you have only made a token entry, without even laying

down a minimum starting point. Putting in a token entry in the course of the year is the same as leaving a blank, because to do that, we have to transfer money from some other heading of the Regional Fund, which is impossible as there will be nothing left to transfer.

As for industrial policy, there is a big increase which, however, would only have a short-term, palliative effect.

Furthermore we have here a policy primarily aimed at industries in decline, industries in crisis, but this policy lacks a wide enough perspective. It was not without some surprise that I noted no progress whatsoever towards a common aerospace policy. Instead, we see the same old ritual of making the relevant entry and having people believe that we are giving consideration to the necessity of developing a policy for an industry of the future.

As regards the new financial instrument, the so-called Ortoli facility, the Commission has got what it needs: a means of intervention. We would like to ask, however, whether the Commission has realized that the object of the exercise is to formulate financial policy and not simply to supply further liquidity to swell those already existing in the financial world.

Now I come to energy policy Mr Commissioner, you spoke of a considerable increase; well, as compared to last year, the increase is 169 million ECU of which 140 million are for Community coal;

However, in reality more is actually set aside for coal because there are subsidies for coal stocks — a token entry has been made, which means provision for additional funds. Now, we may present Community coal policy however we like, but once more we are dealing here with an industrial sector which we are trying to protect instead of thinking about redeveloping it in other directions. We know that Community coal prices — be they German or British — are way above world coal prices; we also know that if coal represented a large slice of our energy resources, the Communities energy bill would be infinitely heavier.

So, industrial policy, energy policy, regional policy and, I would add, foreign policy towards the developing countries all show that the Commission fails to realize that, if there is any prospect for economic recovery, this must be one which unites industrial efforts and financial ones in the interests not just of restoring the *status quo* of the 50s and 60s, but of developing the most disadvantaged regions in the Community and in the rest of the world. If we scrutinize the fund for the associated Third World countries, what do we find? An increase of 121 million ECU in food aid — that means getting rid of our stocks, our wheat and sugar mountains, our butteroil lakes — and only 63 million ECU for development aid. In this sector too we have formulated a policy

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which, far from helping the developing countries and, thereby, ourselves to grow, only serves to protect our structures, however unhealthy they may be.

As for the EAGGF, I shall content myself with adding that the problem is not that of spending *less* on agriculture, but *better*. Indeed, we note that, after all that has been said by the Commission, by the President and by Commissioner Gundelach, both in absolute terms and in proportional terms, the Guarantee Section's expenditure has risen. In absolute terms from 423 million EUC to 394, and proportionally it has fallen from 4.65 % to 3.94 %. Is this the way for the Commission to show that it understands the Community's problems?

The items of the budget which I have cited reflect the image of a Commission which has given up all thoughts of a general economic and therefore budgetary policy, a constructive one that does not just plug the holes as they appear. The problems besetting us deserve a little more respect than that!

The last point I would like to make is that I, like other colleagues, support the idea of entering an item in the budget devoted to movements of capital. With this entry, then, what was implicit in the 1978 budget becomes explicit in that for 1979; in other words, it is now clear that these form part of the Community budget. But how can one imagine that the Council unanimously decided on the proposal of the Commission, when it is as clear as day that, obligatory expenditure apart, everything that comes under the budget is decided on according to a procedure which is different from that which you have proposed? In what way, I ask myself, can the Commission be the custodian of the Treaty of Rome as far as the budget is concerned?

These are my preliminary remarks. I would like these criticisms and remarks which I am not alone in making, to be taken into account, not so much by you, who have already done your job, but the Council when it comes to scrutinizing the preliminary draft budget.

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

Mr Cointat. — (F) Mr President, I would need to do a great deal of juggling with words if I were to attempt to speak eloquently on such a dry and abstract subject as the budget, especially after the imposing speeches by my colleagues who have in any case said everything there is to say.

I do not intend to engage in such a perilous exercise after the unvarying succession of complaints which I have just heard since I am probably going to add to the general disillusionment. This preliminary draft budget does not inspire enthusiasm, even here in this

Chamber; it is austere and the Commission itself has said that it is constricted, taking account of the difficult situation and the prudence required in the matter of public expenditure. We have been told that it is a stable budget but I would describe it as nothing more than stagnant. This is becoming common Community practice and for the past few years the budgets presented to us have been merely routine budgets. On this point, I can only repeat what was said by the speaker before me when he asked who would have the courage to draw up a proper budget if the Commission did not.

In fact it is for the Council to make cuts; if the Commission is not bold enough to forge ahead and make proposals, how can Parliament deliberate when it cannot overstep the Commission's requests and how can the Council draw up a proper Community policy when it can only decide on proposals made by the Commission?

I feel that the Commission deserves strong criticism; in the past, proposals were sometimes unreasonable but the Commission could not be blamed for its courage because the building of Europe was going ahead. Is the budget before us a political instrument? Far from it! There is no guideline, no overall programme, no comprehensive view of the general situation or of the future, merely a list of disjointed measures in one sector or another.

One only has to take a look at the new measures. Despite the respect I have for Ireland and the need for drainage there, and for the Mezzogiorno certain parts of which will have to be irrigated if the forestry measures are to be implemented in the dry Mediterranean regions, as a former forester I must ask the question: is there a general forestry directive? The answer is no. Is there a general regional development policy? Again the answer is no. This emerges only too clearly from the regional policy and it is obvious that the less-favoured areas, the remote areas and the backward areas cannot expect this policy to remedy the situation; everything hinges on a few quotas and if the entire 160 million u.a. has not been spent, the payment appropriations are reduced for the following year. Mr Commissioner, I could understand the Council reducing the payment appropriations but why are you in the Commission dragging your feet on this issue and why have you chosen the very moment when we are about to start an electoral campaign for the direct election of this Parliament and are trying to show the electorate how we are building Europe, to say: 'there is no point in providing appropriations for a proper regional policy'. I could give endless examples but, Mr President, the speakers before me have already dealt amply with the problems concerning expenditure and I shall therefore confine myself to a few general observations.

I shall begin with revenue since, apart from Mr Spinelli no one has said much about this.

Cointat

I am pleased to note that as from 1 January 1979, revenue is to consist exclusively of own resources. But will this really be so? We were told that last year too. VAT was to be in operation on 1 January 1978 but only two or three Member States have ratified that decision and are in a position to implement the measure as a whole. Can the Commission assure us here and now that the provisions it has set down in its preliminary draft budget will really be implemented?

I also note that Community revenue is following a course which gives more and more cause for anxiety. In fact, levies and customs duties are decreasing; this is good in so far as it shows that the Community is importing less, but at the same time it means that other own resources, including VAT, must be increased. Now, when we first started to tackle the problem of Community VAT, the rate was to be 0.5 %; the following year it was 0.6 % and now it is 0.75 % with a ceiling of 1 % which will very likely be reached within a short time — perhaps in 1980 — so the question arises as to what we are to do if we really wish to adopt a Community policy. It is clear that additional revenue cannot be collected and so we are content to make do with what is already there and keep the European grocery trade going, but this is not building Europe. I also have an observation to make regarding levies and customs duties. I note with some surprise that while the trend is much the same in all the Member States, there is one case, i.e. the United Kingdom, where it is exactly the opposite. I cannot understand how agricultural levies of 198 million ECU in 1978 could rise to 348 million in the revenue estimate for 1979 when the trend is completely different in the other Member States. The same applies to customs duties. This is a mystery to me but no doubt someone will enlighten me. Mr President, that is all I have to say on revenue and since we, the European Progressive Democrats, agree entirely with all that has already been said on expenditure, I shall confine myself to a few observations on that subject.

I have already dealt with the regional policy; with regard to agricultural expenditure, I agree with Lord Bruce that while it represents only 65 % as compared with 69 % last year, we will end up with the same figure of 69 % after the modifications made by the Council.

However, the real problem is not agricultural expenditure but rather the monetary compensatory amounts and I would like to ask you, Mr Commissioner, when these monetary compensatory amounts will be abolished since their abolition would give us over 10 % of the budget, i.e. some 1 800 million u.a., to devote to other activities.

With regard to industrial policy, you said that appropriations had been substantially increased and that is so; but is there a common industrial policy? No. I can quite understand that there are no regulations as

in agricultural policy but do you not at least intend to draw up a proper industrial policy directive for the Community at this time of crisis when we have to cope with the problem of unemployment and economic revival is absolutely essential. Is the 1979 budget going to further economic revival? Unfortunately, like my colleagues, I do not think that it will; it is much too hesitant, much too cautious to provide a solution to the situation.

With regard to energy policy, it is true that you have increased the appropriations by 228 %; this appears quite exceptional but the fact is that an increase of 228 % on nothing does not amount to much and that should be made clear. Energy policy is still only in the early stages and I hope that in future an increase of 128 % will be maintained since there is a yet no proper energy policy. It must be acknowledged that there is one positive factor in this budget which is the appropriations for cooperation with the developing countries.

There has been action in this field for the past few years; it is progressing favourably and I think that credit should be given to the Commission for the way in which it is promoting cooperation with the developing countries. I have nothing further to say, Mr President, on the question of expenditure and in conclusion I shall simply say a few words in my capacity as representative of the European Progressive Democrats and chairman of the Working Party on Budgets.

I must repeat, at the risk of rambling on, that budgetary policy and the relations between the European Parliament and the Council and the different institutions will have to be fully defined before the direct elections if misunderstandings, conflicts and disputes are to be avoided when the elected Parliament comes into office. In fact, the Treaties define the law but there are still no implementation decrees although we have been working on definitions of these for several years now. We have made amazing progress but there is still work to be done. The Working Party submitted an important document to you for inter-institutional dialogue and I hope that the Council and the Commission will reply to our questions and try to find solutions which will prevent difficulties from arising in the future and particularly after the direct elections. We are placing great hope in the formal consultations to be held on 24 July, particularly with regard to the budgetization of loans and what are known as the Ortoli facilities. We fully approve of the Commission's procedure in this matter and of its proposal to establish four or five headings for the different loans whether they be Euratom, Community loans, Exim-Bank or Ortoli loans, and I hope that a solution will be found before the end of July. My friend, Mr Aigner, has said that if the budget appropriations were not increased there was a risk that the budget would

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not be approved but the Council would need to realize — and I wish to draw its attention to this very important point — that if the budget policy is not properly drawn up by the different institutions there is a further risk that the budget will be rejected because this is the last budget before the direct elections and we attach great importance to the definition of this budget policy. Like the budgetization of loans, there is also the abuse — mentioned a while ago — of the 'token entry' which can completely change the powers of one institution or another. It is easy to say that a policy is being adopted, put it down as a 'token entry' and then do nothing about it. This is simply a way of getting out of promises. These few examples, Mr President, clearly illustrate the position of the group which I represent.

I shall conclude by saying that despite the criticisms and the weeping and gnashing of teeth which this preliminary draft budget has given rise to, we will work together to make the necessary amendments and changes so that it will be a reasonable budget and an answer to the hopes of the citizens of this Community.

President. — I call Mrs Kellett-Bowman.

Mrs Kellett-Bowman. — Mr President, first may I thank Mr Bangemann for that very excellent introduction and say that we in the Committee on Regional Policy, Regional Planning and Transport do feel that we have in him a friend who will fight for the interests of the underdeveloped parts of the Community. Listening to our admirable Commissioner, Mr Tugendhat, I did feel sorry for him because I know, from the look on his face and his vitality, of which we are all aware, that he would have liked the budget he was introducing to be a very much forward looking and lively one than unfortunately it is.

I should like to use this opportunity to draw the House's attention to certain anomalies in the Commission's estimates for 1979 which concern me very much as draftsman of an opinion for the Committee on Regional Policy, Regional Planning and Transport on next year's budget. On 14 February of this year, this House listened with great attention as President Jenkins presented the Eleventh General Report and outlined the annual work programme of the Commission for 1978. He pointed quite correctly to unemployment as the major problem facing the Community. He said that policy should begin at home and that in the longer term we are concerned to promote the economic growth which will enable us to provide employment and prosperity for our citizens. True enough. He asked what the Community could do, and his answer was perfectly clear.

First our sectoral and regional policies must be put together in a coherent way, and we must build on last

year's limited — he can say that again — limited but successful steps. This he repeated in the speech concluding the debate. Then he said that we must use the Social and Regional Funds in every possible way to counteract and mitigate the effects of unemployment. His words have now been enshrined in Article 1 of the new draft Council regulation which reads: 'The European Regional Development Fund is intended to correct the principal regional imbalances within the Community'. Indeed these words were echoed by Commissioner Tugendhat today when he said that we need industrial measures to bring about the structural reform required. By laying such emphasis on the priority which the Regional Fund would enjoy as an instrument of Community policy, President Jenkins gave new hope and new confidence to all of us who have for some time now been deeply concerned about the future of the Community's regional policy and of the Regional Fund in particular.

Now, however, this hope based on Mr Jenkins' words, the fine words of the draft Council regulation, has been cruelly disappointed, and it appears that our confidence was misplaced. Since uttering those fine words President Jenkins has failed to stand by the Commission's original figure of some thousand million ECU as the resources needed by the Fund for carrying out its task, and instead we have before us today the miserable figure of 620 million ECU as laid down or dictated by the European Council in December of last year. Some grand design, Mr President, because even this year's figure of 580 million ECU indexed to take account of inflation is actually a reduction of 64 million ECU on the amount for 1977. And what is even more astounding is the fact that three years ago the Commission had proposed no less than 846 million European Units of Account for 1976, which indexed to today's prices would be no less than 1 280 million ECU, so that the Commission is today having the effrontery to propose an allocation of less than half of what was proposed for three years ago, despite the incontrovertible fact that the gap between the richer and the poorer regions has now reached the staggering ratio of 6 to 1.

The Copenhagen Summit declared that the Community's three priorities would be social affairs, regional affairs and energy. My committee therefore finds it quite inexplicable that the Social Fund has risen by 48.84 %, the energy sector by 81 % and the Regional Fund by a beggarly 6.71 %. We do not complain that the social and energy sectors have risen; indeed we rejoice that this is so, because there can be no industry without energy, no jobs without energy, no jobs without adequate training, but we do complain bitterly that the Regional Fund, so vital to the rejuvenation of our regions and the restructuring of our industry, should be so scandalously neglected.

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Commissioner Tugendhat made the point that payment appropriations are down, because money not previously committed cannot be paid out, and that in the last budget payment appropriations were increased without a corresponding increase in commitment appropriations, without which the money could not be spent. Whose fault, may I ask, was that? Certainly not the Commission's or Parliament's last year; it was the fault of the European Council. Commissioner Tugendhat also said that payments must be brought into line with past commitments. But we know that we can commit double what is offered and still keep payment appropriations in a proper ratio to commitments. Mr Bangemann hit the nail on the head when he said that we must increase commitments so that next year we can deal with problems and spend the money. Last year the Commission boldly stood up to the Council until the last ditch. This year, the Commission is timidly bowing the knee to the European Council from the outset before they have even reached at ditch. Now why? As many members have stressed, it is hardly necessary to point out, Mr President, that the European Council is a body not recognized by the Treaty of Rome, still less is it one of the Community's budgetary authorities. Accordingly, it is difficult to understand why President Jenkins should feel bound by this figure of 620 million EUC, especially since, although present at the European Council meeting, he had no vote in the decisions taken. As Mr Aigner put it, we must prove that Parliament and Council are the budgetary authority or there will be no budget. Perhaps the representative of the Commission could comment on the constitutional problems posed by the intervention of the European Council in this matter. It would be my view that just as it is wrong for individual Commissioners to take instructions from national governments, so it is wrong for the Commission itself to take instructions from national governments acting collectively through the European Council. Not only wrong, but extremely unwise.

Mr President, our job at this stage is to urge the Commission to be more resolute in support of its original estimates of the resources necessary for the Regional Fund in 1979. I might also point out that only a microscopic 1 million EUC has been devoted to preliminary studies in the transport sector. Despite Parliament's repeated request for progress on transport projects of interest to the Community, for example the Channel tunnel, as Mr Bangemann said, no real progress has been made for years. Projects have been prepared, and it needs only a little courage and a little money to get these going. There is really not much hope in an expansion of the Social Fund, although I welcome it, with its emphasis on retraining, if the Community is failing to promote through the Regional Fund employment opportunities where they are most needed, for the people when they have been

trained. Nor can the President of the Commission expect to be taken seriously, when he talks about economic and monetary union against a background of widening divergencies between rich and poor regions. On a slightly happier note, Mr President, we welcome the tiny non-quota sector for which my committee and indeed my group has fought for so long, and trust that it will be in addition to the eventual figure agreed.

In conclusion, Mr President, I would urge all Members to speak in favour of a live regional policy in their constituencies and elsewhere over the summer. It is of the very greatest importance in the year preceding direct elections that the Parliament should be seen to be clearly in favour of greater Community involvement in regional problems, so that we can really create what is so rightly called a citizens' Europe.

President. — I call Mr Lange.

Mr Lange, chairman of the Committee on Budgets. — (D) Mr President, ladies and gentlemen, some fairly harsh criticism has been levelled at the Commission but there is one thing that one cannot deny and that is that it has taken great pains to present this budget, even if it appears unsatisfactory to us from the point of view of volume, as far as so-called non-compulsory expenditure, i.e. expenditure which does not result from legal obligations, is concerned.

We should not, however, content ourselves with criticizing the Commission. We should also attempt to realize our long-standing objective of ensuring that Parliament's committees participate more fully in the shaping of the budget. That implies, however, that we must not only be constantly asking the Commission what its plans and intentions are, we must ourselves evolve relevant ideas on a medium and long-term economic policy. This includes the sectoral and also the regional structural policy. No one would dispute that. If therefore we want to use the budget as a policy instrument, we can shape it as a specific kind of law in such a way as to provide legal foundations, on the basis of the original Treaty foundations, for the carrying out of a political objective. In this respect, ladies and gentlemen, we must make an effort ourselves and evolve our own ideas in the various sectors. I should be very glad if the technical committees were to act in the way recommended by Mr Bangemann in his introductory remarks, i.e. if they were to participate actively, although we must be careful not to build any castles in Spain; we must enter appropriations only for things which can actually be carried out. Anything else, which cannot be carried out, would then become a surplus; we could of course carry it forward to next year but we should be sacrificing budgetary accuracy and budgetary trans-

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parency. We should be adding so much extra ballast that the budget would no longer reflect the real situation.

There is, however between us and the Commission a dispute which will probably go on for a long time. I do not yet know how it can be resolved. I am referring to the unhealthy amalgamation of payment appropriations and commitment appropriations with the result that there is now a specific ratio between them. That is something I still cannot understand and even Mr Strasser's eloquence has not yet succeeded in making this clear to me. I stress once more that payment appropriations alone constitute the annual budget and nothing else. All the rest is irrelevant; this is the money that can be spent. The only question is whether the necessary projects are available so that the money can be spent; the Commission must give appropriate answers to that question.

On the other hand, we must try to give appropriate answers in establishing our own positions. This will continue to be a matter of dispute, Mr Tugendhat, between the Commission and Parliament and probably also between all three institutions, Council, Parliament and Commission.

If therefore we act in such a way as to develop our own policy, the budget, complete with the remarks, will be given legal force. It will become a genuine policy instrument and will do what we have been trying for years to achieve.

The dispute is as follows: what is the relationship between budgetary power on the one hand and legislative power on the other? These are the two arms of the budgetary authority. The Council is of course the legislative body and still claims the right to include in the budget only those things which it has sanctioned by a special law. That is the dispute between us and the Council and we shall have to continue our struggle if we want to achieve the goal I described a few moments ago and which Mr Bangemann, as rapporteur, explained in his introductory remarks on the 1979 budget.

Ladies and gentlemen, we have so far neglected somewhat the revenue side, though Mr Cointat alluded to it. It has from the outset also been my intention to refer to it. Here we find own resources — and without restriction. This means that the recommendations of Parliament in connection with the Ninth VAT Directive are in fact being put into effect by the Commission if we then write this bindingly into the budget, since in our report on the Ninth Directive we said that if it is not applied by 1 January 1979 in the seven countries for which implementation was deferred by special derogation from 1 January 1978 to 1 January 1979, sanctions should be imposed in accordance with Article 169. The governments therefore already know that this implies a certain amount of pressure, that much faster progress will have to be made at national level and that every effort is not being made at present

in adjusting national turnover tax legislation to the Sixth Directive to settle matters which still need to be cleared up in the context of turnover tax.

What matters here therefore is that the own resources system should work and this is a subject which will have to be discussed with the Council because the members of the Council must take appropriate action within their own governments.

Now if, as Mr Cointat fears, this 1 % basis of assessment of turnover tax is used up in the foreseeable future we shall have to manage for the time being with what we have at present in Section II of the budget, i.e. the first step towards what I would call an extraordinary budget, which would mean that tasks to be fulfilled by the Community could be financed by means of loans. In this way the budget could be extended without exceeding this 1 % basis of assessment of net turnover tax. We do not yet know what will be the exact yield from levies and customs duties, but in the budget estimates for 1979 there is a 50 — 50 balance between original own resources, i.e. agricultural levies, sugar duty and other duties and, on the other hand, resources from net turnover tax. It may of course be more but then the only solution will be to use what I would call the extraordinary budget and finance political objectives by means of loans.

One final comment, ladies and gentlemen.

It has been said that this is a small budget and that is true. It presents only a tiny proportion of gross Community product. That too is obvious. The question is to what extent the member countries have the political will to have those tasks which the Community is capable of carrying out performed by the Community by transferring appropriate resources. If this political will could be strengthened, this budget would not be regarded as merely an appendage to particular national measures and the Community would not merely be assigned the tasks which are not as politically profitable for the individual country as certain other things which they prefer to do themselves. The Community would then make a much greater impact on the European consciousness if it were to assume certain specific tasks, such as medium and long-term economic policy, structural policy, sectoral and regional policy and social policy, although in the case of the latter only to a limited extent since the conditions for an effective social policy can be created only by the member countries.

So in fact we have not only a quarrel with the Commission and the Council as an institution of the European Communities, we also have a dispute with the members of the Council in their capacity as representatives of their countries in the Council of the European Communities. This is a relatively difficult task. We shall have to see how far we can get this year when one subject of debate will be whether decisions with financial implications taken by the Council on

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the basis of its legislative powers will be taken exclusively by the Council. Inasmuch as these decisions have budgetary implications, given that the budgetary authority as a whole, i.e. both arms of it, the Council and Parliament, must work together and given also that Parliament must be involved in this phase of legislation, the budgetary powers of Parliament must be effectively exercised failing which they will be emptied of all significance.

Mr President, ladies and gentlemen, those are the comments I wish to add to this debate. I attach particular importance to the need for us to develop our own political ideas in the budget debate, to quantify them in budgetary terms, and at the same time to give them a legal basis. As far as non-compulsory expenditure is concerned I do not see any difficulties arising in this connection.

A final comment, ladies and gentlemen. I think a little too much has been said here today about the European Council and the Council of Ministers. We call ourselves the European Parliament.

The Assembly decided this at the beginning of the 60s and its decision was accepted by everyone. There is a reference to the Council in the Treaty and nothing else. The Treaty does not even say anything about the composition of the Council. We cannot therefore object to the Heads of Government calling themselves the European Council, as a parallel to the European Parliament. But it is a Council like all the others. I do not see how we can attack the authority of the Heads of Government on the basis of the Treaties. Indeed, we should take care not to do so, because we should find ourselves on very thin ice. I cannot therefore endorse the criticism that has been made here by various speakers of the attitude of the other Councils towards the European Council. The confrontation with the Council must be a matter of general policy irrespective of the individuals with whom we are confronted. Even the European Council will one day be obliged to come to terms with Parliament.

I have stressed this point in order to avoid giving the impression that there was something illegal about this procedure. I am sure that there is nothing illegal about it and if our legal experts look into this matter closely they will probably come to the same conclusion. According to the way talks have progressed so far, there is no other possible interpretation and we shall continue to insist on dealing with the matter as a whole with the Council. I should merely like to recommend to the Council — and we should submit this recommendation to it — that it should organize itself on the same lines as Parliament, i.e. one Council should be the plenary body and all the other technical councils should merely be committees. Then the Council as a whole would know what its individual parts were doing, which can hardly be said to be true of the present situation.

I think there are still a few battles ahead of us over the 1979 budget. I hope the Commission will give us appropriate information, whenever necessary and will also inform us of developments in its own approach. It has very full expert knowledge at its disposal and I assume that it will be placing this at our disposal too, wherever necessary, as no such sophisticated expertise is available within Parliament or its administrative departments.

President. — I call Mr Tugendhat.

Mr Tugendhat, Member of the Commission. — Mr President, this has been a long debate and a very interesting one. It is appropriate that it should be both those things since this is an important moment in the progress of the budget, and it is an important moment in the parliamentary year. But just as I said at the outset of my remarks that it was very hard for the Committee on Budgets to provide an instant reaction to the immediate presentation of the budget to them the day after we finalized it, so it is not very easy for me to provide a detailed response to all the arguments that have taken place this evening, and in any case I am conscious of the fact, since I will be participating in them, that there are a number of other debates that must take place this evening as well.

Let me simply say this, Mr President. I am not a masochist and therefore I cannot claim to have enjoyed hearing all the remarks that were made, but I do understand — I understand very well — the underlying trust, the underlying objectives, the underlying ambitions for the Community that inspired those remarks, and as I said at the outset, I have a good deal of sympathy with them. I would, however, say again because I do believe that this is important, that one must take account of the circumstances in which one finds oneself, and that I believe that it would be possible for the Commission to disregard present circumstances to a degree that would enable us to produce proposals that would perhaps look very much better than those which we have, that would fulfil the aspirations and ambitions which we all have much more readily than those that we have produced, but which would fall absolutely flat on their face. It is a difficult judgment to decide what is practical and what is possible. It is certainly much more enjoyable, much more agreeable, to put forward ambitious proposals rather than less ambitious ones, but there is a great statesman in my country, a great member of the political party from which I come, who said that politics is the art of the possible, and though he did not ever become Prime Minister, he did, I think, manage to show that by adopting that strategy one was often able to achieve more than those who sometimes had a higher profile and a more ostentatious appearance were actually able to deliver, and at the end of the day

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it is what you deliver that matters. Nonetheless I hope that Parliament will appreciate my understanding for much of what was said.

It might perhaps be appropriate, even if I cannot answer all the points in detail, if I take up a specific point that was made by Mr Cointat since it is something which one ought to be able to provide some sort of an answer to fairly immediately. He raised the very specific point of the increase in agricultural levies in the UK. We would in fact like to let him have a more detailed reply when we have looked into it in greater detail, but at first sight there seem to be one or two points which I could make to him. There was a shortfall in the UK production of wheat which therefore involved the United Kingdom in increased imports from outside the Community and thus increased proceeds from levies, and also we must take into account the effect of the special levies on butter imported from New Zealand. Both Mr Cointat and Mr Lange referred to the question of whether all the Member States would in fact apply the sixth directive on VAT by 1 January, 1979. The answer is of course a matter for individual decision by Member States. The Commission has no indication at present, however, that its assumption that all Member States will apply the directive from next January is incorrect. We have every reason to suppose that our assumption is correct, but after last year's disappointment I think it is perfectly understandable and perfectly reasonable that Parliament should have its doubts, and I hope very much that Members of this Parliament will pursue the matter in their own domestic parliaments with as much vigour as they have here.

And that brings me to the last point which I would like to make. When I go before the Council I expect I will hear from time to time in some of the same languages that I have heard most prominently this evening arguments of exactly the opposite sort. I would appeal to Members of Parliament that if they feel that they come from a country in which the arguments of their governments will be far removed from the arguments which they themselves put forward, that they will carry the argument into their own domestic institutions with the same vigour that they have carried it towards the Commission.

President. — The debate is closed.

12. *Parliamentary control of the EDF*

President. — The next item is the report (Doc 203/78) by Mr Bangemann, on behalf of the Committee on Budgets, on parliamentary control of the financial operations of the European Development Fund.

I call Mr Bangemann.

Mr Bangemann, rapporteur (D) — Mr President, since it is getting late I think it would be best to be brief. This report was drawn up by the Control Subcommittee of the Committee on Budgets and was adopted by the Committee on Budgets.

As you know, the Control Subcommittee has endeavoured to define its policy, and has done so with regard to the Development Fund. The Subcommittee has not followed the line which it could have done, which would have consisted of keeping strictly to budgetary control, or virtually checking the accounts, because it is neither equipped nor suited for such a task and because it would be failing in its duties if it were to define its role in this way. Rather the Subcommittee has clearly stated that its control must be of a political nature; it must ensure that consideration is given to the question of whether the Community has attained its ends with the means at its disposal. In other words, with specific reference to development aid, we must examine whether development policy ends have been attained with the means available.

This purpose of the Subcommittee's activity leads us into a particular difficulty when you look at the position taken by the Committee on Development.

We are quite aware that by defining the Subcommittee's purpose in this way we are getting deeply involved in development policy itself. While that is unavoidable, it is also likely to result in differences of opinion between the Control Subcommittee and the specialist committees concerned, since it is not for the Control Subcommittee to define policy objectives. It does not decide on the policy measures, but merely examines whether the objectives defined by the committee have been attained by the measures which that committee considered to be right. In other words, although we do scrutinize policy, we do not get involved in the responsibility for defining objectives and for deciding what action to take; this continues to lie with the relevant bodies.

But in taking this line, and it is one which the Committee on Development and Cooperation has also accepted, we find that we have reached a very critical stage as regards control of the Development Fund, because we are now in the middle of preliminary work on Lomé II. So it would be a good idea if the Commission were to remember certain principles that are defined in this report when it is preparing for the new Development Fund.

We have stated here that budgetization of the Fund is the first prerequisite for ensuring that a budgetary control of this kind can be carried out. On this principle, there seems to be agreement. No one, I think, not even the Council, rejects this. But there are still questions of detail to be clarified, and this the report requests.

Bangemann

If a control of this kind is to be effective, closer contacts must also be established between the individual development policies of the Member States and the Community, to ensure that measures do not duplicate or contradict one another, and the entire development policy activity of the Community must be made as transparent as possible. That is why we should now agree about these details of budgetization.

In anticipation of the drafting of Lomé II at a later stage, therefore, a clear joint position of the three Community institutions must be established, so that we do not run into difficulties in negotiations with the associated countries on the shape of Lomé II. Which means that if this report is adopted, the Commission will be asked to work out a joint position of this sort, or rather to prepare for one. In adopting this joint position, we should all consider the budgetary problems which I have specified in this report, and which I do not now intend to repeat in detail.

I would, however, like to draw attention to a political problem, which is that if the future development policy agreements are budgetized, we shall be financing them from the budget, so that the ratification of such an agreement can no longer be a matter for the Member States but is one for the Community itself.

Finally, mention is made here, Mr President, of another problem which I should like to raise because it has not yet been resolved, although it comes into this and that is the agency which, until now, has been established under private Belgian law and is responsible for the technical implementation of the Community's development policy. The Commission has made a new proposal in this area for a statute under public law, and this has aroused a good deal of concern in the Committee on Budgets and in the Committee on Development. Both committees, Mr President, have asked the Commission to consider whether it is not possible to incorporate large areas of this agency completely in the Commission's administrative structure, so as to put an end to the difficulties facing us at present. I just mention this, but it needs to be said because a substantial part of parliamentary control falls within the sphere of implementation. It is not enough to exercise control when policy decisions are taken; we must also see that things turn out as planned in practice.

That is a broad outline of the content of this report. I have kept it very brief because I think it is probably better not to start too long a debate in view of the lateness of the hour. I should like to thank the Commission very sincerely at this juncture for its continued willingness to cooperate in a very open way, enabling me, as rapporteur of the Control Subcommittee, to draft this report; and in repeating my thanks to the Commission, I should like to make one more small point with regard to the previous item on the agenda.

Perhaps there really has been too much emphasis on criticism in this first debate, and perhaps we have given too little attention to what the Commission rightly feels it has achieved, but Mr Commissioner, as I said before, particularly with regard to this parliamentary control, we do not mean to be unkind. That is not our intention, nor indeed do we criticize you in the sense that we are criticizing the activities of the Commission; we are only really critical when we feel that the Commission could be more active. Whether it actually can be is another question. When you quoted a man in your Conservative Party as saying that politics was the art of the possible I was strongly reminded of a German chancellor to whom this maxim is also attributed, and I have been racking my brains to try and remember first who this man in your Conservative Party was, and secondly which of them can claim priority over the quotation: your man or the German chancellor. Be that as it may, if politics is the art of the possible, the prime need in many cases is to take things to the frontiers of the impossible, and it is particularly important in the interplay of the Community's institutions for these frontiers to be rolled back as far as possible by our own efforts, so as to make the realm of the possible as large as we can.

Mr President, I realize it is now coming up to half past eight, and after half past eight I have an almost uncontrollable urge to philosophize, as you may have noticed. I therefore now conclude my remarks and hope that this report will gain the approval of the House.

(Laughter)

President. — I hope we will not have to settle the question of who was the first to say that politics was the art of the possible this evening;

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

Mr Cointat. — *(F)* Mr President, you may rest assured that I will not continue to polemicize on this. It is bound to be a Roman or a Greek who said it, which probably settles the question.

I will not take long, Mr President. I only want to make a comment as chairman of the working party on the budget. Mr Bangemann's report falls in perfectly with the inter-institutional dialogue on the budget as approved by this Parliament. If we want the budget to be an active instrument of Community policy, if we also want the budget to be transparent, it is only normal for all expenditure to be included in the Community's budget. This is not yet in fact the case; there are still many items of expenditure which are not included in the budget, particularly those of the EDF, and I think it consistent for the European Parliament, on the occasion of negotiating Lomé II, to

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request that steps be taken for the European Development Fund to be included in the budget.

I merely wanted to restate Parliament's position on this and express the wish that the Commission and the Council take account of it when discussing Lomé II. That is the very simple and very brief comment I wished to make, Mr President, on Mr Bangemann's excellent report.

President. — I call Mr Tugendhat.

Mr Tugendhat, Member of the Commission. — Mr President, may I begin by just saying that whoever it was who said that politics was the art of the possible first, I at any rate absolutely agree with the concluding remarks of Mr Bangemann, and particularly his point about sometimes needing to go to the frontiers of the impossible? He summed up my views absolutely entirely, and I think they are particularly relevant to the building of the Community. However, to return to the point at issue, I will be as brief as I can, but there are a number of points which I feel I have to cover to get them on the record. First of all, I would like to begin by thanking the rapporteur and thanking Parliament for its objective analysis and realistic proposals, and to congratulate the rapporteur on the work that has been done. For its part, the Commission to a very large extent shares the conclusions, and it seems to be best if tonight I only comment on the four aspects which seem to us to be absolutely essential.

First of all, the budgetization of the EDF. At the time that the Lomé Convention negotiations were being prepared, the Commission proposed that the EDF should be financed out of the own resources of the Community. We proposed this because it could have helped towards a balanced reinforcement of Community policy towards all developing countries, as well as improving budgetary diversification and transparency of Community programmes, bringing to an end the difficult discussions concerning the sharing of Member States' contributions to the fund. In the event, budgetization was not implemented for the fourth EDF, but there was among the Member States a consensus in favour of a solution of this kind for the fifth one. The arguments in favour of budgetization have lost none of their validity in our view. The Commission has thus come out firmly in favour of the budgetization of the fifth EDF a clear commitment which I can now absolutely reaffirm. Of course, the expenditure has certain special characteristics which will have to be taken into account. We must still allow the participation of States which are partners with us in the administration of financial and technical cooperations. We must also cater for the needs of investment programmes which are decided upon and executed on a purely annual basis. Such

characteristics may require, in order to maintain the present flexibility and efficiency, some specific provisions in the Financial Regulation. As the draft resolution requests, the Commission will shortly submit a communication on all these questions.

Second, improved participation of firms of the Member States in contracts financed from the resources of the EDF. The Commission is grateful to the Parliament for its assurance of political support in this matter. We will continue to make every effort to provide for an even more satisfactory distribution of contracts financed from the resources of the EDF, notably by scrutinizing all tender documents to remove discriminatory provisions, by increasing the number of seminars and conferences in the Member States directed towards interesting commercial firms and companies, and by further rationalization and standardization of the technical and administrative documents in tender dossiers.

And then there is the question of financing of delegations. On this the Commission fully shares Parliament's views and has indeed proposed that the cost of the delegations should no longer be charged against the volume of aid, but should be borne by the Community budget.

Fourth, we come to the transformation of the statutes of the EAC. I think it could be helpful briefly to restate the reasons why the Commission has proposed to maintain a separate agency status for this organization, albeit changing it from an institution of private law to one of public law. The reason is quite simple, and that is the wish to preserve the body's suppleness and managerial autonomy, which have been its chief strength and virtue over more than 12 years. The problem is to administer from a long distance personnel who are relatively few in number, who have high quality, and are in a wide range of places, requiring flexibility of administration. This is, I think, a very considerable problem for us. We have, however, been very conscious of the Parliament's correct insistence on the need for budgetary rigour and orthodoxy, which led it to look somewhat askance at decentralized institutions. In addition, the Commission has been at pains in its proposal to bring the budget of the agency as fully as possible under its own control, and in future it will be presented as an annex to the Commission's budget. This, I think, means it will be much more under the control of the budget authority, and that in turn will mean that it will be easier to apply to the agency all the aspects of the Financial Regulation. And of course the Court of Auditors will have a look in as well. Our proposal is not to create a new agency of the type judged in the past to be appropriate to the Dublin and Berlin organizations, but to establish a much more centrally controlled body, which none the less retains full management flexibility and efficiency. I hope, Mr President, that these explanations, which can of course be expanded if the

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House would wish during further discussions, show the Commission is as anxious as the Parliament that such an important activity of Community policy should not escape parliamentary control. I am sorry Mr President, to have dealt with the matter in that rather unexciting fashion, but as Mr Bangemann said at the outset the hour is late, and I wanted to get it on the record rather than make an elegant oration.

President. — Does anyone else wish to speak?

The debate is closed.

The motion for a resolution as it stands will be put to the vote tomorrow, at voting time.

13. Sixth financial report of the EAGGF

President. — The next item is the report (Doc 202/78) drawn up by Mr Früh, on behalf of the Committee on Budgets, on the sixth financial report of the EAGGF for the year 1976.

I call Mr Früh.

Mr Früh, rapporteur. — (D) Mr President, colleagues, I too am under pressure of time, and like every other speaker I shall try to be as brief as possible although the subject which I am dealing with is not a simple one and is also a frequent obstacle to progress.

When I think of the debate earlier this evening on the preliminary draft budget, during which such grand political ideas were given an airing, I find that I have to come down to earth with a bump, as I must now discuss a policy which is not just a draft or an idea, but has actually become a reality, and a fund which is not just an aspiration but really exists by virtue of its regulations and statutes and is consequently always causing trouble.

First of all I should like to say that we are somewhat behind with this report, as the Commission is supposed to submit it by 1 July of the financial year following the year under review. It did not do so until September, and then our committees needed some further time to examine the report carefully.

Let me make one or two comments on its composition. It starts by discussing the guarantee section. This guarantee section causes trouble year after year — and this too was clear in the discussion earlier today — because in agriculture it is not all that easy to forecast production volume on price movements either on the domestic or the international market, so that difficulties tend to arise later on. And we all know that this guarantee fund is affected by the exchange rates and the way they move, as well as by payment terms or the operation of paying agencies, so that the preliminary draft budget and the implementation of the budget are quite naturally some distance apart in many cases. But — and I should like to emphasize

this point — however much the guarantee section may be the focus of criticism, we should not overestimate its importance, because its share of the Community's gross domestic product is 0.47 %, or 0.38 % net, and that proportion has hardly changed since 1973 when the Community was enlarged.

The second big section is the guidance section, which plays an importance role in this EAGGF. I don't want to burden you with figures, but may I just point out — and this I think is very important — that over 800 projects were sponsored by this guidance section in 1976, and the 264 million u.a. invested for this purpose mobilized nearly 1.3 thousand million u.a.; this is high-powered financing, and shows just how important the guidance fund is. You will know, as is borne out by the documents, that it is used to promote both production and marketing structures more or less equally. At the same time joint structures in which production and marketing are both involved have also received a stimulus.

This Financial Report for 1976 shows that a change has been taking place and that the joint measures will be starting and will certainly require more appropriations than this fund, which is of course limited, has had in the past.

This brings me to a third section on the examination of irregularities. Here I can be brief, not because we do not set much store by this aspect but because detailed reports are still being discussed in the various investigative bodies. There is a need to set up some kind of control apparatus in this area to take tougher action on any irregularities.

The fourth section deals with food aid. We are glad that it has been made more transparent and that food aid is now a separate entry in Chapter 92.

As to the Report itself, perhaps I may make one or two brief comments. This Report, which naturally loses no time in drawing attention to the famous 70 % of appropriations still being invested in the EAGGF, also states that, unfortunately, the other Community policies are not being pursued with the same single-minded determination. This top-heavy composition of the European budget in favour of the EAGGF could, says the report, best be corrected by developing the other policies — the regional, social and research policies — to a corresponding degree.

Unfortunately we have also had to point out in our comments on the report that the agricultural policy is continually running into difficulties with the monetary policy, and we hope that progress will be made in this area; another point that has been mentioned before.

We then say quite clearly that the Committee on Budgets approves the objectives of the common agricultural policy as set out in Article 39, although a number of financial mechanisms, which to some

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extent conflict with one another, need to be reformed. Indeed, there are several reports on this subject, clearly showing that we must help to reduce the large share taken by the Fund. We have also suggested that the introduction of the EUC could be one of the conditions for coming closer to this target, but a measure of this kind would certainly not solve all the problems, nor would it free us from the trouble which we are having with the monetary and economic aspects.

It is then clearly pointed out that measures in the areas of market policy, structural policy and in the social and economic sectors must be taken to put an end to costly and persistent surpluses, and that one condition for achieving this is for the agricultural policy to take a more positive approach.

Then we have drawn particular attention in considering this report to losses incurred during storage. This was of especial concern to my colleague Lord Bruce, and the annexes explain how these losses from stocks have come about.

If I am not to break my promise to keep things brief, I think it is time I wound up my remarks. We are very grateful for this Financial Report for 1976. It is a document which improves transparency with regard to the costs and expenditure of the EAGGF ceased to be a stumbling block and in time came to be regarded as setting an example of a common European policy for others to follow. That has not been the case so far; up to now it has been a stumbling block for most of us and a very bad example of a common European policy, and this must not be allowed to go on. We should be striving to ensure, with the backing of a very strong common agricultural policy, that national activities are brought more closely into line through the agricultural policy and in time we shall then make the Financial Report an effective instrument for achieving progress with the European policy.

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

Mr Cointat. — (*F*) On behalf of the Group of European Progressive Democrats, I would like to thank Mr Früh and congratulate him on his excellent report. I have just two comments to make.

Firstly, Mr Früh, in his report, which is an annual report, can only deal with items available to him, and this report should be supplemented by the control sub-committee, particularly with respect to all the cases of fraud and the irregularities which arose during the 1976 financial year. Then it would be possible to give a discharge.

Now that the Court of Auditors has been set up, I hope that it will be able to deal not only with frauds and irregularities in accounting operations, but will also be able to study ways of improving the Commu-

nity's financial procedures, which are often very cumbersome and delay action and payments. I therefore hope that we will be able to improve these procedures.

Those are the two comments I wished to make, Mr President.

President. — I call Mr Tugendhat.

Mr Tugendhat, Member of the Commission. — Mr President, I hope the House will forgive me again if I move rapidly over our reply. First of all, I would like to thank Mr Früh and the Committee on Budgets for this report and the motion for a resolution. The terms of the motion clearly identify the central issues which arise in relation to the financial management of the various agricultural markets and measures designed to improve structures. I will therefore deal only with certain points which I hope Parliament will accept as being the most essential. The motion draws our attention once again to the problem of MCAs and urges their abolition, hand in hand with the primary object of a consistent Community economic and monetary policy. The Commission fully shares this objective, both for MCAs and of course at the broader level. We are also anxious, like Parliament, to see the EUC given the widest possible use, though I must emphasize that it is not a panacea and particularly in the agricultural sector, is not a magic wand, which alone will allow the problem of MCAs to be resolved.

It is, however, worth noting the cost comparison between MCAs and surpluses to which the motion also draws attention. In 1976 MCAs reached a total of 505 million units of account. The cost of the milk and milk products sector, in the same year, rose to a total of 2 051 million units of account. This sector of course accounts for four times the total cost of MCAs. Now, I agree that MCAs have grown, are too big and ought to be diminished, but I think that we should keep a sense of perspective and when one looks at the milk surpluses, one can see a problem which is by any standards very very much more substantial. These surpluses are of course brought about by a number of factors, not only economic and agricultural but also political. We are all conscious of the factors that produce the surpluses. Increasingly in my view, and I am sure that the Members of this House would agree, there is a resolve to tackle them both on the part of Parliament where one has seen, I think, a very considerable effort, but certainly, and without any doubt at all, on the part of the Commission. I think one only has to look at the proposals we put before the Council this year to see that many of them are more radical than would have seemed possible even a short time ago, though of course on the whole, it was not the more radical ones that the Council found themselves able to accept.

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The motion stresses the need for an increase in the credits for EAGGF guidance expenditure. These have been limited to 325 million units of account a year, but this will be increased in the near future.

The rapporteur has rightly, in our view, identified the difficulties and net losses arising from the sale of products stored by the intervention agencies. The Commission supplied further information about these losses for 1976 during discussions in the Committee on Budgets and we will ensure that more precise information will be given on this point in the financial report for 1977.

This brings me to the delay in the auditing of accounts. That work requires considerable time and staff resources, especially because we have had to increase the missions which we send to the Member States. We are making a special effort in relation to the EAGGF financial management but in this, as in other fields, the Commission is handicapped by the very limited staff resources at its disposal. This, however, is a separate point of more general significance which no doubt we will have plenty of opportunity to discuss during the course of the budget procedure. We are, however, very glad indeed to note Parliament's welcome for our increased efforts to strengthen control measures.

In conclusion, Mr President, I should once again like to think the rapporteur of the Committee on Budgets. EAGGF expenditure accounts for some $\frac{3}{4}$ of the budget. We have to ensure that its financial management is sound, as well as that the policies adopted bring benefits to the farmer, to the consumer and to the taxpayer. This debate and the preceding work, in my view, are very valuable in helping us to achieve that extremely difficult collection of ends.

President. — Does anyone else wish to speak?

The vote on the motion for a resolution, as it stands, will be taken tomorrow during voting time.

The debate is closed.

14. *Carry-forward of appropriations from
1977 to 1978*

President. — The next item is the report (Doc 210/78) drawn up by Lord Bruce of Donington, on behalf of the Committee on Budgets, on the second list and the recapitulation of the complete list for the carry-over of appropriations between the financial years 1977 and 1978 (non-automatic carry-overs) (175/78).

I call Lord Bruce of Donington.

Lord Bruce of Donington, rapporteur. — Mr President, you will be happy to hear that I shall not be detaining the House long on this matter. The sum involved is some 24 million EUC which, as the House will appreciate, is the expenditure on the agricultural

section of the Community's budget for about 20 hours. I must congratulate the Commission on having spent all but 20 hours of their agricultural expenditure for the year. This shows a closeness of estimate and expenditure on which I am only too pleased to felicitate Mr Tugendhat. One might say in parenthesis, one might wish for a happier situation in regard to the non-obligatory expenditure on the budget, but it would be churlish if I were to press that point any further than I pressed it in a previous debate. I am therefore happy to say that the proposals for carry-over raise no question of political, financial or procedural consequence. I therefore commend them to the House.

President. — I call Mr Cointat.

Mr Cointat (F) — Mr President, as the rapporteur has just pointed out, the carry-over of this amount does not raise any political or financial problem.

That enables me, on behalf of the Group of European Progressive Democrats, to make two comments on this co-responsibility tax on milk which I fought against passionately throughout 1977.

After a year's experience, I notice that the tax has involved some difficulties, as the system has not worked very well. This is what comes out of Lord Bruce's report, and has resulted in a carry-over of 24 million EUC. The tax is therefore not the panacea enabling us to settle the milk question.

What is more, on reading the committee's conclusions, a carry-over is being requested because we do not in fact know what to do with these 24 million EUC. What was the good of telling us over and over again throughout a period of months that it was absolutely vital to introduce this co-responsibility tax if it only resulted in a system which does not work well? My group is therefore completely in favour of carrying over this sum of 24 million EUC, but congratulates itself that after a year's experience, the Council of Ministers has finally admitted that the tax should be abolished. This will certainly happen in 1979, since the present rate is so low that it could be set at zero next year. Other measures should enable us to avoid surpluses in the milk sector.

President. — I call Mr Tugendhat.

Mr Tugendhat, Member of the Commission. — Once again I will try to be brief, though the fact of my brevity, I hope will not reduce the warmth of the welcome which I give to this interesting report and also I hope will not mislead Lord Bruce into thinking that we do not welcome the opportunity to comment on what he said.

I very much share the Committee on Budgets' satisfaction that the requests to carry over appropriations are becoming progressively smaller. The Commission makes great efforts to implement the budget within

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the year it is decided by the budget authority and only requests carry-overs where it is prevented by events or sometimes by non-events outside its own control from using the appropriations in their proper time. The reason why this is possible is the introduction of differentiated appropriations for multiannual projects. This trend will be accentuated in future years because differentiated appropriations were introduced for the EAGGF Guidance Section in 1977, which should eventually dispense with the need for carry-overs for expenditure on individual projects.

We will also do our best to submit only one list of carry-over requests each year. I cannot, however, guarantee success, since there are two accounting year ends specified in the Financial Regulation, 31 March for EAGGF Guarantee Section and food aid and 31 December for practically everything else. Thus one set of requests is known before the other and to hold back the first set until the second was ready could delay the implementation of Community policy. I would also add that I see nothing in the Financial Regulation which obliges the Commission to submit only one list of carry-over requests. Article 6 (3) does not even use the word 'lists'. It refers only to requests to carry over appropriations.

There are, Mr President, two other interesting points raised by the rapporteur on which I feel it would be appropriate to comment. I understand his concern over the fact that Parliament does not have the same powers over the carry-over of appropriations as it has in the rest of the budgetary procedure. However, this was not brought up by Parliament when it participated in the consultation procedure with the Council at the time of the last revision of the Financial Regulation. Any further change will have to await a future revision of this regulation.

I also understand his concern over the budget entries where the appropriations were not fully used and yet no request for carry-over was made. This information and relevant explanations are to be found in the annual report on the implementation of the budget, the annual review and expenditure account and in the analysis of the financial management in respect of the revenue and expenditure account. That, Mr President, concludes the brief remarks I wanted to make but, as I said at the outset, brevity should not be taken to diminish the warmth of the welcome.

President. — Does anyone else wish to speak?

The motion for a resolution will be put to the vote as it stands tomorrow during voting time.

The debate is closed.

15. Discharge for the financial year 1976

President. — The next item is the interim report (Doc. 204/78) drawn up by Mr Aigner, on behalf of

the Committee on Budgets, on the postponement of the decision on the discharge for the financial year 1976. I call Mr. Lange.

Mr Lange, deputy rapporteur. — (D) Mr President, colleagues, in this report the Committee on Budgets asks Parliament to agree not to carry out the discharge for the financial year 1976 until October. The resolution mentions the various reasons which have led the Committee on Budgets to this conclusion. In our oral explanatory statement we refer in particular to Article 83 and 85 of the Financial Regulation. We demand that all the institutions comply with the obligations imposed by the Financial Regulation, including the observance of time-limits, and on this the Council, which should have taken some action in respect of the discharge for 1976, has not so far budged an inch. The Council has not yet given its opinion on the implementation of the budget for the financial year 1976, so we are not in a position to recommend the discharge now in conjunction with the Council.

That is why, Mr President, we are calling for the discharge to be postponed. That is why there is just this interim report to ensure, at any rate as far as Parliament is concerned, that it is clear that Parliament is not the cause of the delay, but that the other part of the budgetary authority is to blame.

To repeat, the Council and Parliament, and of course the Commission and the Court of Auditors after them, must in future keep to the time-limits laid down in Article 83 and Article 85, so that Parliament can give the discharge by 30 April next year for the relative financial year, i.e. for 1977. We should really have done this for the 1976 financial year under the Financial Regulation which took effect on 21 December 1977, but the fact is that because the Council has still not acted, we were unable to do so. I hope that Parliament will follow the proposal of the Committee on Budgets and I trust that the Council will ensure that such delays do not occur again.

President. — I call Mr Shaw.

Mr Shaw. — Mr President, I would like to comment on this and directly of course on our last business, for the comments apply to both. Whilst naturally this is a very proper criticism that has been so ably presented to us by the Chairman of the Committee on Budgets, none the less in a way there is an element of congratulation in it. I think we are right to be very critical of the Council in this matter, but who would have thought a few years ago that so much of the groundwork of presenting the documents and preparations for giving the discharge should have been completed in due time. The work that has been done both by the Commission and by the House has, I think, been remarkably improved over the last year or two and I think it is a great pity that the improvements that we

Shaw

have made are now being nullified by the inaction of the Council, and so I would like to thank Mr Lange for putting this report forward. We are, I believe, absolutely right to be critical, but at the same time let us reflect on the great improvements that have been made in our procedures. I am sorry that Lord Bruce is not here, because he takes a somewhat gloomy view of our proceedings and I think bit by bit, stage by stage, if we are prepared to look at the facts, we shall see that we are making very substantial strides in improving our procedures.

President. — I call Mr Tugendhat.

Mr Tugendhat, Member of the Commission. — Mr President, you will be pleased to hear my voice for the last time, though once again, as with the other issues we have been talking about there is not a great deal of contention, between the Commission and the Parliament. We all, I think, agree that the procedure for discharge should go ahead as quickly as possible. I know that Mr Aigner and his colleagues have been working hard on this and I share their disappointment that it has not been possible for Parliament to give an opinion in this part-session because the Council has not yet dealt with this question. However, although I agree that the delay embodied in the present resolution is inevitable, I should like to say a word about what lies behind it. The reason the Council has not dealt with the discharge is that it has been waiting to receive the Commission's replies to the report of the Audit Board in all six languages. In contrast Mr Aigner and his colleagues felt able to start their work as soon as the French version was available. Now, I do not criticize the Council for its action, but I do want to draw attention to the very considerable difficulties we all experience from these language constraints. With the best will in the world, and that will does exist, it is not always possible to get translations made quickly, particularly when the documents are lengthy and technical. By definition not everything can be a priority, and because of this a requirement to have all documents in six languages sometimes makes it very difficult to respect functional deadlines laid down for good reasons by the Parliament or the Council or, in the present case, in the Financial Regulation. Mr President, the hour is very late and there are not very many people here, but I thought it as well to make this statement in public because all of us know that enlargement is just a little way away over the horizon and, really, if we have this kind of trouble over six languages, God help us when we have nine, and I really would appeal to some of those governments who sometimes criticize our procedures to listen very carefully to what I have said.

President. — I call Mr Lange.

Mr Lange, deputy rapporteur. — (D) I am grateful for Mr Tugendhat for giving us this explanation, but

my dear Mr Tugendhat, surely this cannot be a reason for permitting such things to go on happening in future, never mind what difficulties there may be over some translation or other now. The time-limit was enshrined in the Financial Regulation by mutual agreement and this Financial Regulation is therefore a commitment and one which we must all of us keep to. Nor can you assume that the discharge of the budget is not a matter of prime importance. Indeed it is. The Commission has to implement the budget and must have the confidence that it will be discharged, so it is in its own interests to ensure that the time-limits can be met. Whether God can help us when we have nine languages is a question we can set aside for the present; we haven't reached that stage yet. For the moment there are just the six; when the first of the next three Member States joins us is an open question which nobody can answer today. I just want to point out, Mr President, that we must all make every effort to ensure that the rules we have set ourselves are duly observed.

President. — Does anyone else wish to speak? The motion for a resolution will be put to the vote as it stands tomorrow during voting time. The debate is closed.

16. Agenda for next sitting

President. The next sitting will be held tomorrow, Tuesday 4 July 1978, at 10.0 a.m. and 3.00 p.m., with the following agenda:

10.00 a.m. and afternoon:

- Decision on urgency of a motion for a resolution and six proposals for Council regulations
- Joint debate on the programme of work of the German presidency, an oral question to the Council on economic recovery and possibly a motion for a resolution of the Group of European Progressive Democrats on economic and monetary union
- Opinion of Parliament on the date of European elections
- Oral question with debate to the Council on the EEC-Portugal additional protocol
- Joint debate on five oral questions to the Council, the Commission and the Foreign Ministers on relations between the EEC and Turkey
- Joint debate on two oral questions to the Council and Commission on realization of the customs union

3 p.m.

- Question Time (by way of exception, questions to the Council and the Foreign Ministers)

4.30 p.m.

- Vote on motions for resolutions on which the debate has closed

The sitting is closed.

(The sitting was closed at 9.10 p.m.)

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IN THE CHAIR : MR COLOMBO

President

(The sitting was opened at 10 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 objections?

The minutes of proceedings are approved.

2. *Decision on urgent procedure*

President. — The next item is the vote on the requests received during yesterday's sitting for the adoption of urgent procedure.

I consult Parliament on the adoption of urgent procedure for the motion for a resolution on economic and monetary union (Doc. 209/78).

The request for urgent procedure is rejected.

This motion for a resolution is referred to the Committee on Economic and Monetary Affairs as the

committee responsible and to the Committee on Social Affairs, Employment and Education, the Committee on Budgets and the Committee on Regional Policy, Regional Planning and Transport for their opinions.

I now consult Parliament on the request received from the Council for the adoption of urgent procedure for six proposals for regulations on fishing.

As these documents are similar in substance and equally urgent, I propose that we take a single vote on the adoption of urgent procedure.

Are there any objections?

That is agreed.

I call Mr Klepsch.

Klepsch. — (D) Mr President, on behalf of my group and on the basis of the discussion we had here yesterday on this subject, I would like to propose that we vote on the question of urgent procedure tomorrow, because the Agricultural Committee's working-party on fisheries is meeting this afternoon and will be able to form an opinion on how urgent this matter is. Perhaps we could ask the Committee

Klepsch

on Agriculture to give us its advice on the matter as soon as the meeting of the working-party is over. If this House agrees, it should be possible to wait until tomorrow morning before making a decision.

President. — I call Mr Kofoed.

Mr Kofoed, chairman of the Committee on Agriculture. — (DK) Mr President, I would like to second Mr Klepsch's proposal as the Committee on Agriculture is holding a meeting at five o'clock this afternoon, at which these documents will be considered. We would like to see these matters debated at this part-session and, as we will be able to announce tomorrow morning whether this is possible, I would recommend that the vote be deferred until then.

President. — I consult the Assembly on Mr Klepsch's proposal that the vote on these requests for the adoption of urgent procedure be postponed to the beginning of tomorrow's sitting.

Are there any objections?

That is agreed.

3. Welcome

President. — I am very pleased to welcome to our midst today Mr Vasco da Gama Fernandes, President of the Assembly of the Republic of Portugal. Mr Fernandes is here as the representative of the people of a European State that has succeeded in regaining its liberty and is now firmly founded on democratic institutions. Portugal has applied for membership of the Community and our Parliament has spoken out in support of this application.

Mr Fernandes' visit also marks the beginning of regular contacts between our two Parliaments.

I welcome Mr Fernandes and all those who are accompanying him, and through them I extend our warm greetings to the Portuguese people.

(Applause)

4. Programme of work of the German presidency — Economic recovery

President. — The next item is the joint debate on — the statement by the President-in-Office of the Council of the European Communities on the programme of work of the German presidency for the second half of 1978

and on

— the oral question, with debate, by Mr Rippon, Mr Scott-Hopkins, Mr Spicer and Lord Bethell on behalf of the European Conservative Group to the Council of the European Communities on a common strategy for economic recovery (Doc. 140/78):

In order to promote the rise in demand for industrial products and services necessary to an economic recovery, would the Council when working out its common strategy consider the inclusion of an economic development plan for the applicant States and for the least-developed regions of the Community, organized in the same way and on the same scale as the Marshall Plan?

I should like to take this opportunity of extending our warmest good wishes to the new President-in-Office of the Council. We hope that the German presidency will be an auspicious one for the work of the Community and we welcome him very warmly to this Chamber.

(Applause)

I call Mr Genscher.

Mr Genscher, President-in-Office of the Council. — (D) Mr President, ladies and gentlemen, after the war the resurgence of the States of the European Community was due to their joint efforts and they will only be able to preserve what has been achieved and to guarantee peaceful progress by continuing to act jointly. It is with this conviction that the Federal Republic of Germany is taking over the Presidency of the Community, and in this conviction too we shall make every effort to progress along the road to European unity.

It is the particular responsibility of the Presidency to encourage the Member States of the Community to adopt decisions which are truly decisions for Europe.

The Federal Republic of Germany will do everything in its power to live up to that responsibility. In so doing, Mr President, ladies and gentlemen, I am sure it can rely on your support. The Federal Republic sets great store by close and trusting cooperation with the European Parliament and the Commission.

On what will our activities mainly focus? Permit me to begin with *external relations*. In recent years the Community has made considerable progress in this area — and not by chance, either. The far-reaching changes in the world constrain the Community States to stick together.

During the seventies we have become more than ever aware of a genuinely world-wide state of interdependence; this includes the developing countries and, more and more, the socialist industrial powers.

Together with the United States and the other industrialized democracies we are confronted with the task of making our contribution to the establishment of a global order for a world characterized by global interdependence — an order based on equity and partnership in which our democracies retain their freedom and can ensure their economic stability.

Genscher

I wish above all to mention the North-South Dialogue, and in particular the UNCTAD discussions on commodities, the negotiations for the renewal of the Lomé Convention, the conclusion of the GATT negotiations and the preparation of the Bonn economic summit.

Allow me to dwell particularly on two events in which the Community must show its ability to play a leading role in establishing a new world order, and also show what Europe stands for in the world. I refer to the conclusion of the GATT negotiations begun in 1973 and the negotiations for the renewal of the Lomé Convention.

Mr President, the task before us in the *Gatt negotiations* is to stem and then reverse the tide of protectionism. This is another way of saying that what is at stake in these negotiations is nothing less than the future of free world trade.

The European Community is by far the world's largest exporter and importer. No region is more greatly dependent on the continuing freedom of trade. It is therefore in our own basic interests that the Community should be a force for freedom in world trade. That it has always been! It must always go on being such a force. This, however, presupposes that internally it is prepared to go on accepting and successfully coming to grips with the structural changes which are the result of open market conditions.

I have no need to emphasize to Members of Parliament, who day in day out have to deal with the problems of their voters, how hard it is to gain acceptance for this demand in everyday politics in this present period of high unemployment. However, in this situation we must not forget the following: the world economic system, which is open as regards both trade and investments, has allowed us Europeans to achieve a rate of economic growth unparalleled in history.

If today large sections of the population take for granted a standard of living which earlier generations could only dream about, this well-being is due in no small measure to the existence of free world trade. We will find our way back to stable growth only if we can guarantee this precondition of free trading.

Protectionism is no answer to the problem of unemployment. Trade restrictions merely shift unemployment temporarily from uncompetitive industries onto the highly productive exporting industries and in the long term the trading partners all round destroy more jobs than they save. Accordingly, the present structural unemployment in the Community can only be overcome through the willingness and ability of our economies and societies to adjust to changes in world trade.

For the Community there is no reasonable alternative to a readiness to accept structural change. The other

possibility would mean a Community which could no longer match up to international competition, thus finding itself increasingly uncompetitive on world markets.

For an industrial region which is so dependent on imports of raw materials and energy this would be the path to stagnation and poverty. It would also mean that we would no longer make our contribution to the development of the Third World.

Whenever measures are taken to contain structural change within reasonable limits and to mitigate the most serious social hardships, we must always bear in mind that the purpose of such measures must be to facilitate structural change and not to hinder it.

The second event in this coming half-year which clearly shows what the Community stands for in the world, and what it must stand for, is the opening of the negotiations for the renewal of the Lomé Convention.

Under this Convention, the Community currently has ties with 53 African, Caribbean and Pacific States — that is to say, about half of all the developing countries. By means of the Convention the parties have established a model of cooperation between industrial nations and developing countries, acting in partnership.

It is a partnership which has adopted the principle of equity not only as a matter of form; is also directly geared to establishing equal opportunity — in *material* terms too.

It is endeavouring to achieve this goal by a package of coordinated measures: by unilaterally granting free access to Community markets, by a system for compensating for fluctuations in revenue from exports of raw materials, by extensive financial and technical aid, by promoting industrial cooperation, and not least by permanent dialogue between the partners.

The Convention has proved its value in practice and the negotiations will therefore not be concerned with making any basic amendments or innovations but with adjustments and improvements on points of detail.

Here, the Community will try to make it even clearer that the ultimate purpose of cooperation is to serve people and to help them to achieve the human rights of freedom from hunger and want.

I should like to pick out one particular sector of cooperation which I consider to be of particular importance for the future: the promotion of direct investment in the ACP countries.

The Centre for Industrial Cooperation in Brussels has now been set up. Cooperation should now go ahead at full pace, and here it is important to create a climate of mutual trust and certainty, as far as private investments are concerned.

Genscher

The host countries must be assured that the foreign investment will blend harmoniously with national economic development and that the advantages are fairly distributed between the two sides. The European investor, on the other hand, needs legal security. This legal security is in the interests of both sides. Only through it will the host country be able to attract investment geared to long-term cooperation as opposed to short-term capital amortization.

The Community is linked to the countries of the southern and eastern Mediterranean through close geographical proximity, historic ties and a particularly high degree of interdependence. The Community has come to terms with this situation by concluding a series of Cooperation Agreements with these countries as part of a global Mediterranean approach. We hope that all the Community countries will soon have concluded the ratification procedures to enable these agreements, the commercial sections of which are already in operation, to enter fully into force.

I feel that it is important that the contracting parties should then demonstrate the great importance of close cooperation between the Community and the southern and eastern Mediterranean countries by convening cooperation councils at ministerial level. We should start this process this year.

Cooperation with the Arab countries in the Mediterranean and with Israel is intended to contribute to the stable economic development of that area and thus also make it easier to solve the difficult political problems involved.

The Lomé Convention and the Mediterranean Cooperation Agreements clearly show the European Community's aims in its relations with the developing countries, namely: cooperation on the basis of equality, i.e. *cooperation without strings*. This basic attitude applies world wide.

Although the Community's relations with the ACP countries and the countries of the southern Mediterranean enjoy a particular status of a special nature, they are in no way exclusive and must not become so.

Community cooperation with the developing countries also includes Latin America and Asia. During the German Presidency the *EC-ASEAN Conference of Ministers* will be the main illustration of this desire for worldwide cooperation.

At the beginning of the seventies the State-trading countries began to integrate themselves into the international economic order of interdependence. The Community is also desirous of a continuous expansion of trade with the East to the advantage of both sides. In 1974 it offered to conclude commercial agreements with the State-trading countries.

Such an agreement has already been concluded with China. And the offer still stands for the East European countries and the Soviet Union. The Community also wants to promote cooperation at EC-Comecon level, and here the expert talks soon to take place will reveal in what form and to what extent this is possible.

Mr President, the Europe of the Nine is in favour of a world based on partnership. Both the Community's external economic policy and in the foreign sphere *European political cooperation* are intended to contribute to the creation of such a world.

The common basis for a coordinated and uniform foreign policy on the part of the nine Member States of the Community is respect for the self-determination and equality of countries and support for the achievement and respect of human rights throughout the world.

The Europe of the Nine is convinced that an end must be put to the achievement of individual interests by force. The only policy for the future is that of a just balance of interests and of cooperation on the basis of partnership.

We are therefore completely opposed to all attempts by any party to achieve predominance in any part of the world. We regard our own European Community as an example of how national independence can be protected and reinforced by regional associations of countries enjoying equal rights.

Since its inception in 1970, European political cooperation has established common positions in ever more areas of foreign policy. Further progress is necessary and the German Presidency will do its utmost to this end.

One of the first tasks of European political cooperation was to establish a *common approach to the Conference on Security and Cooperation in Europe*. It was in dealing with this task that European political cooperation developed and achieved its first major successes. The CSCE process continues to be an important and permanent area of European political cooperation. The Nine want to play their part in continuing this process, giving it new impetus and, in a word, developing it into something with beneficial effects on all areas of East-West relations.

The Nine have also established a balanced position in the Middle East conflict, which was set out in the declaration by the European Council of 29 June 1977.

It is important also to develop a comprehensive approach to Africa, as has already been done in certain specific fields. Africa is the target of East-bloc attempts to create spheres of influence. This will be a policy which will tackle tribal conflicts within African States, conflicts between States and the unsolved problems in southern Africa.

Genscher

The question is: having won its independence from European colonialism, is Africa to be dependent on a new master? This is a question of concern not only to Africa itself but also to Europe for, as a neighbour, the Europe of the Nine has a vital interest in an independent Africa, united with it in an equal partnership. The Nine must therefore — in cooperation with their North American allies — counter any attempts by non-African powers to establish hegemony in Africa with a closely coordinated African policy of their own. This will be a policy staked on the desire of the African States for independence and self-determination without outside interference. It must be a policy which increases the ability of the African States to realize this desire for independence. It must also, however, see to it that our values prevail in over-coming racial discrimination in southern Africa.

A uniform approach to Africa by the Nine, which effectively coordinates bilateral policies and promotes joint action, will give the Lomé Convention the necessary political backing.

The other urgent task to be tackled by European political cooperation and the Community is to activate the Euro-Arab Dialogue. After four years we are still only at the stage of commissioning studies. That is very little — too little when one thinks of the great possibilities and the urgent need for cooperation. Both sides must place this interdependence on the stable basis of long-term, comprehensive cooperation. To do this is the forward-looking idea behind the Euro-Arab Dialogue. Like all important ideas, many serious difficulties are involved in realizing it. The German Presidency will endeavour to give a new impetus to the struggle to overcome these difficulties.

Mr President, the Europe of the Nine is increasingly being regarded as a unit by the rest of the world. This view of Europe depends above all on the adoption of common positions in United Nations fora. The German Presidency is very concerned that the Europe of the Nine should also speak with *one* voice in the forthcoming 33rd General Assembly of the United Nations and in other UN fora.

Mr President, ladies and gentlemen, another major topic on which the Community must make significant progress in the next six months is *enlargement*.

The tasks before us are:

- to conclude the bulk of the substantive accession negotiations with Greece;
- to open negotiations with Portugal;
- and to create the conditions for deciding to open negotiations with Spain before the end of the year.

In the accession negotiations now before us we must constantly bear in mind that the proper purpose of

the European Community lies in the common ideals to which we feel committed. For all the importance of the economic aspect it is in the final analysis only a means to an end. The Preamble to the EEC Treaty defines the goal as 'by pooling their resources to preserve and strengthen peace and liberty'. Thus, the application for accession from the three new democracies in southern Europe is *politically* motivated, just as is the acceptance of their accession by the Community.

The common purpose of both sides is the preservation and strengthening of free democracy in Europe. To attain this political goal, however, we must adequately carry out the *economic* tasks imposed upon us by accession, and that means without half-measures. This will require an effort on the part of the States of the Community. We must have no illusions on that score. But we should also be aware that this effort is an investment in the preservation of our own future. Enlargement will also place increased demands on the institutions of the Community. But I do not accept the argument that enlargement creates new problems. They exist, but not because the institutional possibilities are lacking so much as because we fail to make use of them. Let us make a start before the Community expands.

What is to stop us from making use of the majority vote provided for in the Treaty so as to guarantee and increase the decision-making ability of the Council? The future members do not want to belong to a watered-down Community but to a strong Community with the ability to act.

In external relations enlargement will have implications for the Community's relations with the southern and eastern Mediterranean countries. The Community must anticipate and forestall negative effects on imports from these countries.

Enlargement must in particular not hinder the constant development of relations with Turkey. It should on the contrary act as an incentive to revitalize the Association Agreement with Turkey. This will be a major concern of the German Presidency.

Mr President, enlargement confronts the Community with additional and difficult tasks. We should, however, also see the great opportunities it affords:

- it strengthens democracy in Europe;
- it will expand the common market and strengthen the economy of the Community;
- it will increase the influence of democratic Europe in international politics and improve its ability to uphold its own values in a world which is in a state of flux.

These opportunities must be grasped.

Genscher

To this end we should accelerate the involvement of the future members in foreign policy cooperation by the Nine. And at the same time we should look upon enlargement as an opportunity to deepen political and economic cooperation with the other democracies of Europe as well. The Council of Europe is a major forum for such cooperation.

Mr President, the challenges thrust upon the Community by the changing world and enlargement can only be measured up to if we secure the economic foundations of the Community, and that means only if we lastingly strengthen the growth of our national economies and make progress in the internal construction of the Community.

The two objectives are closely related. They will be a focus of our efforts in the six months of the German presidency.

The European Council is to meet in Bremen the day after tomorrow. It is our intention that it should formulate a comprehensive strategy for bringing the Community back to steady growth and conquering unemployment. The common strategy will enable the Community to put forward a united position at the impending economic summit in Bonn and to make full use of its economic weight. The Council will then in the coming months have to take the decisions necessary to put the strategy into practice.

The Council will also discuss the 1979 economic and monetary action programme. This programme is part of a five-year programme proposed by the Commission to bring about a further convergence of the economic development of the Member States and thus re-open the way for economic and monetary union.

Mr President, let us make no bones about the present situation of the Community.

Of the three industrial regions of the Western world — North America, Japan and Western Europe — Europe is currently the one with the lowest economic growth rate. The Community, which is far more dependent than the other regions on foreign trade, also has production capacity in some traditional branches of industry which is in part obsolescent and no longer internationally competitive.

Both this low rate of growth and our slipping competitiveness will be overcome only by energetic efforts and joint and united action.

- We require a concerted growth and stability policy.
- We need a monetary policy which will restore us to greater exchange-rate stability both within the Community and world wide.
- We must make further efforts to complete the transition from customs union to common market;

for this is the only way in which the growth stimulus of the great European market can become fully effective.

- We need an policy which reduces the energy dependence of the Community. It must have the dual aim of reducing consumption and accelerating the development of the Community's own energy sources.
- Not least we require a policy designed to encourage the inevitable structural change in a resolute manner.

To come to grips successfully with structural changes is the primary task of the economy itself. Reacting to the pressure of the market and responding to the opportunities which it affords, it must forge ahead into new areas of potential growth.

Let us guard against the illusion that economic structural change can be planned and set in motion by national civil servants or supranational bureaucracies.

However, what the Governments and the Community *can* — and must — do to stimulate structural change is twofold:

In the first place they must provide aid to ease the adjustment aid both for the sectors concerned and for the affected regions, in order to make the restructuring easier and acceptable in social terms. Secondly, they must bring into being, or restore, the framework for meaningful structural change. This means doing away with distortions of competition brought about by national subsidizing policies and State assumption of losses.

Also required is an active policy to stimulate investment and innovative action.

Ladies and Gentlemen, insufficient growth, unemployment, structural weaknesses, monetary instability, economic shortcomings within the Community — the solution to these problems requires strenuous endeavours both by the individual Member States and Community-wide.

Over the years we have fashioned for the Community a series of major financial instruments. I would merely mention here, as recent examples, the doubling of the European Investment Bank's capital, the decision to issue an investment loan, the extension of support for currencies, the increase in the Regional Fund and its reform. Now, what we have to do in the months ahead of us is to bring this Community instrument into play, in a coordinated fashion and effectively.

A common growth policy and policy of stability, together with a joint structural policy, can be put through successfully only if these policies can be built on a high degree of understanding between both sides

Genscher

of industry and the authorities. In order to promote such consensus at European level the Community has created the instrument of tripartite conferences between trade unions, employers and governments. One such conference is due to be held in the autumn. It will form an important part of the endeavours to put the common growth strategy into practice.

Mr President, ladies and gentlemen, my first official business as President of the Council was to let you know in a letter dated 1 July that the decision on direct elections to the European Parliament has been ratified by all the Member States, and so has come into force. It was with great personal satisfaction that I sent that letter. A year from now, this Parliament will for the first time be entered by parliamentarians who will have been elected not during a national election campaign but in a campaign on a European scale, in which the issues will be European issues. And thus, for the first time, the citizens of the European Community will be able to exert direct influence on the form this Community is to assume and the course which it is to pursue.

The banding together of parties on a European scale, combined with a European electoral campaign, will carry the topic of Europe out of the negotiating rooms of the Governments and administrations onto the streets and public places and to the citizens.

Europe, which is now seen piecemeal, in terms of isolated issues, which is at present visible as a whole set of problems, will finally come into its own as an entity, as an ideal to be borne in view. This will give us the opportunity to restore the dynamic vigour of the European idea. Let us turn it to good account!

Let us make a start now with the preparations, so that by taking part as voters we may turn the direct election into a convincing plebiscite for a unified Europe. By means of the direct election we will, at long last, cross the threshold into a Europe of citizens.

In this way we shall be taking a major step towards a Community formed not only of parliamentary democracies but which will itself be really democratically constituted. On these grounds I am convinced that the first direct election will go down in history as one of the decisive occurrences in the process of European unification.

A Parliament elected directly and throughout the Community will carry new political weight. The European Parliament has always been a power which has prompted the Council to embark upon its dealings with an eye to the future of Europe.

Nor will this be otherwise, I am sure, during the coming months of the German Presidency.

For this I am grateful, and I hope for and look forward to close and profitable cooperation between Parliament and the Presidency.

(Loud applause)

President. — I call Mr Rippon.

Mr Rippon. — Mr President, on behalf of us all, I am sure, I express our warmest thanks to Mr Genscher for his wide-ranging address this morning. We welcome him as President-in-Office, and I am sure he will have a most constructive six months ahead of him. I might have wished that he could have been more positive in certain directions, but inevitably there are difficulties in anticipating what may happen in the next few days and weeks.

The European Council meeting in Copenhagen in May succeeded at least to the extent of arousing great expectations. In consequence, some real progress will be demanded from the Bremen meeting of the Council, especially in view of the economic summit gathering of the major industrialized countries almost immediately afterwards. Mr Genscher this morning has promised us such progress. I hope this time that progress will be delivered, because if yet again nothing positive emerges it will be a major political, economic and psychological set-back with far-reaching and damaging consequences for us all, and I think we in this Parliament must make it clear that another failure by the heads of state and government to measure up to the needs of the hour will be regarded as an object betrayal of the peoples of Europe whom they claim to represent. That, Mr President, is why the Conservative Group has posed the question which is on the agenda today and which is the foundation of the debate we are to have this morning.

We require an overall strategy on a historic scale which will make a decisive impact on three interrelated problems. First of all, the decline in industrial production and the consequentially high level of unemployment. Secondly, the commercial uncertainties which result in particular from the present instability in exchange rates, and, thirdly, the general lack of faith in future economic development both on the part of government and business. None of these problems can be dealt with in isolation. An agreement on monetary policy without substantial steps to resolve the other issues would be like turning on the ignition without depressing the accelerator. I would like to endorse what Mr Genscher had to say about the importance of freedom in world trade. Certainly protectionism is no answer, as he said, to unemployment, but at the root of our industrial malaise is the increasing distortion of competition which results from the present thrust of European and national intervention in industry and in particular the rising amounts of sectoral State aid. That is why I have some reservations about the suggestion of setting up tripartite conferences for individual industries, to which he referred. That, so far from being likely to help, is calculated to be directly counter-productive. And the reason is this: both unions and employers in these gatherings will of necessity be taking a narrow view of their own immediate interests. That is only clogging the engine; it is not the way to get the car moving.

Rippon

Moreover this tripartite approach tends to cut out the smaller firms and the new enterprises which are the seed-beds of future employment. Political ambulances for industry have never succeeded on the national level, and they are not likely to succeed on a European level.

Nor is it enough simply to suggest that capital investment should be increased, because what is lacking in the Community is not finance, it is the will to invest. And if firms and individuals are to invest, they must have the necessary incentive to do so, and that can only be restored by action of a sufficient dimension which will at the same time ensure free and fair competition between Community industries.

That is why, Mr President, in this Parliament and elsewhere, I and my group have suggested a new approach to the crisis in the Community in the form of a European recovery plan backed by a European exchange area. Now such a plan must be on the scale of the Marshall Plan which both helped Europe out of the crises of the 1940s and at the same time, let it be remembered, prevented a serious economic depression in the United States. It is an interesting historical fact that only the injection of around 8 000 million dollars in 1949, mainly as a result of the Marshall Plan, stopped the downward trend of the American economy, which had led to a reduction in industrial production of 17 % over six months and an increase in unemployment in the United States from 1.9 to 3.6 million or 5 % — again very interestingly, very similar to the Commission's latest unemployment forecast for the Community. Now a European economic recovery plan could have the same effect on our own Community economy as the original Marshall Plan had upon the Americans. The enlargement of the Community, which Mr Genscher rightly said must be speeded up, has been neglected in the context of an overall strategy. Yet it is the enlargement of the Community which would provide the key to such a plan. As Mr Genscher said, we must not have half measures. All right, so we want full-blooded measures; but what does that mean in money terms? I would suggest that the scale of a European economic plan might be of the order of between 5 600 million dollars, the present trade deficit of the three applicants plus Turkey, and 22 500 million dollars equivalent to 2 % of the GNP of the Nine. But with the Marshall Plan, the proposal was 2 % of the GNP of the United States. Even 1 % would have a dramatic effect. The beneficiaries would include the undeveloped regions of the Community as well as the applicant countries plus Turkey and the European associated nations. Development programmes which ought to concentrate particularly on the provision of infrastructure could be financed through the European Investment Bank with an organization not dissimilar to that established under the Marshall Plan. The beneficiaries themselves would be mainly responsible for determining and executing their own programme,

with the assistance of a committee of representatives of the existing Member States, plus committees of experts from industry and agriculture.

In such circumstances, workers who are now forced to take jobs abroad could be enabled to go back to their own countries. Now, naturally some Community industries which are now in difficulty will express the fear that a European recovery plan on that scale would serve to create added competition at a time of under-used capacity. But it is interesting to note that exactly the same fears were expressed in the United States at the time of the Marshall Plan and proved to be unfounded, because the general economic growth and added consumption which was created by the Marshall Plan in fact created new markets and generated new exports.

Side by side with an economic and development programme there must be an equally bold initiative in the monetary field, designed to modify, if not remove, the present instability in exchange rates. Here we should begin with the adoption of a European exchange area anchored to a European parallel currency. Now the term parallel currency makes it plain it would not be expected to replace national currencies but rather to provide an attractive alternative to the parallel currencies already widely used in transactions and contracts, which cannot obviously be denominated simultaneously in the national currencies of each of each of the contracting parties.

The fluctuation in value between, for example, two such relatively strong currencies as the dollar and the Mark illustrate vividly the lack of stability which exists at present, and this is likely to continue, although I think it would be partially overcome if the United States in particular could be brought to understand the continuing role of gold in the monetary system — I do not believe their gold auctions have helped one little bit. Now the European unit of account already meets this requirement, and if it was given a more readily understood description, the Europa, it could be a symbol of a new approach. A parallel Europa currency, properly defined and guaranteed, could become the main or at least an alternative means of foreign exchange interventions and settlements between the countries of the Community. And it could even play an increasing role in transactions and settlements with other countries, notably the OPEC countries. The European League for Economic Cooperation has recently urged action on these lines, and I am glad these ideas were endorsed last week by a very powerful committee of international economists, including the chairman of Parliament's Monetary Committee, who last week issued a statement which rightly began by saying, and I quote, 'the outlook for the international economy is alarming'. That is the message we have to get across to the Council of Ministers.

Rippon

The views, I think, which we in the Conservative Group have expressed are very much in line with the objectives set out in the resolution of the European Progressive Democrats. A European recovery plan carried out in conjunction with the elaboration of a European monetary cooperation, built upon a European exchange area, anchored to a European parallel currency, could be of mutual benefit to us all and could be realized as the Marshall Plan was realized, if the necessary political will existed, within a short time. It would be the foundation of the new Lomé Convention to which Mr Genscher referred. But we should not stop there. A decision by the European Council to apply a common strategy, with a European recovery plan as a major element, should be followed by an equally generous and imaginative approach at the economic summit the following week, because only such an approach made towards the developing countries as a whole, not just the Members of the Lomé Convention, backed by the Member States of the Community, Japan, the United States, can unblock the GATT negotiations in Geneva or the North-South Dialogue in Paris, to which again Mr Genscher refers. That is the only way in which we can make a real move towards general economic recovery. What we hope Mr Genscher can achieve in the next six months is an alteration in a situation in which national and international policy-making appears to ordinary people to be deadlocked. All the generous spirit and the courage and the forward-looking perspectives that we ought to expect from our leaders are frozen. We have endless meetings of politicians and experts; they provide nothing but calls to other people to make offers or to carry burdens, without anything actually being demanded or achieved. Now, in such an atmosphere it is not surprising that there is cynicism and indifference. If only the participants in the forthcoming summit meeting could understand that their role and their responsibility is not to act as the top of an expert pyramid, but to lead their peoples with the same verve that President Truman and General Marshall did in 1948, then and only then could we see confidence and growth in Europe and the free world restored.

(Applause)

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

Mr Fellermaier. — *(D)* Mr President, ladies and gentlemen, now that the Conservative Group has spoken on the question of an economic upswing, I think we may address ourselves to questions of a general nature arising from the speech by the President-in-Office.

I wish to say to the President-in-Office that the Socialist Group looks forward to a period of active and

loyal cooperation such as we experienced to our great satisfaction during the six months in office of his Danish predecessor. Nevertheless, I will, if I may, start with a somewhat critical remark. What we heard was undoubtedly an excellent speech by an eminently successful Foreign Minister, but whether he merits the same description in his capacity as President-in-Office is, perhaps, open to question in as much as two-thirds of his speech was devoted to the Community's external relations. I therefore, on behalf of the Socialist Group, have to ask whether this Council statement, by its new President-in-Office, gives adequate treatment to internal questions such as those concerning the integration and consolidation of the Community. Was it not covering up something — the cumbersomeness of the Council and its frequent inability to take needed decisions, the fact that numerous projects launched by the Commission and Parliament are now gathering dust in the files of the Council of Ministers?

I would very much like to ask you, Mr Genscher, to give us next month a survey of those Commission initiatives which have received the support of Parliament and which the Council, as sole legislator in the Community, has so far failed to put into practice. Such a survey, together with an explanation of the reasons for the delay, we in this House would be only too glad to receive from you in the course of next month. I also think we should hear a little more from you about plans for the Social and Regional Funds, for these are instruments of structural change on which you have already taken a stand.

You pointed out, quite rightly, that it is the particular responsibility of every new presidency to bring the Community Member States together. An announcement of that kind is only too welcome among Members of this House, but what has come of it in six months' time will be a criterion on which you too, as the German President-in-Office, will have to be assessed.

I come now to the part of your speech that was devoted to external relations. I quote the passage in which you said, on the subject of Lomé:

Here, the Community will try to make it even clearer that the ultimate purpose of cooperation is to serve people and to help them to achieve the human rights of freedom from hunger and want.

To that, the Socialist Group would add: one can be free from hunger and want and still trodden in the dust day by day.

(Applause)

Therefore, Mr President-in-Office, this statement of yours fails to satisfy us. Since you personally will be opening the Lomé Conference on 24 July, we call on

Fellermaier

you to ensure that the question of human rights is given a prominent place in the negotiation of Lomé II.

(Applause)

A further point in this connection: we support your call for direct investments; but we would add that security and protection for direct investments must be accompanied by protection of the social interests of the workers in these countries.

(Applause)

This, too, must be included in such security provisions, for there is plenty of evidence to show that employees in African countries, even when supported by European undertakings, are often the victims of social discrimination. In this connection, Mr President-in-Office, my group would be interested to hear what the present situation actually is with regard to the application of the code of conduct for European undertakings in the South African Republic.

In the sphere of European political cooperation, we heartily welcome the fact that those countries that are on the threshold of accession are to be involved in foreign policy cooperation. The question is only how and when.

There is another matter which, I think, deserves more of our attention, and that is cooperation with the other democracies of Europe. In our view, we must take care to ensure that the other EFTA States do not get the impression — and I say this quite deliberately — that our attention is being diverted southward to such an extent as to signify a general shift of interests. I think, Mr President-in-Office, if you could say a word on this subject, it would help to clear up the situation.

The real disappointment came with your remarks on the Euro-Arab Dialogue, for if the commissioning of studies is the sole result of four years' work, one must ask oneself whether new efforts must not be made at the political summit in order to give this dialogue a new impetus.

On the need, to which you drew attention, for developing a comprehensive approach to Africa, my group would ask, what is the essence of this approach? Does it resemble the British or the French approach to Africa? Or is it to be a completely new and independent approach worked out by all the nine Community Member States? Further, what is to be the relation between the Community's comprehensive approach to Africa and the Lomé Convention?

For years, the debate was dominated by the pessimists, who repeatedly asserted that in many parts of the world there was no future for democracy. The contrary has been proved by Portugal, Greece and Spain; it is now time to build up this process on an economic foundation, and the President-in-Office is right to point out that the economic tasks must be subordinated to the fundamental political decision on enlarge-

ment which undoubtedly awaits us. Nevertheless, the process of integrating the acceding countries will inevitably necessitate considerable effort, even sacrifices and restrictions, on the part of the Member States and citizens of the Community; I am therefore of the opinion that the citizens of Europe, particularly in view of the direct elections, Mr Genscher, are entitled to know precisely what this means for them and what prospects they will have to reckon with.

Here I turn to the French Gaullists in this Chamber. A few days ago, the leader of the French Gaullists, speaking in the South of France, declared that the Gaullists were opposed to an enlargement of the European Community through the accession of Spain, Portugal, Greece and Turkey: if these four countries joined the Community, he said, this would inevitably result in a total breakdown of the European system and, Mr Chirac went on, that would put an end to all our European ambitions, to the Europe we wanted to build. In my view, intellectual honesty demands that the Gaullist representatives in this Chamber make it clear whether they share these views of Mr Chirac.

(Loud applause)

If so, they would, incidentally, find themselves right in the same boat as the French Communists, who once again during this debate, as so often in the past, are conspicuous by their absence.

On two points, Mr Genscher, I should like to quote something that the Danish Foreign Minister freely admitted in his final speech to this House. Mr Andersen said that, as President-in-Office, he had to take his leave of the European Parliament with the admission that under the Danish presidency it had proved impossible to resolve two serious problems besetting the European Community — energy policy and fisheries policy.

It goes without saying, Mr President-in-Office, that we can all agree with the following sentence in your statement: 'We need an energy policy which ... must have the dual aim of reducing consumption and accelerating the development of the Community's own energy sources'. I can only ask, has the Council of Ministers of the European Community an integrated plan so that what you yourself are calling for — and in this Parliament will support you — can be realized by Council and Commission?

As for fisheries policy, the dispute of the last few months, with eight Member States on the one hand and one on the other, can only be described as tragic, since the burden has to be borne by 100 000 citizens. Developments of the last few days in the Baltic, where the Swedes too have now closed their waters, have aroused feelings of embitterment. I know that from my own observations, for I have just spent two days, Friday and Saturday, on fishing-vessels in the Baltic. This embitterment is so great that one cannot say to these people, Well, vote for this Parliament next year

Fellermaier

and then everything will be quite different, since the question of direct elections will depend on the Community's prestige and its ability to solve problems affecting hundreds of thousands of citizens of the Community. We want to hear when the breakthrough in fisheries policy can be achieved.

Youth unemployment, a subject on which my colleague Mr Glinne will have something further to say, has, as we know, taken another, none-too-welcome turn inasmuch as here again one of the Member States, in this case France, has put a spanner in the works in the Council of Ministers. When the Community's already limited resources for combating unemployment are blocked, as they are to be now, for a further period of some months, I can only describe this as a political scandal. One of our yardsticks for assessing the success of the European Council in Bremen will be whether the authority of the Heads of State and Government is at least sufficient to bring about what has come to be regarded as a first joint venture by the Member States in the combating of youth unemployment.

Finally, Mr President-in-Office, allow me to quote another sentence from your statement. You said in conclusion, as you wished us — and therefore Europe too — success with the direct elections, that 'by means of the direct election we will, at long last, cross the threshold into a Europe of citizens'. Allow me, with full polemical intent, to add to this the observation that we shall, at long last, be crossing the threshold into a Europe of citizens in which the Council of Ministers continues, behind closed doors, to have the sole word in matters of legislation. Every month in this Chamber, you will be having an argument with us — and with all the groups, of that I am sure — until, at long last, one thing is achieved: greater transparency in decision-making by the Council.

We shall not be satisfied with frugal communiqués. In a parliamentary democracy, a check can be kept on the legislator only when the legislative procedure is transparent. As long as the Council of Ministers is the sole legislator and this House enjoys only consultative rights, Mr Genscher, the Council must keep its doors open so that the citizen can see what is behind each decision. If that is done, you may well achieve more quickly what you yourself have called for — namely, a return to the use of the majority vote so that the Council can really become once more a vital political legislator.

(Applause)

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

Mr Klepsch. — *(D)* Mr President, ladies and gentlemen, first of all I should like to thank the President-in-Office sincerely on behalf of my group for his speech, which included a statement of the Council's

attitude on a number of problems and numerous praiseworthy declarations of intent. We should be only too pleased, Mr Genscher, to take you at your word when you say that you look forward to close cooperation with the Commission and with this Parliament. My group is glad to hear this and would say to you that we believe it would be a good omen for the future, in the very year of direct elections, if relations between Council and Parliament could develop into a cooperation marked by confidence and transparency for the citizen. The response of my group today will be conveyed by my colleagues Mr Muller-Hermann and Mr Bertrand as well as by myself, so I will confine myself to a few points only.

I should like to stress that much of what you have had to say is in complete accord with this Parliament's wishes. I should also like to make it quite clear that in all these complex questions you will have the support of this House on your side. All the same, may I say that I had the sneaking feeling that certain subjects were swathed in thick clouds of mist. And it is the duty of this House to confront these complex issues and, in doing so, to turn to you as the responsible man in the Council.

First of all, you said something very important, you expressed a wish which this House fully shares. You emphasized that it was high time that the Council should take decisions. You went on to say that the German Presidency would bring pressure to bear to ensure that outstanding decisions were taken. The entire House — and this was stressed by the previous speaker — takes the view that it is precisely the Council's inability to make decisions that has brought our work for Europe to a standstill, and that is why we shall take you at your word when you promise to press for decisions. Parliament and the people too are absolutely tired of seeing how Council meetings and summit conferences are preceded by numerous announcements of the questions to be settled and plans for settling them, only to find, when the Council meeting or summit conference is over, a communiqué tells them that the questions have been carefully studied, that a committee or subcommittee or group of Ministers has been deputed to follow developments and that after careful analysis decisions will be taken at the next meeting. I say this only to emphasize that we shall be taking you at your word. We hope that the Council presidency which you have just taken over will introduce another practice for the Community, and if so, you can count on the full support of this House.

Secondly, you stressed that there would be no problem in settling certain institutional and other questions if only that were done which the Council can do — namely, return to the use of the majority vote. We were all extremely interested to hear that this demand, which is being continually made by my group, was among those listed in your programme.

Klepsch

Declarations of intent, however, are not enough : they must be followed by action. And this is the point where, Mr President-in-Office, I had the impression that a certain subject concerning the Community during your period in office as President of the Council was not merely swathed in clouds of mist but swamped in an impenetrable pea soup. I refer to the internal development of the Community and the question what decisions relating to the internal structure and domestic problems of the Community are to be taken. Here I would present a few wishes drawn up for you by my group.

First, in the field of internal and legal policy we consider it important to establish a body of European fundamental rights and an appropriate court system for the protection of these rights, which would apply to the individual citizen *vis-à-vis* not only the Community but also the authorities of his own country and those of the other Member States. In the view of my group, we must establish a Community judicial area : this would exclude the application to Community citizens of legal provisions relating to aliens and would also make bilateral expatriation agreements superfluous.

Further, we should tackle the question of granting both active and passive civic rights to all citizens of the Community.

As regards the ponderous functioning of the Community's decision-making process, I think we should be making an important step forward if the unanimity rule, as practised today, could be virtually done away with, as you suggest, and if the restrictions on the Commission's competence to take political action could be lifted.

As a token of the increasing preparedness, which you have also indicated, to enhance the role of the European Parliament, whose Members are shortly to be directly elected, I would make the specific proposal that the Council, already during the consultation stage, should find its way to committing itself to regard as binding the European Parliament's opinion on selected Commission proposals.

I nurture the hope that in the dialogue that we shall be having with you on the budget for 1979 the wishes of the European Parliament regarding compulsory expenditure will also be taken more seriously.

Further, we think the time has come to tackle the realization of the passport union.

We also take the view that the positions adopted in the report by our colleague Mr Scelba regarding special rights for citizens of the Community should no longer serve as just material for discussion but that specific steps for their realization should be undertaken.

I should like to add that we are still without a common transport policy, and the fact that this year

we are being told once again that next year there will be no common summer time in the European Community is to be particularly deplored. In our view, this state of affairs cannot be allowed to continue. Indeed, with all the smog I spoke of a moment ago, the summer is all but lost.

Another duty of the Community is to make progress in the sphere of education. Some things should be done at Community level with regard to the exchange of schoolchildren and students along the lines of, say, what has already been achieved between Germany and France. Final examinations and the length of study-courses should be assimilated. Admissions to places of higher education should be regulated in a manner applicable to all Community citizens and free from discrimination.

In this connection, I should also like to draw your attention to the proposal made by President Giscard for a Community agreement on the combating of international terrorism.

Mr President-in-Office, a word on the subject of European political cooperation. Here, too, you said something that was welcome to our ears, and that is that Europe should speak with *one* voice. You went on to say that this had not always been the case in the last General Assembly of the United Nations, but would be so on the next occasion.

That means that we have unfortunately not yet reached the stage where we can speak with a single voice, and from certain events connected with the ESCC follow-up conference in Belgrade, my group had rather the impression that in certain spheres the ambition to speak with a single voice had encountered a setback, to our universal regret. I will refrain from giving further examples.

There is another point on which we should be only too glad to take you at your word. At the end of your speech, you said that the European direct elections and the further development of this Parliament would constitute a step towards the situation in which not only the individual Member States are democracies and united as such in a Community but also — and I quote your own words — the Community itself is really democratically constituted. Here the Parliament can only offer you its wholehearted support, and this it will continue to offer you in the year of direct elections.

The Council could make a good beginning on improving relations with Parliament and ensuring its greater influence and a greater degree of cooperation by carrying out the proposal contained in the Blumenfeld report that we be given for discussion, once a year, a written report from the Council on the work of European political cooperation. In that way, the dialogue would not have to be taken up in purely desultory fashion during Question Time or on other occasions not designed for the purpose but could be pursued in a debate devoted entirely to this subject.

Klepsch

There you have a list of things my group would wish to see : many of them are things desired by the whole House. We were glad to hear you say that you want to work with us in solving the problems of the Community : we, for our part, are willing and wish you much success in your work.

(Applause)

IN THE CHAIR : MR LÜCKER

Vice-President

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

Mr Pintat. — (F) Mr President, ladies and gentlemen, I should like to point out, at the beginning of my speech, without being over-optimistic, that the new Council presidency is having an auspicious start, since all the Member States have now deposited the instruments of ratification for the Act on direct elections ; your Assembly will thus be consulted, in accordance with the Treaty, before the summer recess, and the Council will be able to adopt the proposed dates — 7 to 10 July — officially. The party headquarters and European federations will be able to launch their election campaigns properly immediately after the recess. Having pointed this out, may I now say, on behalf of the Liberal and Allies Group, that we welcome Mr Genscher's statement, which seems to augur well for cooperation between the presidency and the European Parliament, and the welcome that Mr Genscher has received from the Assembly is further proof of this. I must stress that we are all aware that the Community is at an important landmark in its history. It is presented with a new opportunity. In 1950, the process of European integration began after the difficulties of post-war reconstruction ; today, Europe's economic problems should encourage it to take another decisive step forward. The economic crisis that we are facing should encourage the authorization of points of view which up till now have often been very far apart. The various countries have been trying for too long to deal with the effects of the crisis on their own ; the time has come for them to bow to necessity and take joint action.

Coordinated Community action is more essential than ever if we are to find a solution to the serious problems facing all the Member States : unemployment, monetary disruption, protectionism in world trade, energy and industrial problems. This major step forward could be achieved tomorrow in Bremen at the European Council and could continue at the economic summit to be held in Bonn in mid-July. The various preparatory meetings between Heads of State or Government which have been taking place in the past few weeks indicate that the Bremen summit

should turn on the same lines as the Copenhagen meeting. We believe that the creation of a zone of monetary stability in Europe is an essential prerequisite for the coordinated recovery that the industrialized countries are hoping to achieve in the next few months. The exchange rates of currencies which are still floating and coordinated in the 'snake' and the other currencies which stand on their own must be brought into line in a system which has still to be defined. This zone of monetary stability should ensure better protection against the threat to the European currencies from fluctuations in the dollar rate, which, despite all the declarations of intent, has still not been stabilized. As far as the technical aspects are concerned, alternative proposals should be put forward at the Bremen summit, since the proposed solutions depend on the maintenance of the currency snake. In this connection, we are in favour of the Franco-German proposal for the establishment of a structure to incorporate the currencies which do not at the moment belong to the snake.

After this step, the European summit could decide ultimately to create, around the snake, several systems with different ranges of fluctuation, which would be harmonized more closely with the snake after transitional periods of varying lengths. We are also particularly interested in the methods that could be used in this system, which could be administered by a European Monetary Fund, to be set up, whose task would be to operate all the Community financial solidarity mechanisms. The overall guidelines that will have to be worked out at the Bremen summit are essential to the coordinated implementation of the recovery measures which would help to bring the economy of Western Europe out of its difficulties and prevent a further deterioration in the employment situation. The promotion of growth will be the second important aspect to be discussed in Bremen, and later in Bonn, at the meeting of the major industrialized countries. We hope that a decision will be taken to stimulate the economy by establishing additional growth objectives which should help to reduce unemployment.

Failing such a step, unemployment is likely to become structural. But we must appreciate that recovery measures must not at the same time increase inflation. If this happens, we shall have achieved the opposite effect from the one we were aiming at, i.e. a reduction in the present level of unemployment. This objective cannot be achieved in any other way, as is borne out by the constant increase in the number of unemployed in the Community, despite the sectoral plans introduced and the initiatives in other respects highly successful of the various Funds such as the Social Fund and the Regional Fund whose appropriations are proving to be inadequate.

I should like to draw attention now to another important aspect which would be raised under Mr Gens-

Pintat

cher's presidency. The Council will have the routine, but nevertheless important task, of adopting the 1979 budget in collaboration with the European Parliament. Although this would appear to be a technical matter, it is in fact an essential political act, since the achievement of the objectives that we have set ourselves depends on the adoption of the budget. We in the Liberal Group know this very well, since the general rapporteur, Mr Bangemann, is a member of our group and he is spending most of his time on this task at the moment.

The draft budget, as was shown by yesterday's debate, is at the same time selective and moderate, since it concentrates the modest sums available — the smallest increase in recent years — on the particularly sensitive, and indeed strategic, sectors: industrial policy, social affairs (increases of 65 % and 49 % respectively), and finally energy policy.

We would therefore ask Mr Genscher to act as our spokesman with the Council, to ensure that this balance is not upset by the usual cuts with which we are only too familiar. This applies particularly to the energy sector, which has never yet actually been allocated the funds that the Commission has proposed.

This year, the Commission is proposing an increase of 228 %, which should provide the necessary stimulus to the development of Community resources and energy savings. Although the situation has now improved to some extent, as a result of the exploitation of North Sea oil and oil from Alaska, we should not delude ourselves; this is only a temporary phase, we have not left the energy crisis behind, it is still to come. Without energy there can be no expansion, and the result will be unemployment and economic crisis. Energy is life; we must concentrate our efforts on resolving this problem while there is still time.

With this in mind, we are looking forward with considerable interest to the European Council in Bremen, which will be considering the French proposal designed to reduce the dependence of the Nine on energy from third countries.

Another aspect in which the Liberal and Democratic Groups particularly interested is international trade, which is still, as it has been for the past thirty years, essential to the expansion of our economies, and the safeguarding of employment. The meeting of OECD ministers has just been adjourned because it was unable to establish statistical objectives and the various countries were increasingly threatening to resort to protectionist measures. There was even an astonishing statement a few weeks ago by the United States representative in Geneva to the effect that the multilateral trade negotiations in the Tokyo Round were outdated and that this was the last time his country would take part. We liberals do not, of course, agree with this view; however, clear guidelines must be established for export subsidies, compensatory

duties and para-tariff measures and strict regulations must be laid down; this would be in everyone's interests, even those States which in the short term derive advantages from the adoption of protectionist measures.

I should like now to say a few words about enlargement. I hope that the term of office of the German presidency will prove fruitful, that a programme of negotiations with the three potential Member States will be worked out and the date of Greece's accession in particular — which we hope will be in the near future — will be fixed. Of course we regard this as a means of consolidating democracy in Europe, so that enlargement is not a 'dilution' of the Community, as has been said, but a positive step towards European union; the internal economic and institutional structures must be reinforced as a matter of priority, before the accession of any new countries.

We must also provide sufficient funds immediately to prepare the ground for accession. First, to enable the agricultural sectors of the existing Member States to adapt to the new markets and then to ensure sufficient investment in three potential Member States, which in their turn must prepare their industrial sectors for the conditions of competition; my group has asked me to stress this point particularly.

We must prevent the economic divergence between the Mediterranean countries and the countries of Northern Europe from creating a 'two-speed' Community so that any other plan for Economic and Monetary Union becomes impossible to implement. We would therefore urge the President-in-Office of the Council of Ministers to assess the consequences of enlargement and to take the necessary steps to ensure that this is a positive step towards European integration, thus avoiding any subsequent regrets on the part of the countries that have joined and the existing Member States.

In the institutional field also, if we do not radically reform decision-making procedures, it will be impossible to make any progress. The majority vote must be applied in the Council — you said this earlier and were applauded — as long as the essential interests of a Member State are not actually at stake, and the number of times this has happened could be counted on the fingers of one hand. The Commission's powers of management and implementation must be recognized, the elected Parliament must participate in the formation of Community acts, particularly when they have legislative implications, although it must be borne in mind that this can only happen when there have been direct approaches from all the Member States. Finally, we must speak with one voice, as has often been said before. We know that it is a mistake to assume that all these objectives, some of which have been outstanding for a number of years, as various other speakers have pointed out, can be

Pintat

resolved in so short a time. However if after these six months Mr Genscher, with his famous tenacity, manages to find a solution to these basic problems, he will have made his term of office a particularly memorable one.

Another topic that will be discussed at the forthcoming European summit is the situation in Africa. In its previous part-session the European Parliament held a lengthy debate on this subject and the Liberal and Democratic Group outlined its position, which I shall therefore refer to only briefly. With only a few weeks to go before the official opening of negotiations on the renewal of the Lomé Convention, we hope that the Community will express a firm resolve to consolidate the position of all the African States insofar as they offer scope for progress and democracy. Europe needs Africa and cannot survive unless it has friendly and stable relations with this great source of wealth. Mr Genscher has just reassured us on this point. Unless Africa is stable and well disposed to us, Europe's security and future are at risk.

Mr President, I should like to point out finally that apart from these fundamental decisions which must be taken, particularly in the economic field, there are a number of other measures which, although they are less crucial to Europe's future, will have major implications for the citizens of Europe. I am referring above all to the need for a genuine transport policy, which our group considers particularly vital. It has instructed me to express the hope that work on the Channel tunnel will be resumed, with a view to ensuring better relations between Britain and the Continent and better links with the three places of work which, whether we like it or not, we shall continue to have for some time: Brussels, Luxembourg and Strasbourg.

To conclude, Mr President, it is an important phase that we are entering now; the social and economic groups have their eyes on Europe; we cannot disappoint them any longer and the time has come, as has already been said, to demonstrate our powers of imagination and organization. We believe that in the near future, at Bremen, their hopes will be partially satisfied.

(Applause)

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

Mr Normanton. — Mr President, the House has welcomed the new President-in-Office to the chair which we hope and believe he will occupy for the next six months. The applause with which his speech was received shows also that we welcomed its content. But to welcome and applaud is one thing; to effect its implementation is quite another matter. It is therefore, I suggest, very much up to us, that is, the Council of Ministers, the Commission and this Euro-

pean Parliament, to concentrate our minds and our efforts as a matter of profound urgency on the issues upon which Mr Genscher has just touched.

We have to recognize that the tide is not running with us; indeed, there are many who would say that the tide, certainly in the political field, is running strongly against the interests and the well being and the future of our Community. We are, I feel, losing ground in so many sectors to those forces which have one objective clearly and constantly in their minds, and that is the destruction of the basic principles upon which the Community was built and for which the Community stands. Mr Genscher's statement reaffirms that stand. All the objectives enunciated by Mr Genscher can be achieved — of that we in the European Conservative Group are completely convinced — but they can be achieved only if the European Community can adopt a unified approach to the problems which face each and every one of the Member States. All of these problems we have in common and the only differences are those of degree. However, if we only tackle these problems on a Community basis and present a united front, then I am absolutely convinced that they can be resolved, and more particularly within the Community, because it is within the Community that we are acutely vulnerable.

In September of last year I had the unique experience of travelling, over a period of seven weeks, in the Middle and Near East, and I should like to tell this House, Mr Genscher and the Council of Ministers, that the one outstanding impression that registered itself indelibly on my mind as a result of those discussions and travels was that the world sees the Community as a single institution. It sees it as the greatest single economic force the world has ever known, not in the nineteenth-century jingoistic, imperialistic sense of that word, but as a force for economic growth and development and stability in a deeply depressed, divided and gloomy world. That is the way world leaders outside the Community see the Community of today.

Regrettably, however — and this is the main point I want to make — what they see is not what we in this House feel we know to be the case. If at the end of his six months' tenure of office Mr Genscher can, in his farewell address to this Parliament, identify areas in which solid substantial progress has been achieved in strengthening internally the Community institutions and the decision-taking elements in this Community, then I have no doubt at all that his Presidency will prove to be one of the major milestones along the road to translating impressions of the Community from outside into a reality from within. Until the Community adopts a political will as a Community there will be a vacuum in world economic, technical, commercial and political affairs, and I need hardly tell

Normanton

you, Mr President, that a vacuum is often regarded in scientific terms as the prelude to an explosion.

I am absolutely certain that Mr Genscher's declaration concerning majority voting procedure is one which my group will warmly welcome, and I felt it was warmly welcomed by the House.

The renegotiation of the GATT was a point upon which Mr Genscher placed very considerable importance. It was seen by him as of crucial importance to the Community's economic recovery to health. I would not challenge his description of the importance of the GATT as a major contribution to the phenomenal growth of the wealth of the peoples of Europe. That is certainly there for all the world to see. There is one point, however, that I would put to Mr Genscher. It is not the first time this view has been expressed here in this House and it certainly will not be the last. I believe that the GATT, as an institution for the expansion of world trade, was unique and in its time appropriate to dealing with the problems of economic growth, but the times and the conditions, political and economic, which prevail today are not the times and conditions which prevailed when the GATT was created. I believe therefore that it will not prove to be sufficient to renegotiate or rearrange or modify the GATT. The economic and political situation today demands a completely new international institution. Although we obviously cannot and should not desert the beliefs and the basic principles upon which we operate within the GATT, we should realize the importance of rethinking and setting up a new institution to achieve the objective of expansion of world trade. That is of such profound fundamental significance that I do not believe there is any evidence yet of adequate willingness to undertake such a study.

The Presidency of the Council of Ministers knows that in the last year this House and two of its committees — the Political Affairs Committee and the Committee on Economic and Monetary Affairs — have been studying the implications for the peoples of Europe and for the Community, if we, as a Community, were to assume responsibility for defence equipment procurement. Only a month ago, as the President-in-Office will know full well, this House gave its endorsement to adoption of such a policy. The voting was not, of course, unanimous, but there was a major and significant element of thought inside this Parliament which felt strongly upon this as a political issue. I only wish that the President-in-Office had referred more directly to this development, which the European Conservative Group certainly regards as of profound political and economic importance, if the Community is to provide prosperity for its people and freedom from assault from those political forces in the world which are a continually growing threat to all that the Community stands for.

The Community is facing many dilemmas. Some of these are matters of polemics and some are fundamental, but the one to which I would very briefly refer is the question of industrial policy. We in this House are well aware that there have been many and bitter criticisms of some of the policy proposals emanating from the Commission, some of which could be interpreted as interventionist and indeed have been described in even more vitriolic terms. I do not think anyone would deny that the economic and industrial situation, for which the Commission has the responsibility to provide solutions, is critical and a major danger and threat to the Community.

Desperate situations call for desperate measures, but I would utter a warning. If the measures adopted savour of interventionism in the political sense, then I have little doubt that the credo which Mr Genscher spelt out in his address will end up as a failure to recognize the way we are going. We have to adopt urgent, serious and perhaps painful measures, but if we do go down the road of interventionsim by the Community, then competition as such will cease to be an element making for progress in the economic growth and prosperity of the Community. This tension between interventionism as an approach to industrial problems and the challenge and the need to maintain a competitive internal economy poses one of the biggest problems the Commission, I believe, has ever had to face.

Mr Genscher has given this House an important message today. I have no doubt at all that the European Conservative Group extends its warm approval to the principles he spelt out and to his declaration of faith and commitment and determination.

(Applause)

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

Mr Spinelli. — *(I)* Mr President, I am speaking on behalf of the majority of my group and, in view of the short time left to me, I would like rather than covering all the points of Mr Genscher's statement, to deal only with those matters which seemed to me of particular importance.

I listened carefully to Mr Genscher's defence of international free trade as an essential condition for prosperity in the Community and his call to face with courage and confidence the structural changes which this situation requires. But I would like Mr Genscher to bear in mind that acceptance of these structural changes is usually easy during a time of economic expansion but very difficult in a time of economic depression. It is clear that in the first case when one factory closes down another opens; in the second case, only the company's debts are left.

Spinelli

The Commissioner, Mr Davignon, is fighting a rear-guard action like Roland at Roncesvaux against protectionism and the various attempts to introduce national protectionism in a number of industries: but what is he fighting? He can only fight European protectionist measures in the form of cartels, voluntary restrictions, minimum prices and so on. And instead the Commission has given birth to a protectionist mouse in the form of the proposal to provide a subsidy for Community coal with the pretext of encouraging better use of energy; that is to say it is subsidizing coal which costs two or three times the world price. I hope that you, Mr President, will exercise all your influence in the Council to convince your colleagues not to go ahead with this plan.

However, on the whole, I think that it is not enough just to fight protectionism: we must realise that we can only protect ourselves effectively when the economy is expanding. And, equally well, we will not achieve monetary order until we have an expanding economy once more; for neither protectionism nor monetary chaos are the results of the policies followed by individual governments: they are the results of strong pressures from vested interests which force various governments to manipulate currencies and oblige the Community to take a number of protectionist measures.

However, to achieve a policy of growth — as you stressed — we need a policy which transforms into real demand the potential demand of the vast backward regions and countries, the developing areas, those which need the means and the support to achieve the development which will then, as Mr Rippon pointed out, have the effect that the Marshall Plan had when recovery in Europe assisted the American economy. But to achieve this, Mr Genscher, it is not enough to draw up agreements, with the hope that private investment will then focus on those countries. No, we have to follow a plan both in our own regions and for the Mediterranean and for the developing countries as a whole; and we must ask Japan and the United States to take part in this at worldwide level; we must have a plan to transfer resources to help these regions and these backward countries because their development will lead to our development too. In other words, we must abandon the idea which has hitherto been current that we are handing out alms to the poorer countries and regions: we must see this as the means of getting our economies on their feet again too.

I hope that during your term of office this kind of vision will prevail, leading to public and international measures in these countries and on these problems and not the narrow view which says that it is sufficient to allow the market to function properly and everything else will follow.

Another point I would like to deal with briefly concerns a number of institutional problems. You stressed, Mr President, that to cope with the enormous problems we are facing the Community would have to improve its structures and you mentioned the need for majority voting in the Council. I would like to remind you also of the commitment made by the nine governments during one of their summit meetings, I do not remember which, to increase the powers and responsibilities of the Commission, delegating new tasks to it, because the Commission is a body which is capable of governing and administering, while the Council, by its very nature, is not.

I would have liked to hear you lay greater stress on the commitment to ensure that basic decisions are taken with the consent of Parliament. This is particularly important on the eve of European elections and what might at first sight appear a more cumbersome procedure will in effect give greater weight to any measures taken.

During your presidency, Mr Genscher, a number of important decisions will have to be taken and we hope that once more you will exercise all your authority to convince your colleagues to aim at the development rather than the deterioration of the Community institutions. I remember that last year, the European Council, abusing its powers, laid down triennial commitments for the Regional Fund knowing well that the opinion of Parliament — which had the last word on this matter — was different. I hope that this year there will be no similar usurpations of power.

One last comment: in July, on the same day that you will be attending the GATT Conference — I think you said 24 July — Parliament will be holding a conciliation meeting with the Council on a subject which has both institutional and economic importance, that is to say the question of implementing what are referred to as the 'Ortoli facilities'. The Council has expressed the view that authorizations to grant loans should be taken unanimously, although the subject is not of vital importance, forgetting the fact that since this is a budgetary matter it is the budgetary authority which must take the decision, that is to say that it is not just the Council which decides and — insofar as the Council takes part in the decision — the Council must vote by a majority; secondly, the use of this money has been designed in such a way that Parliament has no way of controlling it.

We would like the Council, during your presidency, to reply to these formal questions from Parliament, bearing in mind that we are trying to create instruments for an effective policy. After all the declarations that have been made about Europe, the time has come to say 'hic Rhodus, hic salta!'. We must demonstrate

Spinelli

clearly whether we want the Community to make progress or not.

President. — I shall now interrupt the debate on this item of the agenda, as we decided yesterday that we would take the report on the date of direct elections to the European Parliament at 12 noon today.

5. Date of European elections

President. — Before the debate on the Patijn report, I should like to communicate to the House some points from the official letter of 1 July 1978 from the President-in-Office of the Council to the President of this Assembly.

I listened with great interest and pleasure to your statement this morning, Mr Genscher, particularly when you remarked that it afforded you great personal satisfaction to send that letter to the President of this Parliament. I feel that I should convey the gratitude of all of us to you. This House is well aware that for many years now, in the midst of all your onerous responsibilities, you have never ceased to work with untiring energy for the cause of direct elections to the European Parliament.

I should like to quote from your letter, so that through the Members of this House it will come to the knowledge of a wider public. You informed the President of Parliament that on 23 June 1978 all the Member States of the European Community had given notification of the completion of the procedures, which by virtue of the Act of 20 September 1976 they had agreed to adopt in accordance with their respective constitutional requirements, and that this Act entered into force on 1 July 1978 pursuant to Article 16 thereof. On that very same day you sent your official letter to the President of Parliament informing him of this.

I should like to thank you, Mr Genscher, for thus making it possible for this House to deliver its opinion today to the Council pursuant to Article 10 of the Act.

The next item is the report by Mr Patijn (Doc. 221/78) on behalf of the Political Affairs Committee embodying the opinion of the European Parliament on the Council's proposal that the election of representatives to the European Parliament by direct universal suffrage should be held from 7 to 10 June 1979.

I call Mr Patijn.

Mr Patijn, rapporteur. — (NL) Mr President, may I begin by endorsing the remarks you made to Mr Genscher. I recall that in 1974, 1975 and 1976 we had regular meetings with the Council on progress towards the signing of the Act. Mr Genscher was present at all of those meetings and I cannot recall one single occasion in the Council when we heard the

German Government express any doubt about its progress. By appending his signature to the Act, Mr Genscher formally ratified that attitude. From the very beginning he has supported the work undertaken by the European Parliament and indeed has never raised any major objections to our proposals.

We are now coming to the end of a process we began in January 1975 when we adopted the proposals. Since last January we have adopted eight resolutions on direct elections and that makes nine if we include the report adopted in January 1975. Most of these resolutions have concerned the date for direct elections. I hope that today is the very last time that we shall talk about that date. We are talking about it as the formal conclusion of a political process which, following the signature of the Act of 20 September 1976, more or less obliged the Council to fix a definite date. We consistently proposed June 1978 but we said that if it should be later, then our only concern was for a definite date to be fixed. That was the most important aspect. I think that in this respect the cooperation with all the Presidents-in-Office, Mr Genscher's predecessors, and with the Commission, which has always supported us in this undertaking, has been exemplary.

The Copenhagen summit finally brought to a conclusion this political and legal process which has lasted for more than three years.

So we are now being consulted pursuant to Article 10. Mr Lückner has already read it out to us: the Council, acting unanimously after consulting the Assembly, shall determine the period for the first elections. The Council will meet again next week to discuss that period, but that should not take long because it will then formally fix the period from 7 to 10 June 1979.

But there is one provision which we have not mentioned here but which we should note. I am referring to the second paragraph of Article 10 which reads: 'Subsequent elections shall take place in the corresponding period in the last year of the five-year period'. That means that we — and, I hope, the Council next week — are not only fixing the period for direct elections in 1979 but also for all subsequent direct elections; or at least for the next hundred years, in 1984, 1989 and so on. And no consultation of Parliament is stipulated in that case; the process is automatic. That means, therefore, that we are now discussing the period for the last time.

Mr President, we are pleased that the process is coming to an end, and as the rapporteur who has been dealing with this problem for three years, I consider that to be an important fact. The European Parliament, the Commission and the Council have achieved something; they have finally agreed about something.

Patijn

But now that we have agreed on the period for the elections we must talk about the most important factor to which Mr Jenkins has already referred. The Bremen and Bonn Summit Conferences may prove to be an important factor in these direct elections if we set about giving the European Community the substance which we must then present directly to the electors next June. If we do nothing about employment, European monetary integration, or the foreign policy matters which devolve on us, then we shall stand empty-handed before the electors next June. There is little point in fixing dates if we have nothing to offer the electorate. We therefore feel that the Bremen Conference at the end of the week and the Bonn Conference later on are connected with direct elections and must represent further progress to ensure that what we adopt today and what the Council ratifies next month is successful. Success does not mean principally that everything is legally watertight or that we agree with the Council on a statute for Members or how much they should be paid. Those are matters which we have to settle anyway, we do not need to discuss them, they are simply details. What is important is that something should be done to benefit the European economy, European foreign policy, employment, worker participation, the social policy; that is what the public is interested in — not whether a Member earns £ x-thousand or £ y-thousand or whether the elections are to be held from 7 to 10 June or from 8 to 10 June. The Institutions can settle those matters internally.

Mr President, my last comment on this matter is to thank Mr Bertrand and the other member of the Political Affairs Committee for their assistance in helping us to reach the goal before us, the fixing of the period for the elections. Their cooperation has been exemplary; via the political groups we have been able to settle this matter with the Bureau, with the Commission and the Council. I therefore call on this House to adopt unanimously what we approved yesterday in the Political Affairs Committee.

(Applause)

IN THE CHAIR: MR COLOMBO

President

President. — I should like to thank you very particularly, Mr Patijn, for the diligence and zeal with which you have followed up the problems raised by elections to the European Parliament by direct universal suffrage. The report you have just presented is a further proof of this.

Mr Bertrand, *chairman of the Political Affairs Committee.* — (NL) Mr President, as chairman of the Political Affairs Committee at a time when we are in

the final furlong before the application of the Act of 20 September 1976, I should like to make an appeal to certain countries. Last month we appealed to the last country which still had to deposit its act of ratification. It has since done so. Now the period for the elections is fixed, but there are at least three countries which have not yet finalized their electoral legislation. On behalf of the Political Affairs Committee I would ask those countries to do what is required to have their electoral legislation approved in good time so that the election period is not jeopardized once again. It is clear that this needs emphasizing...

Mr Berkhouwer. — (NL) Which countries are you referring to?

Mr Bertrand. — (NL) The three countries are Belgium, Italy and, if I am not mistaken, Luxembourg. The Netherlands has already complied, I believe.

I should like to conclude with a word in memory of one of the Members of this House who in the years from 1959 to 1961 made an enormous effort to have direct elections to the European Parliament introduced even as long ago as that. I am referring to our late colleague, Mr Fernand Dehousse, the man who in 1961 drew up the first report on a draft convention which gave us some cause for hope at that time. Now that we are so close to the end of a 15-year struggle, I should like to take this opportunity as chairman of the Political Affairs Committee to remind this House of the efforts he made.

(Applause)

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

Mr Spénale. — (F) Mr President, 1 July 1978 has finally arrived; after 21 months, the Act of 20 September 1976 has entered into force. We are grateful to the President-in-Office of the Council for consulting us so quickly. We had hoped that progress would be more rapid, but we are not going to complain about the difficulties that have been encountered. Instead we shall welcome this development and consider what still remains to be done. It is now certain that direct elections will be held from 7 to 10 June. The Heads of State have agreed on this point, the Council of Ministers is proposing these dates and Parliament will agree.

Once again we welcome the fact that Parliament did not waste any time when the ball was in its court, since the matter will shortly be referred to the Council. Thus for the first time the general public is to participate directly in the Community institutional process, bringing to it what lawyers call 'democratic legitimacy' and what Francois Mitterand calls 'the salt of the earth'. For the first time in Europe, and also in

Spénale

the history of mankind, 160 million citizens of nine different nationalities and countries will elect a joint Parliament and by doing so become fellow-citizens of the Community.

It is true that direct elections are provided for in the treaties, but it needed a great deal of time and effort to arrive at what is referred to in the recitals of our resolution as 'the aim constantly pursued by the European Parliament for over twenty years'. It is, of course, the European Parliament as a whole and more especially its Political Affairs Committee that have worked to achieve this objective, but may I point out in passing that during this long process the Socialists have often been in the forefront, from Fernand Dehousse — mentioned just now — by the chairman of the Political Affairs Committee — to Schelto Patijn, and including Francis Vals and others. The Socialists are therefore the first to welcome the fact that the constitutional preliminaries have now been completed in the Member States and we can now go on to the practical stages.

We have only eleven months to go and there is no time to lose. Some Member States have not yet adopted their electoral provisions and the Socialist Group endorses the appeal by the chairman of the Political Affairs Committee and hopes that it will be backed up by the whole Assembly. Moreover the citizens of the Community, for so long kept in quarantine, are by no means ready to take a major and responsible part in these first direct elections. The information obtained from polls is significant from this point of view. In my country, the latest opinion surveys, carried out in 1978, indicate that 67 % of the population is in favour of direct elections, and only 12 % against. This shows that the French are interested in the democratization of the Communities. However, only about 50 % said that they wished to vote in the election, which shows that very little is known about Parliament's task and its role in the Community institutional structure. Let us say that the general public is more interested than the electorate. In this first election, which is intended specifically to involve the public in the Community institutional structure, it would be disastrous if the public merely expressed its interest without taking an active part. We know that we can rely on the political parties to encourage public participation when the time comes; they are already making an effort to coordinate European political programmes and will try to obtain as many votes as possible. Until then, we must use the means at our disposal as effectively as we can. In the objective information campaign which is to precede elections, and is to be organized by the Community institutions, the Commission and Parliament must cooperate and coordinate their action as much as possible, and the Commission must realize and accept

that in this particular case the limelight will too once be concentrated on the European Parliament, since it is the European Parliament that is to be elected. On behalf of Parliament, the Socialist Group asks that the information campaign should be discussed and proposed by a small working party, to be set up officially with the agreement of all the political groups — which is not the case at the present time ...

Mr Bertrand. — (F) We shall see to this tomorrow.

Mr Spénale. — (F) Thank you. If in the long run we all play our part perhaps we shall obtain, for the future European Parliament, the plebiscite that Mr Genscher mentioned. If this happens, it will appear in the history books as a decisive step in European integration, in that it will ensure genuine participation by the people, the most important factor in any true democratic system.

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

Mr Lückner. — (D) Mr President, this is undoubtedly a noteworthy day in the history of the European Community; nevertheless, the Parliament would, I think, be well advised, when voting on the resolution approving the date for the direct elections, to resist the temptation to lapse into euphoria. For 18 years, we in this Parliament have struggled and fought for direct elections. My friend, Mr Bertrand, has already recalled what was done by Fernand Dehousse, my friend Mr Spénale has briefly described the genesis of this struggle, and we know full well that the fight for this elected Parliament will not come to an end with the adoption of this resolution today. The discussions in the various Member States on the rights, the competences and hence the worth of the future directly-elected Parliament are still too controversial.

I ask myself, Mr President, whether these direct elections would have any purpose at all, whether we could begin to justify the efforts they entail in the political, material and also financial fields, if we were not fully convinced that they will herald an important stage in the Community's development, a stage that will see the transition to a genuinely political Europe, to political union? I wish to say with all emphasis that only when we can say this with conviction to the peoples of Europe will the elections to Parliament be justified in the eyes of history and of public opinion.

This morning, the President-in-Office spoke of how the topic of Europe must be carried out of the negotiating rooms of the Council, the Commission, the technocracy and bureaucracy onto the streets and public places of our cities and villages, and he spoke of the direct elections as of a plebiscite among the European peoples for a politically united Europe.

Lücker

He also said this morning that without building up economic and monetary union and a political decision-making Community, as he put it, this Europe is condemned to stagnation — that now is my own interpretation. Every one of us knows that to stagnate is to take a backward step, and there we must ask ourselves, back to what? — To the historically already outworn system of the balance of power of European states that we learnt about in our schooldays? That would mean that we had forgotten the lessons of civil war in Europe, of the First and the Second World Wars in our own generation.

I therefore believe that we must give this direct election a human and a political significance. Mr Spénale, I think it was, drew attention to the fact that we only have 11 months left before the election, and now, perhaps, I may be permitted, together with my colleagues in this House, to admit that we are all now beginning to get a little worried whether this will be long enough for us to tell the peoples of Europe — and not only those who have so far been devoted enthusiasts — what is at stake, that the issue involved in the direct election is that of their Europe and their own direct participation in the choice of people to represent them in the European Parliament.

In this connection, Mr President, may I say a word of thanks in retrospect to Mr Genscher's predecessor, Mr Andersen. At our last part-session, in June in Strasbourg, he told us that he would do all in his power to ensure that without delay, on 1 July, the Council could make the official pronouncement of which the President-in-Office spoke this morning I think we should thank Mr Andersen for remaining true to his word.

Mr President, the fact that we have exactly 11 months left means that we must begin work on the preparations for the election. I should be doing an injustice if I did not add that fortunately a beginning has already been made, not only by the European Parliament but also by the political parties, all of which have constituted themselves at European level and drawn up their various political programmes. Here the groups and the political parties have a big responsibility to bear, but everything they undertake will very much depend on whether Commission, Council and Parliament to everything that is personally and materially in their power and not only engage in the publicity campaigns that have been decided upon and are already in progress but also provide the appropriate financial resources, for elections, too, cost money. All of us must do everything in our power to tell the citizens of Europe during these coming eleven months what their votes in the direct election mean for the future of Europe.

This is where the political parties in particular will have an important task, for they are the ones who in the end will be out in the field. In this electoral campaign, all the political parties will go out to the people — in, I hope, proper democratic fashion — and explain to them what visions, what intentions they

entertain and what specific policies they intend to pursue in Europe. It will be a democratic race for the political majority in the directly-elected Parliament of the future. I think it is essential that we, too, in the institutions of the European Community support the parties in this task in appropriate fashion.

Finally, Mr President, may I attempt once more to interpret the importance attaching to these direct elections to the European Parliament. Now that I have listened attentively, this morning to this passage in the speech by the President-in-Office, which only repeats what we heard from his predecessor in June, and when I add to that the personal, political commitment of the Commission in its entirety, then it is clear that everyone here is unanimous that this directly-elected Parliament must constitute the most important political driving-force for promoting political union, European union. The answer to this question given in the years to come will ultimately, in the history-books of which you spoke, Mr Genscher, decide whether we — that is, all those bearing responsibility in and for Europe — have really answered the challenge of our time.

May I once more recall, Mr President-in-Office, that it was not public opinion nor the peoples of Europe that hesitated to say 'Yes' to Europe: It was the governments, it was the Member States. I do not want to go into the reasons for that; I merely record the fact. I only want to say that if the governments, if the Member States, would only take to heart what the peoples of Europe in their great majority have wanted — not since yesterday, but for years — then the door must be opened wide to allow this directly-elected European Parliament to discover that atmosphere and that foundation which will enable it to make a further important step in building a political Europe and bringing it nearer completion.

(Applause)

President. — I wish to remind you that the Bureau decided to devote not more than 30 minutes to this important but brief debate. This time is now up. I would therefore ask all those who still intend to speak to confine themselves to brief statements.

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

Mr Berkhouwer. — *(NL)* Mr President, 21 years after the signing of the Treaties of Rome, the Community is now approaching its political and democratic maturity. Members of all the great European political families stood round the cradle of the European Treaties. And they are here again today. I am thinking of you, I am thinking of Mr Genscher and I am thinking of all the others. And with true Liberal tolerance I can accept the fact that two Socialists were our first rapporteurs on this subject. I am thinking here of our good friend, the late Mr Fernand Dehousse, and of Mr Patijn.

Berkhouwer

Following the deposition of the ratification document, this is officially the penultimate act, the consultation of Parliament. Once we agree, the Council will fix the period for the elections.

Now let me go on to what Mr Bertrand said. The nine countries must now prepare their electoral systems, and unfortunately not all the countries have done so as yet. My own country is one of those which has not yet done so. But we hope that our electoral law will be amended in the near future.

As you are aware, each country will adopt its own system provisionally. Two countries will have a system of compulsory voting: Belgium and Luxembourg. The other seven will have no such compulsory system. I also count it as a success that most of the nine countries will adopt the system of proportional representation. As a Liberal I am very disappointed that the United Kingdom will not be introducing this system but will retain its customary first-past-the-post system for direct elections as well. That will be very much to the detriment of Liberal representation from the United Kingdom.

Mr President, there are no more than eleven months between now and June 1979. We must now concentrate all our efforts on making these elections a success. The success of the elections depends on the turnout of the electorate. The electors must be mobilized but they must also be motivated. The major task here falls to the political parties but also to radio, press and television. I am therefore very pleased to see that the European mass media have already drawn up plans to do the job successfully. Two weeks ago I went with Mr Spénale to Paris to a Congress on this subject organized by European journalists. Let me remind you of what I suggested earlier. At the earliest opportunity we should design a symbol, a single symbol to be used by Eurovision. Once or twice a fortnight, the European citizen should be urged to vote in the direct elections to be held from 7 to 10 June next year. The message could be put across immediately before or after the news.

Of course, what Mr Patijn said is very important. The European citizen must be given an insight into what is happening and what will happen in Bremen and Bonn. But it is also very important to realize that the European elector will only be motivated to cast his vote if he is made aware of what the European Communities have achieved so far, what the European Communities have done for his welfare and prosperity. And at the Congress I referred to I therefore said that it would be profitable for the Commission or Parliament and Commission jointly to publish a small pamphlet with the same text in the six languages of our nine Member States. It should contain a brief objective summary of what the European Communities have done for the European citizen so far. A Dutch politician once said that no voter would, as the Dutch say, leave his own fireside for the European Parliament.

It would be an enormous disappointment and disillusionment of the worst kind if there were only a small turnout for the elections. Every effort must be made to mobilize the man in the street and to awaken his interest with a view to obtaining as large a turnout as possible. That is why I make these two practical proposals: publicity on television and in a pamphlet. The citizens must be regularly urged to vote in June 1979. And they must also be given a clear idea of what is at stake and what they have already acquired thanks to the European Communities. In this way the European citizen will be able to vote next year in the full knowledge of what European popular representation is all about.

(Applause)

President. — I call Mr Fletcher-Cooke on behalf of the European Conservative Group.

Mr Fletcher-Cooke. — Mr President, it goes without saying that the European Conservative Group supports this report enthusiastically. The dates are agreed by everybody, and there is really nothing more to say except to congratulate everybody all round. The fleet has come into harbour, as a previous speaker said, and it serves no purpose to go back and examine the very strange navigation by which some of the vessels were conducted. Mr Spénale claims a good deal of the credit for this achievement for the Socialist Group, and I do not wish to deny him or his group that credit at all. Indeed I hope he spreads that message. I will give him the credit provided he spreads that message, and provided he spreads that message in the United Kingdom.

(Hear, Hear!)

It is there that the socialist enthusiasm for direct elections must be spread, and if he will spread it there I will see that he gets the credit. So on that note perhaps I might observe your admirable encouragement, Mr President, and sit down.

President. — I call Mr Porcu, of the Communist and Allies Group.

Mr Porcu. — *(F)* Mr President, ladies and gentlemen, now that the dates of the European elections have been fixed, I reaffirm the determination of the French Communist Party to play its part in the preparations for the elections and in the effort to ensure that the main objectives of social progress and democracy are taken into account. The French workers in the iron and steel industry, the textile, shipbuilding and agricultural sector and all those who are the critics of Europe's present policy, evolved in the secrecy of ministerial councils with the active assistance of the multinationals, and with total disregard for the views of the workers and their organizations, will have the opportunity to express by their votes their hopes for a Community of workers and not a Community of multinational monopolies. The elections are a step,

Porcu

but only a timid step, towards a more democratic Community. Some may try and use them for anti-democratic purposes to increase the powers and responsibilities of the Community. But we shall see that the Assembly's prerogatives are not increased surreptitiously to the detriment of our country's sovereignty — and indeed this is stipulated by French law. The Community that we want is not a Community of unemployment, closed down factories, and the abandonment of natural resources, as has happened with coal and iron ore in France, but a Community of full employment, economic growth and social progress.

The Community that we want will only be viable if it is backed up by strong and independent nations, which will create the right conditions for genuine cooperation, on the basis of equal rights and mutual interest, not only between the Member States but also with the rest of the world. The Community must be independent, in other words it must not be used to further a policy that divides the world into hostile blocs, but must pursue a policy that brings nations closer together and fosters peace and disarmament with security.

(Applause)

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

Mr Yeats. — Mr President, on behalf of the Group of European Progressive Democrats I should like to welcome the decision at long last to bring about direct elections to the European Parliament. We agree, therefore, that as proposed by the Council the elections should be held from 7 to 10 June next year. The concept of direct elections is not, of course, a new one. It was, as we all know, provided for originally in the Treaty of Rome. The indirect selection of the Members of this Parliament was never intended to be more than a temporary solution, and the fact that it has lasted for over twenty years is merely a tribute, perhaps, to the ability of our Communities to convert temporary expedients into a quasi-permanent state of affairs. The coming of direct elections, while long delayed, is nonetheless to be welcomed as a very great advance in our European institutions. All of us, both the original six members and also the three newer members, knew on entering the EEC that a directly-elected Parliament formed an essential part of its institutions. Its creation, therefore, can come as no surprise to anyone, though there were certainly many years during which the ultimate arrival of direct elections seemed most unlikely to be realized. We are now at last in a position to fill a great gap in our institutions. The EEC was created after all essentially for the benefit of the 250 million citizens of its nine member countries. But these same citizens have until now been deprived of any direct voice in the workings of our institutions. This will change with the coming of direct elections. Through their representatives all citizens will now have a chance to make known their own vision of the nature and the development of the Communities. And if there are still those who are

hostile to the very concept of membership of the EEC, then it can surely only be a good thing that they also shall be represented in this Parliament.

Now there may be those who say, Mr President, that the coming of direct elections is of small importance, as the powers of this Parliament are limited. Such an attitude would be a mistaken one, I think, for two reasons. First, because the powers of our Parliament are in fact very considerable in certain respects, and second, we do not in fact make full use of these powers that we do possess. The dual mandate has often prevented members from devoting their full time to parliamentary activities, while the work of Parliament has also inevitably suffered from the lack of a direct mandate from the peoples of the Community. I suppose it is certainly true to say that few people throughout our nine countries know much at the moment about the workings of the Parliament. They will know, I suppose, a great deal more once we have had a direct elections campaign, and after that there will be 410 active propagandists throughout Europe who will be most anxious and willing to explain the activities of the Parliament to their constituents. One must of course accept that no amendment is likely in the immediate future to the Treaty of Rome to provide for a change in the legal powers of the Parliament. But what in fact is the real basis of the influence of any Parliament? The influence wielded by a Parliament in a democracy is not merely a reflection of its legal powers. The democratic process is a complicated one. The elected member of a democratic parliament performs his task in a variety of ways. He seeks to represent his constituents by means of his detailed and careful scrutiny of legislation, by his constant questioning of the activities of the executive, by his speeches in debates designed to reflect and at the same time to influence the development of public opinion. No one need doubt for a moment that the 410 directly-elected members will be in a vastly stronger position for achieving these democratic ends once they can claim to be the direct representatives of the 250 million peoples of the Communities.

The change will not come automatically, or overnight. The mere coming of direct elections will in itself change nothing. The new Parliament will have to work at its task of being a directly-elected Parliament. What it becomes will be a matter entirely for itself, but the omens are good, and there need be no doubt, Mr President, that June 1979 will form a vital step forward in the life of our Community.

(Applause)

President. — I call Mr Spinelli.

Mr Spinelli. — *(I)* Mr President, important events in Italian politics mean that today in this Assembly only two Italian representatives are present, the President and myself; and since, through the nature of his office, the President cannot speak I would like to make a few brief comments — I believe on behalf of all the Italian members absent.

Spinelli

The Italian Parliament was the first to vote in favour of the Convention on elections to the European Parliament and adopted it practically unanimously. It now risks being the last to vote the electoral law but this is due in large part to the serious and critical political events in Italy which have delayed the normal functioning of Parliament.

I would like to make a second comment on behalf of the Italian Communists, to whose group I belong: the Italian Communists were, and are aware that they were, the last of the various groups represented in this Chamber to realize the positive importance of building Europe and to agree to work to develop Europe. But it has been said — and on no mean authority — that the last shall be first and over the years you have been able to observe how, in this Chamber, the Italian Communists have been in the front line in the fight to develop the Community's powers. They are convinced that the work has just begun, that nothing is yet certain, that the shape it takes will depend on the efforts of the various political parties and in particular, therefore, the political parties of the left; however, they are prepared to undertake this fight and for this reason if they were present they would approve this motion for a resolution.

I would like to make a last brief personal comment: I am convinced that the election of the European Parliament will not be a point of arrival but a point of departure; the new Parliament will be an arena with European democratic authority in which it will be possible to carry on a serious struggle for Europe. This means in the last analysis fighting for good European policies and in this context the European Parliament will have to fulfil the role of a European constituent assembly, as Willi Brandt has said. I am convinced that in the European Parliament there are and will continue to be divisions between the various groups, but no-one can tell who will be the majority or the minority or what the result of the struggle will be; however, there will be a struggle, a vital and important one for the construction of Europe and different from what has gone before.

I, who began this struggle for European unity thirty-eight years ago on a small Mediterranean island as a political prisoner, and who have continued it since then in different circumstances but always, I believe, consistently, hope that I will be able to be present in my last political battle as a member, elected by the people of Europe, of the European Parliament.

(Applause)

President. — I call Mr Jenkins.

Mr Jenkins, President of the Commission. — Mr President, I intervene briefly in order to join, on behalf of the Commission, with the spokesmen of the various political groups in expressing our satisfaction that we have at last got a date firmly fixed for these elections. It is a disappointment they did not take place this

year, but we know that they will take place 11 months from now. On this occasion, as several honourable Members have shown, it is possible to pay a whole range of tributes to those still here and to those who have worked in the past to bring about this result. I would, however, just like in passing to mention two people, first the sponsor of this resolution, Mr Patijn himself, who, during the time I have been in Parliament, has worked indefatigably and persuasively to bring about this result; and, secondly, Mr Genscher. I would like to say that I think it very appropriate that Mr Genscher should be the Foreign Minister, the Chairman of the Council of Ministers, responsible for signing the letter which, as it were, brings this long process to a conclusion, because, as Mr Patijn said — perhaps the translation slightly misled me here — it is not only the case that he was never obstructive on this issue. In the course of Council of Ministers meetings, when the issue was in a little doubt, I remember Mr Genscher saying that he would raise it at that Council and he would go on raising it at every subsequent Council of Ministers, until a positive result was achieved; and it is very appropriate that this act should be taking place today under his presidency.

I do however agree with Mr Lückner that we should not slide into euphoria, even though this in itself is a good day. We have got the date fixed, but we still have first to make a success of the direct elections themselves, and then to give a successful role to the directly elected Parliament. So far as the first issue is concerned, I think that there are two points. There is first of all the turnout and there is secondly securing that the election is fought upon genuine European issues and is not merely a repetition of local or national elections. The Commission will certainly do everything in its power to contribute to making the elections a success in both these ways. Corporatively, as a corporate body, it will, of course, be strictly neutral between different party groups in its work of disseminating information and providing funds. It will endeavour to work very closely with the Parliament. But it will certainly not be strictly neutral between the desire to make a success of the elections and the fear that they might be a disappointment. I believe that they can be made a success of, but beyond that there is the question of giving an effective role — and I am not here talking about legal powers — to the new enlarged and directly elected Parliament. What would, I am sure, be a great mistake would be to think that, having got a directly elected Parliament, this made it less necessary for us to have effective, cohesive European policies. A directly elected Parliament can only be a framework of discussion. If it is to do its job properly and feel it is fulfilling a worthwhile role, it is more than ever necessary that there should be policies of real importance, real importance to the electorate, to be discussed. We in the Commission will do our best to see that such proposals are available.

(Applause)

President. — I call Mr Genscher.

Mr Genscher, President-in-Office of the Council. — (D) Mr President, ladies and gentlemen, it is with great satisfaction that I have attended this sitting, at which the European Parliament has been debating its resolution on the date for direct elections to the European Parliament, and I should like to associate myself with the expressions of gratitude that have been addressed by others to Mr Patijn. The Council shares the conviction expressed by many of the Members present, the important thing will be to show, by a big turn-out at the polling-booths, that the citizens of Europe are interested in this Parliament and in this work and that they, in their turn, are persuaded by the election candidated that in this Parliament important developments in Europe can be influenced.

In the contributions I have heard to this debate, differing views have been expressed about the competence of this Parliament. Ladies and gentlemen, Mr President, if I may for a moment abandon the position of President of the Council of Ministers and declare in your presence that I am a dyed-in-the wool parliamentarian, then I would like to say that my wish for this directly-elected Parliament — and I am convinced that this wish will be fulfilled — is that it will assume the competences conferred upon it by the votes of the citizens of Europe.

(Loud applause)

President. — Declaring the debate closed, I think I may echo the sentiment expressed by Mr Jenkins when he said that this day marks the conclusion of a long process and finally opens the way to direct elections.

The motion for a resolution contained in this report will be put to the vote as it stands this afternoon during the vote on reports on which the debate is closed.

6. Welcome

President. I am very happy to greet a delegation from the Japanese Diet, led by Mr Kuranari, who are in the official gallery.

We have great pleasure in welcoming our Japanese colleagues, who are to spend two days with us discussing interparliamentary work.

I am certain that these initial contacts will be fruitful and will mark the beginning of closer relations between our Parliaments.

(Applause)

I propose that we continue without interruption the joint debate on the programme of work of the German presidency and economic recovery, so that Mr Genscher can reply at the end of the debate, as he has to leave the Chamber at about 4.30 p.m.

I call Mr Bertrand.

Mr Bertrand. — (NL) Mr President, I agree with your proposals and I also accept Mr Genscher's apology for having to leave at 4.30 p.m. But with all due respect I would ask Mr Genscher to take note of the dates for our part-sessions during the next six months. It is customary for the President-in-Office of the Council to be at Parliament's disposal for the whole day on a Wednesday. I would therefore ask Mr Genscher to follow his predecessors' example, although he comes from a bigger country, and make himself available for the whole day.

President. — Mr Bertrand, I said that Mr Genscher would have to leave the Chamber, not Luxembourg. He has to meet some people who are here in the building.

Are there any objections?

That is agreed.

7. Programme of work of the German presidency — Economic recovery (continued)

President. The next item is the continuation of the joint debate on the statement by the President-in-Office of the Council and the oral question on economic recovery.

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

Mr Nyborg. — (DK) Mr President, I would like to thank the President of the Council for the statement we heard, while pointing out at the same time that it was received with some degree of mixed feeling, perhaps because our expectations were too high. True enough, the President of the Council voiced a series of good intentions and a clear will to do the right thing on a large number of points but what we lacked was something new, a genuine sign of fresh inspiration, something that really told us that there existed not simply the goodwill but also the ability to translate these good intentions into actual achievements.

The President of the Council said that European unity must be placed on a stable footing and I fully agree with him here because, at present, the general impression is that Europe is characterized for more by a very considerable degree of disunity.

As regards 'decisions for Europe' it is of course true that it is the task of the European institutions to take decisions for Europe but the actual decision-making process lies in fact with the Council of Ministers, where there seems to be a tremendous lack of political will to take decisions for Europe, at least on a scale which we in Parliament find acceptable. I well understand Mr Fellermaier's request to the President of the

Nyborg

Council to let us have a list of matters and decisions that are still outstanding, that is to say decisions that have been adopted by the Commission and by Parliament but that are still gathering dust in the Council of Ministers. I would like on behalf of my group to appeal for the political will to implement a transport policy, a trade policy, a fisheries policy and a free internal market and to ensure that this market operates in such a way that the customs union is no longer a union in name only but a genuine source of benefit, which will also enable the European citizen to identify himself with a Community and not simply with one country in Europe.

Time and again we talk about the rest of the world and about human rights. I have the impression that it is just the same as with the bad weather — people talk about it but no one really does anything about it. The same goes for human rights. We talk about them, we would like to see them enforced but, instead, the impression we give is of pussy-footing and not really daring to do anything to put into practice our ideas and thinking in this area.

This also applies to family policy. I do not believe there is anyone here — or in the whole of Europe — who is in any doubt that our efforts to help the Third World are worth very little as long as the population explosion is allowed to continue as at present and as long as we trail further and further behind the population figures instead of catching up with the problems.

The President of the Council also spoke of protectionism, which is raising its ugly head even in our own Member States, and I fully agree with him that this is something we must very much guard against, because if we succumb to protectionism world trade as a whole will collapse and our difficulties will become much greater and much more serious than they are today. However, we must recognize of course that it is not only in Europe that there are growing signs of protectionism, for this is happening all over the world. This poses the question whether we in Europe are capable of finding effective remedies for laying this ghost and for doing so too outside our own backyard.

We are experiencing considerable difficulties with the Comecon countries in a large number of sectors and I must say it was a very great disappointment for Parliament to learn that the Council had again rejected outright the Commission's proposal for taking just a very minor step in the right direction. We were very sorry to hear this because we did what we could here in Parliament to take a decision as rapidly as possible, expressing our support for the Commission in its endeavours and it would therefore be gratifying if the German Presidency were to succeed in taking these matters up again and securing some effective action on them.

Combating unemployment is another of those things we hear a great deal of, but about which not a terrible

amount is done. My impression, I must confess, is that the Federal Republic of Germany is the country where the problems are being approached and the maladies tackled in the most realistic manner, because the basic issue is not so much to get industry to step up its output — for what is the point of stepping up output if the goods cannot be sold? — but to reduce prices and hold down costs so that our products again become saleable throughout the world. My impression is that it is precisely this that West Germany has in mind in endeavouring, for example, to keep a tight rein over fiscal policy, among other means, by taking action to cut income tax instead of letting it rise which is unfortunately something we can see happening all over Europe.

I am afraid that time does not permit me to mention all the subjects dealt with by Mr Genscher in his address but let me close by saying that direct elections are something that we consider a very positive development. Allow me to point out however, at the same time that I find it disgraceful that, for several years now, we have been discussing a matter as straightforward as the introduction of a passport for all Community citizens. Let my last wish this time round be that the German Presidency may succeed in bringing to fruition even such a small contribution as this towards helping our citizens to find their European identity.

(Applause)

IN THE CHAIR : MR SPÉNALE

Vice-President

President. — I call Mr Fellermaier.

Mr Fellermaier. — *(D)* Mr President, ladies and gentlemen, I say here for the record that it is very remarkable that the official spokesman of the Group of European Progressive Democrats has failed to answer the fundamental question whether the Group of European Progressive Democrats supports the view of the President-in-Office of the Council that all political steps must be taken to ensure that the applicant countries — Greece, Portugal and Spain — join the Community, even the price of economic sacrifices by the citizens of the Community.

I therefore conclude that the overwhelming majority of the Group of European Progressive Democrats in France let it be known, though the leader of the Gaullist party, that they are opposed to any of these countries' joining the Community, and that the Group of European Progressive Democrats is as yet not prepared to take a stand on this contradiction between statements of policy made in this House and in the South of France. I repeat once more : for the sake of intellectual integrity the question must be clarified in this House whether a group speaks with two voices — one here and the other outside.

President. — I call Mr Nyborg.

Mr Nyborg. — (DK) Mr President, allow me draw your attention to the fact that you cannot approve Mr Fellermaier's request that this point be placed on the official record, because I did not mention enlargement of the Community at all in my speech here; Mr Fellermaier has got the wrong end of the stick. He is not entitled to say that my group agrees with Mr Genscher on the question of the accession of Greece, Spain and Portugal. I have not said one single word about this, Mr Fellermaier. No, this is not the way we play the game! I would incidentally point out that I am not the only representative of my group who will reply in this debate.

President. — I call Mr Christensen.

Mr Christensen. — (DK) I was glad to hear the sharp terms employed by Mr Genscher on the subject of protectionism and, in view of the prominence accorded to these remarks in his address, I look forward to seeing what this means in practice. The fact is that the last few years have unfortunately revealed something else in the European Community in that it has embarked on a highly protectionist course; this goes for textiles, footwear, steel and coal, and perhaps other groups of products and other industries will be added. If a change of course is implied, this would only be too welcome but, unfortunately, the truth is that the EEC has taken the lead in applying protectionism in a number of areas regardless of the fact that the President of the Council of Ministers is right when he says that this is certainly not in the interest of the European Community as the world's largest trading area.

The President of the Council also dealt with the question of aid for structural change, saying that state assistance was not the right approach; I agree with him, but we must also take a look at what is happening in practice, for the truth of the matter is that the draft budget shows enormous increases in the funds earmarked for Community support for the fisheries sector and for the coal and steel industries; agricultural subsidies are also going up. Here too, therefore, there is a discrepancy between the fine phrases and the action taken, and this I deplore.

As regards the common foreign policy, I feel bound to say that, as far as I noticed, the President of the Council made no mention of relations with the Nordic countries and with EFTA, and I find this regrettable because I attach great importance to these matters. I construed the speech of the President of the Council as rather southern-oriented in every respect and I would therefore like to take this opportunity to make a few comments about the situation in Africa, regarding which it was merely remarked in passing that it was essential to combat racial discrimination. I

believe it is a very dangerous policy to view the problems in Africa primarily in terms of combating an undesirable Communist influence and to ally accordingly with military dictatorships or corrupt regimes, that is to say to allow a kind of Vietnam approach to the African problem to gain currency. This playing with fire. On the points the President of the Council's statement virtually suggested that Africa should be reserved for the USA and Europe as a joint Amercian-European sphere of interest, and I very much fear that these problems are discussed and perceived in this particular way, i.e. in terms of power politics. This could involve the Community in a series of extremely dangerous confrontations because, while it is true that certain Eastern Bloc countries are interested in establishing themselves in Africa, there is certainly a need too for far-reaching social and economic changes.

Regarding majority decisions in the Council, I would like to answer the rhetorical question put by the President of the Council, namely, what is there to prevent us — and these are the words of the President-in-Office of the Council — from adopting the practice of complying with the provisions on majority voting laid down in the Treaty? My answer is that there is one thing that prevents this and that is the Luxembourg compromise. This compromise means that any of the Member States may impose a veto on something which it sees as conflicting with its national interests. This is both a political and a legal precondition of Danish membership of the EEC, and I therefore assume that the Danish Government, the British Government and the French Government will also it is to be hoped, oppose any move implying a breach of or departure from the Luxembourg compromise.

I would like to close with a few words about direct elections. I regret that the situation is as it is, while I know that the President of the Council and the overwhelming majority in Parliament feel it to be eminently satisfactory; it is of course correct to state that direct elections can become a plebiscite for a united Europe and it is correct that the President of the Council has the backing of a large majority in Parliament in expressing the hope that these elections will make a decisive contribution to the process of European unification; Mr Lückert mentioned in a similar vein that direct elections would be the most important instrument for creating a political union. It is, however, precisely for this reason that my party and the grouping I belong to, which represents, in practice, the view of about half the Danish people on the question of Denmark's membership of the EEC, have opposed the introduction of direct elections and I therefore intend to vote today against the resolution fixing the date for direct elections. This attitude is not based on a hostility deriving from some kind of belief on my part that direct elections are not democratic but on the view that direct elections are intended to

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serve the desired end as proclaimed by the President of the Council. For many people in Denmark this step conflicts, therefore, with the basic assumptions on which they originally voted in favor of membership.

IN THE CHAIR : MR LÜCKER*Vice-President*

President. — I call Mr Glinne.

Mr Glinne. — (*F*) Mr President, the European Council will have to endeavour to work out a common strategy for dealing with the economic and social situation, which I shall try to outline to the Assembly.

The European Council in Copenhagen on 7 and 8 April stated that it was essential for the Community to be able to show an annual growth rate of 4.5 % by the middle of 1979; additional coordinated measures would therefore be needed for the achievement of this objective, and the Socialist Group has stressed the urgent need for such measures. It thus endorses the opinion expressed at the June 1977 Tripartite Conference by the European Trade Union Confederation which stated that economic recovery measures should be coordinated internationally and on a broad basis, in other words the stronger countries should head the movement but the weaker economies should also participate, so that all countries give each other mutual support. This is what might be called 'the convoy theory', preferable to the 'locomotive theory' which relies too much on the capacity of the stronger economies to deal with the world depression themselves. In addition to this 'convoy theory', and taking account of the urgent need for more forceful action against the regional disparities in the present Community, support must be given to the proposals to provide aid to Southern Europe on the lines of the Marshall Plan, with a view to resolving balance of payments problems, encouraging development and thus sustaining the level of economic activity in the whole of the future enlarged Community.

Having said this, we have certain reservations about the quantitative objective of a growth rate of 4.5 %, apparently to be reduced subsequently to 4 %. This is because there were serious doubts as to the possibility of achieving this objective even when it was fixed; because, according to the Commission's calculations, a growth rate of 4.5 % would be just sufficient to maintain unemployment at its present, completely intolerable, level; because the growth objective does not yet seem to have been clearly defined, particularly as regards the fair distribution of real income and what is called 'the quality of life'; because it would be more

logical and useful to fix quantitative objectives for the creation of employment, rather than somewhat abstract growth objectives, from the point of view of the 8 million who are already unemployed in the Community (increasing by 1 million every year); because, finally, we must plan for full employment, what ever new formula we use for dealing with this requirement. As regards means, we must first stress the importance of structural problems and the negative effect on employment of private investment geared to rationalization. We believe, too, that it is not enough to rely on the independent promotion of private investment to create employment at a time when there is little demand for the goods produced by such investment.

We must therefore continue to encourage consumption by the lower income groups and increase public investment, for reasons of economic necessity and because it is essential to improve and expand facilities in a number of fields, such as health, housing, training, the environment, etc. The role of the public authorities must also be extended, so that instead of merely providing subsidies they act as entrepreneurs and operators on an equal basis, in a flexible system of industrial and commercial management.

As regards inflation, we would stress that the rules of competition must be consolidated and coordinated on an international basis and agreements negotiated on consumer goods, providing for the building up of stocks, since speculation on raw materials is one of the main causes of the inflationary trend of recent years. We do not accept that wage increases, which are more often nominal than real, have been the cause of inflation; it is too complex a phenomenon to be attributed to a single cause.

The role of the multinationals, here as in other areas, is strictly negative and in compatible with theories of free trade.

As far as public expenditure and budgetary deficits are concerned, we agree with the Commission that budgetary deficits in certain countries were reduced too rapidly in 1977 and this, instead of improving the situation, had a deflationary effect.

In the field of industrial policy, why not adopt the system of notification of investments used in the coal and steel sectors that are in difficulties? It is also important for aid and subsidies to private industry to be integrated into an overall employment plan, rather than dealing with each case individually, so that if an undertaking fails to fulfil the agreed objectives for which it is being subsidized it should be compelled to repay the aid received. It would also be useful if the governments and the Community collaborated in drawing up a much more comprehensive list of all aid to industry, so that its effectiveness could be more fully assessed.

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Like the European Trade Union Confederation, the Socialist Group welcomes the recognition by the European Council in Copenhagen of the need to create tripartite structures in the Community in order to resolve the serious problems of over-capacity and promote satisfactory industrial structure. The President-in-Office of the Council mentioned the forthcoming Tripartite Conference. We hope that the tripartite conference will be expanded and in particular that the Commission will continue to use its authority to overcome the resistance of certain employers to the establishment of such tripartite conciliation structures. It is, for example, regrettable that the document on European industrial policy, published a few days ago by the Union of Industries of the European Community (UNICE) although it mentions entrepreneurial freedom and the need to create conditions that encourage profitability, says nothing about the creation — which we consider to be necessary — of tripartite sectoral committees in the Community in an institutionalized form.

Mr President, I was also going to mention a problem to which some of my colleagues have pertinently referred, that of the Community's energy dependence. The Socialists raised this question at the Strasbourg part-session and I shall not therefore go into it again.

The Socialist Group also endorses the proposals by the international trade union movement for the addition to the GATT agreement — shortly to be renegotiated — of a social clause requiring the governments of the industrialized countries to adopt preventive measures to safeguard those of their workers who are affected by trade and stipulating that the governments of the developing countries should ensure that companies operating on their territory comply with reasonable employment standards, such as those laid down by the International Labour Organization.

We also think that the safeguard clause provided for in Article XIX of the GATT should be radically revised and that under the second Lomé Convention the EEC-ACP social partners should be fully consulted. In the interests of a more socially orientated employment policy, the Socialist Group feels that while there is a need for greater productivity the total hours worked by each worker should be reduced, whether by cutting down on the number of hours worked per day, increasing annual holidays, raising the school-leaving age, lowering the retirement age or possibly improving arrangements for the pre-retirement period. In any case the amount of work available should be better allocated.

On the specific question of the employment of young people, the Socialist Group deeply regrets the failure of the Social Council of 29 June as regards the European programme proposed by the Commission for combating unemployment among young people. May

I point out that it was only the French Social Affairs Minister who imposed what must be regarded as a veto, and I must read the statement by the Belgian Employment Minister concerning this failure :

'The European summit agreed that one of the main problems in the employment field was to find a solution to unemployment among young people and the Commission had drawn up balanced proposals advocating employment premiums and employment programmes. The eight other governments of the Community, which included Socialist Ministers, but also Christian-Democrat Ministers and an Irish Nationalist, were in favour of these proposals. Despite the persistent efforts by this delegation, despite the efforts of the Danish presidency, despite the remarkable flexibility of the Commission representative, the French were not prepared to move an inch. It is true that the French government representative did not apparently have any margin for manoeuvre. The French opposition was a political position, an order dictated by Matignon, which reflects the recent speech by Mr Barre at the ILO meeting in Geneva. It is a position that I would not consider liberal, but uncompromisingly right-wing. I deeply regret that one government could sabotage a policy which the eight other governments, in the interests of combating unemployment among young people, were ready to approve. I am afraid that the European trade union organizations will draw their own conclusions from this.'

I was anxious to draw this statement to the attention of this Assembly. I hope that the Bremen summit will resolve the question satisfactorily.

Speaking personally now, I should like to express the hope that under Mr Genscher's presidency the British Government will opt for cooperation with Europe rather than cooperation with America in the aeronautical sector — you all know to what I am referring. This is extremely important, especially from the point of view of the technological and industrial repercussions.

I should also like to make another personal comment. I am representing one of the smaller countries here and may I say, Mr President, that the preparations for the European Council have caused grave concern among the small and medium-sized Member States, including Italy.

It is natural — and even desirable — for the main Heads of State or Government to prepare for meetings of the European Council by bilateral and informal meetings, but the way in which the majority of members of the European Council are regularly excluded seems to me deplorable. Chancellor Schmidt called a meeting in Bremen, before the European Council met, which was attended only by himself, Mr Giscard d'Estaing and Mr Callaghan. None of the

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other Heads of Government publicly complained of this, but I am sure that they expressed their disapproval in other ways. While the Council of Economics and Finance Ministers had a general theoretical discussion on the basis of documents produced by the Monetary Committee and the Committee of Governors of the Central Banks, the true intentions of Chancellor Schmidt and Mr Giscard d'Estaing remain a mystery. The President of the French Republic and the German Chancellor sent the Governor of the Bank of France and the Chancellor's economic adviser to other European capitals to keep the Heads of Government informed, unfortunately forgetting about Dublin, which aroused the indignation of the Irish Government.

The absence of any preparation by the Nine in collaboration which gives all the governments the opportunity of expressing their views shows a flagrant disregard for the rules of procedure which the European Council itself adopted. As for the Commission, it is deplorable that it should be completely excluded from the proceedings, apart from its President, so that it is virtually impossible for it to carry out its responsibilities.

From the institutional point of view, this situation is disturbing. It inevitably leads to a system in which some States have a privileged position without the system thereby gaining in efficiency. I feel that it is essential to protest at these methods, and to remind the President-in-Office, if I may be allowed to, of his responsibility to ensure compliance with the rules. I must warn against the dangers of this kind of 'Director'; for us, as representatives of the smaller countries, this is totally opposed to the letter and spirit of the Treaty. I would also warn the President — in — Office against procedures which could have a disastrous psychological effect. I myself have received several telephone calls since yesterday morning, following the publication in Saturday's 'Le Monde' of the comments by the French President in Madrid. The statement that was regarded as controversial was the following:

'Not only do we have active consultations with our Belgian, Luxembourg, Italian and British partners, but the Germans on their side keep the Danes and the Dutch informed'.

I hardly think that this procedure is compatible with the desire to make Community decision-making procedures more cohesive.

Mr President, all that I have said so far indicates that we are concentrating on economic recovery rather than on strictly monetary questions. However, the two areas are, of course, closely linked. It is essential to create a zone of monetary stability in the Community. This does not mean that we must extend the 'snake'. Immediate steps must be taken to initiate the process

of stabilizing exchange rates in the Community, so that the latter will be able to contribute more effectively to the establishment of an international monetary order. It is felt by several observers, myself among them, that such measures should be coupled with decisions concerning the gradual extension of the use of the European unit of account, in both public and private transactions, more effective use of public finance in the Community, the pooling of reserves — or part of our reserves — and the creation of a European Monetary Fund. It is therefore essential to reinforce the powers of the European Monetary Cooperation Fund and to restructure it.

Mr President, at its meeting in Rome last Friday and Saturday, the enlarged Executive Committee of the European Movement urged the European Council to take unequivocal measures, at its next meeting in Bremen, following up its declarations of intent in Copenhagen, to promote economic recovery and monetary cooperation. I fully endorse this appeal.

(Applause)

President. — I call Mr Müller-Hermann.

Mr Müller-Hermann. — *(D)* Mr President, Mr Klepsch described the speech by the President-in-Office, particularly the passages concerned with the Community's domestic development, as very cloudy. That cannot, of course, have been a personal criticism. It is difficult to deliver a kind of government statement, specific in every detail, one or two days before the Heads of State and Government meet in Bremen; but I add to this that the Christian-Democratic Group expects of the Heads of State and Government in Bremen that, in certain questions which have long been awaiting a decision, vague declarations of intent at long last give way to definite decisions. I will give three illustrations of this.

The first concerns the question of stimulating economic activity. I am the last to resort in such a matter to statistics. No one can forecast precisely how developments will go, but I do believe that the widespread feeling of uncertainty in the Community about the intentions of the Heads of Government, which has a discouraging effect upon investments, must be removed. There must be greater certainty about the basic conditions on which the national governments, the Commission and the Community will be working for the next few years. An increase in state expenditure will not of itself solve the problem of reviving the economy, and a revival of the economy is itself no final aim: we regard it as a precondition for the restoration of full employment and economic growth while retaining stability. We have all learnt the lesson that uninhibited state expenditure always brings with it the danger of further inflation. The Council would there-

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fore be well advised to consider whether the private consumer's purchasing power in the Community could not be enhanced by means of tax reliefs and reductions, which do not entail the risk of further inflationary impulses: at the same time, the economy would be encouraged to see its profit situation in another light than it does at present.

I should also like to touch on a subject which has already been raised by various speakers before me. We consider it highly regrettable that the Commission's programme for combatting youth unemployment has made no progress and we look for a fresh impulse here in Bremen, for it is surely essential, not only for full employment but also for political reasons, that young people in the Community have some prospect of receiving an appropriate professional training and hence, in time, suitable employment. We know that our economy, particularly if it is to resume growth, will be dependent upon skilled labour and specialists: hence a solution to this problem must be seen not only as offering a chance for young people but also as constituting a duty for ourselves.

The second subject I wanted to touch on is that of a common monetary policy. I share with my political friends the view that here there is no ready-made solution: in particular, we shall not achieve a European currency unless we arrive, simultaneously or beforehand, at a consensus within the Community on matters of economic policy. I would therefore stress what you said in your speech: we need a concerted policy on stability and growth. It will naturally have to differ from one country to another, since the initial situation varies, but we need common aims and I hope that on this, too, agreement will be reached in Bremen.

In this connection, the 'Snake' has a part to play. Mr President-in-Office, you made no reference to this subject: it is, of course, a very hot brick. There are new ideas about transforming the 'Snake' into a Boa or developing new schemes in addition to it. Anything can be discussed, Mr President-in-Office, but what the Christian-Democrats call for is that the qualitative advantage of the 'Snake', which is that it represents a community marked by discipline, should not be touched. We are not helped at all by developing a large monetary community in which the room for manoeuvre is so broad that everyone can do what he likes. What we need is a community marked by discipline, and that is where the 'Snake' has proved its worth. What we do not want is that this instrument should now be blunted through the extraordinary efforts of others to achieve it. This does not mean that we do not want constant consultations between the countries in the 'Snake' and those which are outside it. On the contrary, we want to see further efforts to achieve greater stability so that one day we can see our way to extending the 'Snake'.

Another subject that can be mentioned in this connection is the question whether the European Monetary Cooperation Fund can be enlarged. I raise this subject with the brutal frankness which it requires. By and large, it is a matter of transferring resources. We talk about the need to help the Third and Fourth Worlds; we do so with great emphasis, and indeed, we must find a way of helping our weaker partners to solve their problems and attain the level of the countries with stronger currencies. That, as I say, will not be possible without a meaningful and studied transfer of resources, to which we entirely subscribe — but only on the condition that the resources transferred do not disappear somewhere unaccountably but are coupled with disciplined efforts on the part of the recipients, since otherwise it would only be money given away without any progress being made towards the goal, which, I hope we all have in mind. The same, Mr President, applies to stepping up the Regional and Social Funds, which is right and proper so long as we are sure that the resources transferred thereby are effectually applied. That is the request we address to the Summit.

(Interjections)

That is true. That is what I meant about restoring jobs in the weaker partner countries and improving their performance. I see Mr Rippon's proposal from the same point of view too. Everything can be discussed; only it must be made clear who is to pay and how we can make sure that the funds are meaningfully applied.

On this point, one last remark to the President-in-Office: There are no differences of opinion here about the need to enlarge the Community, but at the summit conferences in the early seventies it was unanimously agreed that it would be a very risky business to accept three more structurally weak countries into the Community so long as the integration process had not made considerable progress. And this is the problem we are still confronted with. We cannot postpone this subject of economic and monetary integration indefinitely. At least the beginnings of economic and monetary union must be underway before the Community can be enlarged.

My third point, which I will only touch on briefly, because the President-in-Office dealt with it exhaustively, is the question of restructuring the Community within the framework of an open-door trade policy. Only too often have we heard people say that they are opposed to protectionism, but protectionism is carried out in practice. I should like to repeat what my group has said on various occasions: for us too, the changed situation in the world economy makes adaptation inev-

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itable; the longer we postpone the problem, the harder it will be to solve. I am glad that the Commission has stated here that the measures which are inevitable in this sphere are taken in close consultation with both sides of industry, for we are all anxious to avoid welfare problems, or at least to keep them to a minimum, in this inevitable process of adaptation. This structural adaptation to the changed situation in the world economy, a change which is ultimately due to the fact that the so-called Third and Fourth World are entering the world market and profiting from technological progress, cannot be evaded: in my view, it will constitute the greatest challenge of the next few years.

Mr President-in-Office, the presidency is now being assumed by the Federal Republic of Germany, one of the strongest partners — if not the strongest — in the Community. This I see as constituting a very responsibility. I also think that we here should make up our minds that all of us, the strong and the weak, the big and the small countries stand to profit from the Community. No one is the sole paymaster while the others have all the usufruct. That I should like to be stated quite clearly. And for that reason I support the criticisms that have been voiced on various sides in this Chamber about the preparation of the summit conference. The impression must not be allowed to arise that the big partner states reach agreement among themselves beforehand while the smaller ones only have to obey. That is in contradiction with the principle of solidarity, of genuine solidarity within the Community. That I also wanted to emphasize.

One final remark. In his speech, the President-in-Office was surely right in saying that economics are always subordinate to politics. One can agree with this statement, but one can also turn it the other way round: so long as there is no volition on the political level, the economic problems too will remain unmastered. What I would like to see is that this summit conference in Bremen and the forthcoming period in office of the German Federal Republic as President of the Council radiate those political impulses which we need if we are to solve the present and future problems of the Community. No-one, and no sector of the Community, has grounds for resignation, but obsolete structures will not help us to master our problems. It is for the politicians to provide the necessary stimulants, and that is what I expect of the German presidency of the Council in the coming half-year.

(Applause)

President. — I call Lord Ardwick.

Lord Ardwick. — Mr President, the dearth of official information has left us parliamentarians dependent entirely on the newspapers of Europe until President-in-Office Genscher's welcome statement this morning. Most serious newspapers with their news derived from good sources led us to hope for the kind of statement Mr Genscher has now made. But on the

other hand, there were articles saying that Germany is interested only in monetary stability, and is not only sceptical but is cynical about the inducement of growth. I am delighted that President Genscher has given the lie to these gloomy pieces.

It looks at last from what he has told us as if Europe is preparing to go somewhere once more, and may even be leading the Western world out of the crisis that engulfs us all. And it is not surprising that action is at last imminent. Statesmen must be getting into a state of deep desperation. They must now accept that the recession is not going to disappear, inflation is not simply going to fade away and several million new jobs are not going to spring ready-made out of the ground. If there is to be a recovery, it has to be a contrived recovery, and contrived by courageous and statesmanlike leadership. The quicker we get it the better. There is a swelling, Apocalyptic despair throughout the Western world. Never more, people are saying, shall we see economic growth with the full employment of the 1960s. That was a golden age, of which we shall tell wondrous tales to our unemployed and poverty-stricken grandchildren. I do not share that despair, nor do I share the despair which is causing us to think in terms of palliatives like work-sharing. It would be a terrible indictment of our system if we had to give ourselves more leisure than we actually need, or more than is good for social purposes, in a Europe still with large acres of urban decay, still with too few good hospitals, still with excessively large classes in the schools, and, Mr President, still with obligations to a Third World striving to escape from poverty.

That is why we need growth: not only to give people work, but also to distribute the fruits of that work. We must reject this defeatist philosophy, just as we reject the morbid fears of the ecologists, that we shall exhaust the riches of the earth, or perish on our own pollution. We could do so, but these are avoidable dangers.

We must welcome whatever the new technologies can give us to provide new wealth to cure old poverty. And we must regard the young who are to come onto the labour market not as a burden to be regretted, but rather even richer gains than did the guest workers of half a generation ago. But if we are to welcome them it means that they must be educated and trained. It is the uneducated and the untrained who cannot be absorbed, because society has less use for unskilled people today. But those who are not the brightest or the most educable need not be rejected if one we can get the economies of Europe buzzing again. Industry is very good at redesigning jobs to make them available to the unskilled whenever there is a labour shortage. Structural unemployment is not a wholly separate category from cyclical unemployment. Structural unemployment can only be solved in an expanding economy.

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Mr President, the miserable experiences of the last few years have taught us a few practical lessons, divided though the economists may be. We know that there are two roads that lead to unemployment: One is high inflation, the other is rigorous deflation. Twin evils: but we do know from the past that a low rate of inflation is compatible with some growth and with full employment. Mr Jenkins said in his famous Florence lecture that we must discard arguments against European integration based on obsolete theory. We can no longer really say that the objections to integration are the differing preferences of Member States between inflation and unemployment, or claim that floating exchange rates allow each country to solve its problems. 'We all know this,' he said. But I am afraid we do not all know it, and these are the very arguments that are to the fore as Britain's primary need for growth confronts Germany's primary need for stability. Of course we both have need of both these qualities.

Surely the truth is that moderate growth and moderate stability are not incompatible targets. If they are, then we are lost. But it now looks as though the statesmen going to Bremen are on the verge of a strategy in which concrete schemes for European monetary stability can be made the basis of new efforts to increase the wealth of nations. The difficulties are going to be great. Any scheme, is going to require great discipline. But, Mr President, we must go ahead with them. Our problems are only soluble in a constructive way on an international scale. And if we cannot find an international solution, I tremble for the future of our Community and for the future of our Western world. We could be driven back on the kind of nationalist beggar-my-neighbour policies of the thirties which the few people here of my generation will remember! Protection of the national economy in every conceivable form, including aggressive devaluation. It is an alternative that offers meagre economic satisfaction and grave political dangers.

(Applause)

President. — I call Mr Bertrand.

Mr Bertrand. — *(NL)* Mr President, I have listened very carefully to the speech made by the President-in-Office in which he set out the programme of work for the next six months, and I noticed that in it he referred to about 80 % of the Community's outstanding problems. To carry out a programme of this nature he would need at least six years, but the President-in-Office has only six months. I should therefore like him to tell us what his priorities are in that extensive programme which he is resolved to carry out during the six months of his presidency. I think that that would be more practical than a summary of all the problems facing us at present. I

would emphasize this in particular since in the last analysis Mr Genscher is the representative of the Community's currently richest and most powerful Member State and because the firm European resolve to solve certain problems must find expression during his presidency.

Mr Genscher, I think that during the six months of your presidency you must find a solution to four problems.

Firstly there is the consolidation of our foreign policy. I am convinced that over the next few months the situation in Africa will force us to adopt a common position, because this is an area that we cannot simply leave to the two superpowers.

At present, one of them is trying to extend its sphere of influence in Africa to the detriment of Euro-African unity — and that would result in our destruction. Unfortunately our American friends have not realized the importance of the situation as a whole. That means that in the next few months we shall be forced to adopt a common position in our foreign policy with respect to this direct threat to our prosperity and our own Euro-African relations.

Next, Mr President, I am surprised that in your speech you said nothing about what your predecessor repeated twice to this Parliament, namely Parliament's proposals as contained in the Blumenfeld report for better and closer cooperation between the Conference of Foreign Ministers and Parliament. You said nothing about that, although two months ago Mr Andersen told this House that he had discussed the matter with you and that you had assured him that you would bring up this subject in the Council once more. I would be interested to know your opinion of the resolution adopted by Parliament on 18 January 1978 in which we called for better, more substantive and more up-to-date information on what is being discussed by the Foreign Ministers.

Finally, I should like to know your opinion on the proposals contained in the Tindemans report designed to abolish the artificial distinction between Council and Conference of Foreign Ministers. Your predecessors said more than once — and I think that I can use this argument because there is some continuity in the presidency — that it was very difficult for them to make a distinction between those occasions when they met each other in the Conference of Foreign Ministers and those when they discussed matters which had to be discussed in Council. That has been said several times. Hitherto our only contact with you has been at our quadrennial meeting after your Conference of Foreign Ministers. But numerous problems are also discussed in Council in between these meetings, and Parliament's Political Affairs Committee is given no information at all about them. So we cannot follow your overall strategy.

Bertrand

Contact between the Conference of Foreign Ministers and Parliament should also be intensified in connexion with the enlargement of the Community. At your last Conference you recognized the need to involve the applicant countries in our political cooperation. For Greece you worked out a scheme whereby that country could be gradually integrated into our political cooperation in three stages, but you felt that there would be some reaction from Turkey. It is clear that a country which — like Greece — has an Association Agreement designed to lead eventually to full membership cannot be excluded from information in the field of political cooperation if its Greek neighbour is eligible for such information.

I am saying this to you to demonstrate how important it is for Parliament to be better informed in all spheres, including the enlargement of the Community. And a third argument for better information is the direct elections to the European Parliament. That is the third challenge you are facing. Specifically with a view to these direct elections it would be beneficial if you increased Parliament's prestige, and that can be done during your presidency if you implement this closer cooperation between the Conference of Foreign Ministers and Parliament, so that the man in the street finally feels that his representative — although not yet directly elected — is involved in all the vital matters affecting Europe's future development.

Finally there is the problem of cooperation in connection with enlargement. Mr President, you yourself talked about the need to begin negotiations with Portugal. This afternoon we shall be debating Portugal. This afternoon we shall be debating Portugal so I shall not go any deeper into the subject. Then early next year we shall probably begin negotiations with Spain.

Everyone in this House, including Mr Müller-Hermann, has emphasized the fact that the enlargement of the Community is primarily a political act. We immediately said yes, without any hesitation, because we wanted to give these newly-fledged democracies the requisite support. But of course we must take account of economic and other problems which may arise when these countries join the Community. The Community as a whole must not be diluted. In this respect I always think back to what Mr Jenkins said: we should be deceiving these countries if we accepted them into a weakened Community which was incapable of operating normally. These countries expect that they will become members of a flourishing Community in which they can find the necessary economic and political support and construct their own future more securely and in greater certainty.

In regret somewhat that the President-in-Office of the Council said so little in his speech about the internal measures which the Council will try to take to

improve the internal efficiency of the Community Institutions. That is the fourth challenge, further progress towards economic and monetary union. I cannot see how we can strengthen the Institutions if the Community does not at the same time progress from being a customs union with a specific objective to an economic and monetary union. In this context I would agree with that Mr Glinne said. I am alarmed to see that the old dream of the three largest Member States — of forming a directory — is once again looming on the horizon.

I therefore fully support what Mr Glinne said. We expect you as President-in-Office of the Council to ensure compliance with and respect for the letter and spirit of the Treaty in the preparatory work you do on the basis of the decisions taken. In Council you went into preparations for the Bremen meeting on the basis of reports drawn up by Bank Governors and so forth, but you did not discuss what had been agreed between two Heads of Government and then accepted by a third. Nothing was said about that. You did send a senior official, the Governor of the National Bank of France, to explain it to the other Heads of Government, but if you continue to work like you can expect strong resistance from this House. The Belgian Foreign Minister said he did not consider the procedure important but that it was the end result which counted. I cannot agree with that view of it undermines the way the Institutions normally operate. We emphasize this most strongly so that you realize that we are watching the matter very closely.

One more small point, a mere detail. Parliament adopted a resolution that reference should be made in future to the 'European Community' and not the European Communities. It is a minor detail, but seen in the context of the psychological preparation for the elections it is extremely important, since it was agreed without any legal problems being raised. It involves the daily use of the term in your press releases. It is a small point, but I do want to raise it because I think it is important.

And, Mr Genscher, there is another important psychological element. I would ask you to study Mr Scelba's report on the granting of special rights to the citizens of the European Community. The citizen who will shortly be directly involved by the elections when he chooses his representatives must be made aware from now on that he is a citizen of the Community. Mr Scelba made some interesting proposals on this matter to the effect that Community citizens living not in their country of origin but in another Member State should enjoy full civic rights there. Mr Glinne will know what I mean when I refer to Italian migrant workers and others who have been living in another Member State for ten to fifteen years but who do not even have the right to vote in local elections or sit examinations for particular jobs.

Bertrand

These are, therefore, important psychological matters. If you can support decisions taken in this field, Mr Genscher, you will go down in history as the first man to make real progress there. We have every confidence in you, particularly in view of your experience and European convictions.

President. — I call Mr Ortoli.

Mr Ortoli, Vice-President of the Commission. — (F) Mr Genscher, the limelight is on you today and I shall, with your permission, be fairly brief. But I should like to thank you for your speech, which I think outlines a very comprehensive programme. Several of the previous speakers, including Mr Fellermaier, placed emphasis on the internal part of the programme as opposed to the external part. Parliament and the Commission have long been urging that we should not allow our external successes to overshadow our real priority, namely the basis on which we are to build our future union. And from this point of view, Mr President, I am grateful to you for adopting, as one of the major priorities — in this respect your speech did not disappoint me — the development of Economic and Monetary Union on the basis of the Commission's proposals.

I should like to point out that the five-year programme that we submitted last November was based on two main preoccupations: first, of course, further progress towards Economic and Monetary Union but also — and I can see from what has been said here today that this objective is endorsed by Parliament — Community measures which will help us to resolve the present crisis. In other words, the Community must help to resolve the very serious problems confronting us, notably under-employment. And this is so not only because we are interdependent but also because our negotiating powers and our position in the world will be reinforced by Economic and Monetary Union.

Mr President, our present five-year programme, I would remind you, has three main objectives — the first is the convergence of policies with a view to encouraging growth — this includes the coordination of economic policies, the achievement of greater monetary stability in the Community and also the idea of discipline coupled with solidarity. I do not wish to labour this point, but these are the basic elements which should enable us to find a sounder basis for our future action.

Secondly, we proposed that the realization of the common market should be regarded as a major priority, combined with a reinforcement of growth and measures to combat protectionism. A free and fully developed common market is in itself a bulwark against protectionism.

We also put forward a third priority; that certain major structural problems should be dealt with on a Community basis. This included energy, growth and the future of our economies. We believe that our economies can still grow. There is also question of transition in the industries in difficulties, to which you referred earlier. This programme, which has not yet been discussed in detail in Parliament, was presented last November as a basis for a general strategy, indeed it is a basis for working out coordinated action which is not exclusively European, although it partly relates specifically to the west, but in which the Community will be able to demonstrate its qualities, in other words its aptitude for finding common solutions to problems of growth, monetary trends and major structural problems.

Mr President, in your speech you took all this into account. I therefore feel that during your term of office, which comes at a particularly difficult time, your determination will help to achieve what at the moment is still very theoretical, namely the problems of Economic and Monetary Union which we have discussed. I am sure that the end of these six months the Community will have made enormous progress in the internal field. We have been discussing this question for months. The work has now been done. We are beginning to achieve a consensus on the general outlines of a Community economic and monetary policy; now we must show that we are also men of action and I am sure that when the time comes you will live up to your responsibilities.

(Applause)

President. — Thank you, Vice-President Ortoli, for this statement, which indicates the energy and dedication that the Commission intends to put into its cooperation with the Council and Parliament in the coming year.

I should like at this point apologize to Mr Genscher for the absence of some of my colleagues. We have as our guests here today four delegations from four countries in Europe, Africa and Asia, and many colleagues undertook engagements which could not be cancelled when we decided not to interrupt the debate for a midday break.

I call Mr Genscher.

Mr Genscher, President-in-Office of the Council. — (D) Mr President, ladies and gentlemen, what, I think, is needed is not an apology for those who are absent but rather a word of thanks to those who are present, who at the last minute held out over the midday break in order to enliven the debate with their contributions.

Genscher

My first task is to give the Council's answer to the oral question by Mr Rippon and others (Doc. 140/78). In the course of a first general discussion based on observations contained in the Commission's comprehensive document on the problem of enlargement, the Council decided that the present Community must be strengthened if an enlarged Community is to be successful and that the Community, as a Community of the Nine, must continue to be active if it is to prepare the way for its existence as a Community of the Twelve.

The Council, which is aware of the problems thrown up by the application of the three countries concerned, will have to continue its examination of the Commission's communication during the coming months. Apart from that, the Commission, when the time comes, will have to submit formal and specific proposals which take account of the guidelines drawn up for this purpose and also of the progress made in the work, at present going on, on a Community strategy to improve the economic and social situation.

I therefore think it would be premature at this juncture to say anything about the Council's intentions concerning an economic development plan for the applicant states and for the least developed regions of the Community, organized in the same way and on the same scale as the Marshall Plan. Not only that: we must not lose sight of the limits to what lies within the Community's powers. Nevertheless, the Council will examine the measures required to reduce the economic imbalances within the Community and so assist, so far as is possible, the least-favoured regions of the Community.

In this connection, I would recall that the European Council, at its meeting in Copenhagen, stressed that one of the primary aims of Community development is to achieve a greater degree of internal cohesion, including a reduction of the disequilibrium between the various regions.

For this purpose, the Community already has a number of instruments at its disposal — primarily the Regional Fund, the Social Fund and funds for the improvement of agricultural structures. I may also remind you that a number of measures have been adopted in favour of the Mediterranean regions. Further, I should like to point out two other important Community instruments, i.e., the Community loans and Euratom loans, and I hope that we shall soon also have at our disposal the new Ortolí facility, i.e., loan contracted by the Commission for promoting investments in the Community.

In this field, finally, we must not forget — particularly, as provided for in the Treaty, in favour of the least-developed regions of the Community — will undoubtedly continue to develop after the increase in its capital which, it is expected, will shortly be

formally decided. Admittedly, coordination will probably be necessary in order to ensure optimal employment of all these instruments and attain the best possible results. That is one of the reasons why the Council has been working for the establishment of a common strategy, which will be submitted for approval to the next meeting of the European Council.

Finally, it should be noted that the Council will examine, realistically and bearing in mind the resources available to the Community but nevertheless with the greatest interest, any proposal from the Commission which is likely to reduce disparities in regional economic development. The Council will also be particularly interested in any ideas and suggestions which the European Parliament may put forward during this debate.

That is my answer to the oral question.

Mr President, ladies and gentlemen, may I now say something in reply to the debate. It was only to be expected that attention this morning would be concentrated on the preparations for the meeting of the European Council in Bremen, and I hope that the *genius loci* of Bremen, Mr Müller-Hermann, will inspire the European Council and all those taking part with his open-mindedness.

Ladies and gentlemen, all due preparations for this European Council have been carried out by the institutions of the Community. The Federal Government, which is exercising the presidential function during this half-year, has stressed on various occasions — and I do so once more — that it takes as its principle the absolute equality of all members of the European Community; indeed, it is convinced that only the absolute equality and equal status of all members of the European Community, regardless of their size, can guarantee the efficient functioning of the Institutions of the European Community. We shall continue to be guided by this principle in the future, and in particular it is from this standpoint that we shall understand our responsibility when exercising the presidential function during the coming six months. That is not to say that individual talks will not take place by way of preparation for meetings. Ladies and gentlemen, how many decisions which we have all unanimously welcomed would not have come about if they had not been preceded by talks, conversations, informal meetings? That is how things are done in the parliamentary sphere and it is also, to take up a phrase of Mr Fellermaier's, how decisions by the legislative organ Council are prepared, and in this spirit I beg of you to understand contacts whose purpose it is, however big or small the country concerned may be, to persuade a man whose support is needed for a particular decision. The countries concerned are sometimes big, sometimes smaller, and *vice versa*.

Genscher

The European Council will be faced with the task of working out a common strategy for the European Community, and the Federal Government, in its presidential function, has attached paramount importance to keeping the expectations placed in the European Council within realistic limits. We are aware that this common strategy must cover economic and monetary questions and questions relating to employment, energy, trade, industry and relations with the developing countries. Consequently, we shall have to consult with the other industrial countries, for the problems facing us — and that is the reason why in my speech I attached such importance to the idea of interdependence — can in fact only be solved by means of international coordination.

In the sphere of economic policy, we must work together to combat inflation, and I was more than gratified to hear a number of speakers say that there was no intention of proposing inflationary measures but rather of tackling the task of achieving greater monetary stability. It is also important that support was given to the view that international trade must be extended and, in time, economic growth in Europe stimulated — stimulated, that is, in conditions of stability. These are the principles that will guide the presidency of the meetings of the European Council, and it will be important for us to concentrate our efforts on removing disparities of cost and price between the various countries of the European Community.

Ladies and gentlemen, it was rightly pointed out during the debate that, when considering the measures to be taken by individual Member States, we shall have to bear in mind the differences in our respective initial positions. There is no remedy that can be applied in all countries; the initial position of each individual country will be decisively influenced by its progress so far in combating inflation, its balance-of-payments situation, the state of its foreign-exchange reserves, the size of its public deficit, the extent of its unexploited production capacities and also the competitiveness of its industry. In all the speeches, I think, it came through that what was required of the European Council — and this is also the feeling of the Federal Government — were reliable terms of reference for the future policies of the Member States which would enable both investors and consumers to base the conduct of their affairs on a firm belief in the permanence of these policies. I think this is more important than disputes about differing growth-rates, since in any case no one can prove he is right at the moment the decision is made.

Ladies and gentlemen, with regard to monetary policy we take the view — and this I should like to stress once more — that a greater degree of monetary stability is both necessary and feasible not only within the Community but also world-wide. It is essential

that these views be carried into effect at the Summit meeting in Bonn.

The Council has already made serious efforts to tackle the problem of youth unemployment and will continue to do so, and I can only add that we should have been only too glad to be able to announce today, in our presidential function, a decision in this matter. Provision has been made for the former Danish presidency to inform the European Council of the progress made in consultations on this subject so that the European Council, as suggested here, can examine the programme for combating youth unemployment. I may remind you that we have achieved at any rate one result, i.e., agreement on the recruitment bonus, or temporary employment subsidy, for private undertakings, but that, heaven knows, is far from being everything that we have been expecting from this programme.

Ladies and gentlemen, we must be prepared for structural changes if we are to remain internationally competitive. As many speeches have made clear, we are all aware of the need to make this process of adaptation tolerable for the sectors and regions affected, but above all by social measures to protect the people affected.

The European Council will also be concerning itself with energy questions, and here I should like to stress what I said in my speech, that we shall have to reach agreement on reducing consumption, improving the exploitation of domestic energy sources and developing new sources of energy.

The open-door trade policy was welcomed by most speakers but not by all. Some proposed plans. I would repeat that we must apply our best efforts to assuring this open-door trade policy and resisting every threat of protectionism and any attempt to carry it through.

Turning to particular spheres of especial importance for certain regions and economic sectors, I should like to go a little more deeply into what has been said here on the subject of fisheries. This is a cause of great concern to us all; here everything depends on the Community's ability to act, not only in the internal sphere but also *vis-à-vis* third countries. I think that is the point that is not properly understood by the fishermen in our various countries. They fail to grasp that it is impossible to achieve this ability to act, and I am by no means unmindful of the internal difficulties of certain Member States. At the next meeting of the Council devoted to fisheries, which is due to take place on 25 July, we shall make another great effort to make progress in this field, since we are well aware of the importance of this problem and will treat it with all due urgency.

With regard to negotiations with the Third World, it has been rightly pointed out here that there can be no question of any distribution of alms. We share this view wholeheartedly. On the contrary, we are

Genscher

convinced that not only promotion of the less-developed regions of the Community but also development outside the Community is ultimately in the interests of the industrial countries and of this great market, for developed regions are better trading partners than undeveloped regions. Seen in this light, the efforts we make on behalf of countries of the Third World are not, as is often said, a sacrifice. They are investments for our own future, for only they can assure a world market capable of action and, moreover, they are the only means of contributing to economic stability and hence to peace in the countries of the Third World. This, too, is one of the essential interests of the States of the European Community, which meet together in the framework of European political cooperation in pursuit of a policy of peace.

One of the speakers told us of the profound impression he received while travelling in the Near East, that people outside the European Community are much more inclined to regard it as a single entity than we are ourselves. In this, I think, one can only concur. This reflects the hopes placed in the European Community and also, I am convinced, the responsibility that lies upon it. We are regarded as an important factor, not only economically but also politically, and that means that we must develop the appropriate capacity for decision. That is why I have drawn attention to the presidency's especial responsibility for coming to decisions.

Ladies and gentlemen of the European Parliament, I should like to put this ball back in your court and refer to your share of the responsibility for reaching decisions, for the European Community is, thank heavens, an association of democratically governed States, that is, States in which the governments are subject to parliamentary control and have to account for their policies in the European Community and in the various meetings to the Council of Ministers. It seems to me, therefore, that the Council's powers of decision can be strengthened if attention is devoted to the subject in the national parliaments, although I shall be only too glad to make my contribution to enhancing the transparency of decisions in Council meetings. According to the experience I have gathered, this will amount to no more than ensuring that there is true transparency and that distortions do not lead to a false impression about the conduct of one or another member government.

At this point I am glad to state that I will do what I can to ensure the possibility of a report, as proposed, on European political cooperation. I think that would be an important means of enabling the European Parliament to follow more closely the results and the subject-matter of European political cooperation, and as regards the material in the files, a list will be drawn

up — so far as this lies within my powers of decision — of the matters which have not yet been examined.

Ladies and gentlemen, questions were asked about our future African policy. This policy will indeed be growing in importance, but the speaker who thought that we intended to introduce into Africa conflicts which have no place there, had definitely misunderstood me. The contrary is the case. Strengthening the independence of the African States and protecting their right to self-determination and their right to manage their own affairs must be the aim of a Community of democratically-constituted States that have come together for the very purpose of protecting their own independence. We must not, of course, overlook the fact that conflicts have been introduced into Africa from outside, though not by the European Community, and in the framework of European political cooperation we shall do everything to ensure that the East-West conflict does not assume decisive importance for Africa but that Africa itself can tackle the problem of its development; but this presupposes that it is kept free from foreign influences, and it is a political necessity to state this if one is not to blur the facts in a cloud of words. I must repeat that the Community's Africa policy must pursue the aim of promoting the development of these countries in conditions of peace and to promote the peaceful solution of the problems in southern Africa, including the abolition of racial discrimination and the restoration of independence for Zimbabwe and Namibia.

In conclusion, I have to say to Mr Fellermaier on the subject of the Lomé Convention that while, in addition to my general statement that the European Community stands for the world-wide realization of human rights, I said that the purpose of this Convention was to achieve the human rights of freedom from hunger and want in these countries, I believe that the world-wide enforcement of human rights is one of the European Community's fundamental convictions: it cannot be confined to Africa, but must be universally applicable.

Ladies and gentlemen, I thank you for the contributions and suggestions which I have received on the fourth day of my presidency. At the end of my period in office, I hope that I shall have some progress to show. What I can do to that end, I will do. I depend on your support, not only here but, I would ask you not to forget, also in the national parliaments.

(Loud applause)

President. — The debate is closed.

We shall now suspend our proceedings and resume them at 3 p.m.

The House will rise.

(The sitting was suspended at 2.50 p.m. and resumed at 3.10 p.m.)

IN THE CHAIR : MR ADAMS

Vice-President

President. — The sitting is resumed.

8. Question Time

President. — The next item on the agenda is Question Time (Doc. 196/78).

I would ask Members when putting their questions to observe strictly the guidelines laid down for the conduct of Question Time under Rule 47A of the Rules of Procedure.

We shall begin with the questions to the Council of the European Communities. The President-in-Office is asked to answer them, as well as any supplementary questions.

Question No 1 by Lord Bruce of Donington :

The Commission submitted its proposal for the creation of a European Communities' Institute for Economic Analysis and Research on 10 October 1975.¹ The European Parliament gave a favourable opinion on the Commission's proposal at its part-session of March 1976.² In the 1977 and 1978 general budgets the budgetary authority provided for a subsidy to finance this Institute. To date, the Council has made no decision on the Commission's proposal.

Is there a particular reason for the 2½ years' delay in setting up an Institute which, by common agreement, could play a useful role in helping the Communities to confront the economic crisis, or is this just another of the general delays in the Council's working methods?

Mr Genscher, President-in-Office of the Council. — (D) The Council can only repeat what it has already stated before the Parliament — namely, that it has not yet taken a decision on the proposal for a regulation on the creation of a European Communities' Institute for Economic Analysis and Research. The delay to which the honourable Member refers is due to the fact that technical examination of this proposal has revealed problems which it has hitherto been impossible to resolve.

Lord Bruce of Donington. — Is the President-in-Office aware that that answer is thoroughly unsatisfactory? Is he also aware that I hold in my hand the original proposal of the Commission dated October 1975, which says :

The main problem areas are the reorganization of industry as a result of the new relative prices of fuels and other raw materials, the prospect of new equilibria in the use of the gross Community product, because a number of member countries are now compelled to increase exports, and the need to make progress towards achieving greater harmony and growth between the central and outlying areas of the Community.

Is he further aware that the Commission gave us the following reason for its idea of a new Institute of Economic Research and Analysis? I quote again from the Commission document : 'The European Communities do not possess facilities for a systematic academic approach to research which would enable it to cope with those problems'. Is he further aware that the Council's refusal to take cognizance of these matters seems to many of us an indication of the fact that inflation and unemployment present a joint problem at which the mind of the Council boggles and which it is not prepared to tackle itself and that many of us feel with dismay the fact that it now seeks to frustrate the Commission in its desire at any rate to study the whole question?

Mr Genscher. — (D) I can appreciate that the honourable Member is dissatisfied to find that there is still no final decision by the Council, but I must point out that when the proposal was examined by experts from the Member States, they expressed misgivings with regard, in particular, to the specific needs which the Institute should meet. A number of difficulties have therefore emerged regarding the definition of the field of activity of this institution.

This question should be seen as being completely independent of the fact that the Council, of course, is aware of the general problems mentioned by the honourable Member in his question.

President. — Question No 2 by Mr L'Estrange :

Does the Council consider that the performance of a third country in protecting the human rights of its citizens should be a determining factor when the establishment of trade agreements with that country, or its inclusion in food-aid programmes, are being considered by the Community?

Mr Genscher, President-in-Office of the Council. — (D) In the case of trade agreements, decisions to open negotiations and to conclude an agreement are taken by the Council on the basis of a Commission proposal, after the European Parliament has been given the opportunity to inform the Council beforehand of its view under the information procedure applicable to this type of agreement. Thus, the decisions are taken after it has been possible to take full account of all viewpoints pertaining to each case — economic as well as political, including the observance of human rights. It is for the Commission, in the exercise of its right of initiative, to form an initial judgment, and so far there have been no instances where the Council and the European Parliament have been at variance with the Commission on whether to conclude a trade agreement with a third country.

¹ Doc. COM (75) 450 fin.

² OJ C 79 of 5 April 1976, p. 29.

Genscher

Food aid has an essentially humanitarian purpose, and so far the Council has never thought it necessary in view of the vast needs of the peoples concerned — to make food aid conditional on the human-rights situation in the recipient countries. In certain specific cases, however, the Council has chosen an arrangement under which aid is not given directly to the governments concerned but to neutral bodies which are in a position to give assurances, that they act independently of these governments, and they channel the aid to the people who are in need of it.

As regards the renewal of the Lomé Convention, the issue of human rights is at present under close scrutiny by the Council of Ministers and its subordinate bodies. Whatever decisions may be taken in this field will doubtless influence the Community's stand on the above points.

Mr L'Estrange. — Would the President of the Council ask the Council, when deciding on countries with whom agreement might be concluded, to endeavour in regard to those countries to see that they have respect for human rights. Does he think it a good policy that the EEC countries are giving millions of pounds in credit to countries like Russia which despite signing different agreements, are continuing to trample human rights underfoot: consider, for example, the recent jailing of Orlov, the stirring up of trouble in Africa and the Yemen, and the attempt to clamp a Communist vice on strategic areas, and at home, when they are receiving food aid and credit from EEC countries, they are spending their own money to make the most sophisticated weapons to bury us. Does he not think that we are paying for the rope to hang ourselves?

Mr Genscher. — (D) To your first question, whether I will draw the Council's attention to the thought it contains, I can say: Yes, I will do so.

As to the second question, I would point out that the Soviet Union receives no credits from the European Community.

Mrs Dunwoody. — Would the President-in-Office of the Council direct the Commission to instigate a very close investigation of the effect of the common agricultural policy on third countries, particularly those cases where, although it buys a certain quantity of primary goods, it also unloads onto the world market items like sugar at subsidized prices which destroy the income of the third countries concerned?

Mr Genscher. — (D) Quite apart from the fact that this is a question that lies outside the field we are now discussing, I assume that the Commission is aware of this problem.

President. — Question No 3 by Mr Geurtsen:

Can the Council indicate how it intends to implement the proposals relating to free trade made by Count Lambs-

dorff at the Council meeting of 2 May 1978, which were considered in greater detail on 20 and 21 May during the informal Council discussions in Denmark?

Mr Genscher, President-in-Office of the Council. — (D) On 2 May 1978, the Federal Minister for Economic Affairs, Count Lambsdorff, informed the Council of the Federal Government's view on Community structural policy in the industrial sector, and handed over a memorandum on the subject.

Following an initial discussion on 2 May, the Council held a wide-ranging debate on these problems on 7 June, continuing on 27 June with a discussion on structural policy in two particularly sensitive areas, iron and steel and shipbuilding.

The discussion on 7 June for which the Council had also received a Commission communication on sectoral aid policy, did not touch on specific proposals. It was held as part of the preparations for the European Council and was intended as a means of establishing — as it turned out, with success — a number of general guidelines for the matters under discussion, in preparation for the debate on the common economic and social strategy to be held at the important meeting in Bremen.

Mr Geurtsen. — (NL) My impression is that I have been given a historical survey rather than an answer. I should like to ask the President-in-Office of the Council whether the Council has already shelved what I consider to be the all-important question of whether and how it can be established that a sector where a monopoly has been authorized because of the crisis situation is now sufficiently back to normal for agreements between undertakings to be no longer necessary? I understand from what is already known of the Commission's proposals that it is hoping to do so over the next two or three years. I do not believe that the period of time is a decisive factor but that the results and progress achieved by the sector will show whether its future prospects are sound or not. That is a question which must be answered by the two sides of the industry concerned.

Mr Genscher. — (D) In view of the slow rate of economic growth and the scale of the employment problem solutions relating to specific sectors in the Community are being proposed more and more frequently for discussion. Where there is justification in exceptional cases, as, for example, in the steel and textiles sectors, the Federal Government has not closed its mind to the possibility of such solutions. I say this by way of general description of the position of the governments authoring such proposals.

I am prepared to draw the Council's attention to the thought contained in your question.

Mr L'Estrange. — Is the President of the Council aware that if the recession and unemployment continue there is a danger that countries may move more towards protectionism and a trade policy based on national interest, which would be a damaging blow to the EEC and would lead to stagnation and poverty? Would you not agree that we should have a common industrial policy so that all EEC countries, especially the weaker countries, could invest more rapidly in new technology and be able to hold their own with industrial exports against Japan, America or anywhere else in the world?

Mr Genscher. — (D) I see this danger just as you do, and that only emphasizes the need for an active structural policy within the European Community — a policy which must be primarily pursued by the economy itself but which might well profit from terms of reference laid down by the State to temper the effects of structural changes on the enterprises concerned and, above all, on the workers: I had something to say on that subject in a speech this morning. These should not, however, be allowed to slow down the structural changes; otherwise, the competitiveness of the economy within the Community would suffer and hence unemployment would be aggravated and not diminished.

Mr Normanton. — Would the President-in-Office not agree that free trade in its traditional, generally historically recognized form, is becoming an increasingly inappropriate institution and concept for the promotion of trade on a world scale?

(Laughter from the Left)

Would he not therefore consider that the introduction of what I would term a regulatory mechanism for the promotion and expansion of trade may be more appropriate than the ideological concept of the past?

Mr Genscher. — (D) No.

President. — Question No 4 by Mr Cifarelli, for whom Mr Croze is deputizing:

Can the Council indicate what progress has been made with the consideration of the proposed regulation on the Statute for the European Company; can it state in particular what stage has been reached in the examination of the section dealing with worker participation, and does it intend, in accordance with the resolution adopted by the European Parliament in April 1978, to open the promised information procedure without delay?

Mr Genscher, President-in-Office of the Council. — (D) The amended proposal for a regulation on the Statute for the European Company, including the questions concerning worker representation in the Company, is still being examined within the Council. This is, as you know, a long and exacting task.

With regard to the procedure for informing the European Parliament, given the nature and the progress of

the dossier in question, the Council considers, as my predecessor told you on 12 April 1978, that the time is not yet ripe for informing the European Parliament of the principal guidelines which have emerged from examination of the important problems connected with the Statute of the European Company.

Mr Croze. — (F) I know that this question is extremely important and that it is a complex subject, but Parliament has already been considering the matter for a number of years.

Could the President of the Council at least give us an indication of when this question is likely to be referred to Parliament?

Mr Genscher. — (D) I have never yet attempted to make any forecasts of which I was not absolutely certain. I can therefore only promise you that I will do everything in my power to advance the matter further.

Sir Derek Walker-Smith. — Does the President-in-Office recall — and he may well not do so because it is now some time ago — that during the deliberations on this statute in the Legal Affairs Committee of Parliament and in plenary session, there were many warnings from members who, while approving the principle of worker participation, felt that the balance of function allocated in the European Company Statute was not satisfactory and who therefore warned that there was a danger of this statute becoming a dead letter? And do not these long processes go some way to showing that these warnings were well founded?

Mr Genscher. — (D) As regards your first question, I can say: Yes, I do remember. As for the second, I can say the following. On account of material connections with the fourth directive, only recently adopted by the Council, and with work being carried on at other levels, the Presidency intends to work especially for progress on the harmonization of company law during the discussion of the seventh directive. We hope that the third directive, on the harmonization of provisions governing company mergers, can be adopted by the Council in the course of this year.

Naturally, differing views on the expediency and wisdom of any measures do not make things any easier.

Mr Sieglerschmidt. — (D) Mr President, now you have spoken in general terms about the procedure in this matter, have described it as 'long and exacting' and have been unable to give a deadline, am I to understand 'long and exacting' as 'never-ending', and as for the procedure for informing Parliament, do you not think that it doesn't do this European family photograph any good if it is kept indefinitely in the Council's dark-room and that the matter might make better progress if it could be discussed jointly with Parliament?

Mr Genscher. — (D) I am not sure whether I used the expression 'long and exacting'. If I did, then it was certainly not in the sense of 'everlasting', since I would scruple to associate earthly phenomena with the idea of eternity. That having been said, I would say that if the procedure proves very protracted it would indeed appear appropriate to respond to the obligation to supply information periodically.

President. — Question No 5 by Mr Osborn :

At its meeting on 30 May 1978 the Council stated it aims to complete work on the energy objectives for 1985. The Commission submitted its report on 29 July 1977 (COM (77) 395 final. In view of the urgency to relieve the Community of the burden of imported energy and the long lead times required to install additional non-oil fueled electricity generating capacity, will the Council set a deadline for the necessary investment decisions to provide a more definite energy environment within which private and industrial consumers, and the power industry can operate ?

Mr Genscher, President-in-Office of the Council. — (D) Despite all its efforts, the Council has still not managed to reach agreement on the draft resolution on the Community energy policy drawn up following its examination of the Commission's second report on the achievement of the 1985 objectives which the Council had previously adopted in this area.

Mr Osborn. — Will the President-in-Office indicate the steps that he will now take to provide the right investment conditions for the Community's electricity producers to phase out oil-fired electricity generating capacity, and secondly, can he give an assurance, to set an example, that his government, the German Government, will not permit the construction of additional oil-fired capacity in the Federal Republic of Germany ? But is not this an issue which should be handled by the heads of State in Bremen this week ? And lastly, to what extent is this due to a failure of the confrontation attitudes of a British Socialist government whose enjoyment of the membership of the Economic Community has still to be demonstrated to all of us here ?

President. — Mr Osborn, I called you to put a supplementary question. I must ask you and other Members too not to make three or four questions out of it. You were called for one supplementary question.

Mr Genscher. — (D) I will choose the simplest question, of course (*Laughter*) and say that the power-stations which are now being built or which it is intended to build were planned before the deadline of 1 January 1977. Since then, no further authorizations have been given for the construction of oil- or gas-fired power-stations.

Mr Power. — Will the Council consider the use of milled peat and turf in the generating of electricity

and provide added incentives towards the use of this particular native fuel in its objectives for 1985 ?

Mr Genscher. — (D) I am not in a position to offer the honourable Member an answer that would satisfy him, but I am quite prepared to study the problem and to come back to it.

President. — Question No 6 by Mr Nolan :

Would the Council be prepared to consider measures relating to wool in the context of their discussions on the common organization of the market in sheepmeat ?

Mr Genscher, President-in-Office of the Council. — (D) Wool is not included in Annex II to the Treaty of Rome and is not regarded as an agricultural product coming under Articles 38 to 46.

The Commission, in its proposal for a regulation (dated 31 March 1978) on the common organization of the market in sheepmeat, accordingly did not provide for special measures in this sector. Nevertheless, during the debate on the subject held by the Council on 19 and 20 June 1978, it was observed that the problem of the income of sheepmeat producers might merit examination, including the question of income accruing from sheep's wool.

In any case, should the Commission make proposals in this regard, any measures in the wool sector could only be taken on the basis of Article 235 of the Treaty.

Mr Nolan. — In view of the favourable reply that we have got from the Council this afternoon, I should like to know if the Council would ask or instruct the Commission to put forward proposals immediately for a marketing organization in wool in view of the fact that wool is associated with sheepmeat and, in actual fact, is a by-product of sheepmeat, and could the Council state if it will ask the Commission to come forward with proposals ?

Mr Genscher. — (D) I can only repeat that if the Commission submits a proposal in this regard, it will be examined by the appropriate bodies in the Community. I do not, however, envisage any request or instructions by the Council to the Commission in this regard.

Mrs Dunwoody. — Will the President-in-Office hesitate before even considering such a plan, because the Community has enough problems already with both Australia and New Zealand without adding to them in the realm of wool ?

Mr Genscher. — (D) The considerations which prompt me to say that no instructions from the Council to the Commission are to be expected are of varying nature according to the various parties likely to be involved. I cannot go into these considerations in detail.

Mr Scott-Hopkins. — Would not the President-in-Office consider it absolute nonsense that wool is treated as an industrial product at the moment and would not the obvious answer be for him to request the Commission, which I am sure would be willing, to come forward with a proposal to change the article under which wool is considered, to bring it into Chapter 6 for agricultural products as he has already indicated he and the Council would be glad to see happen. It is nonsense classifying it as an industrial product.

Mr Genscher. — (D) I must refer you to what the Treaty says on this subject. I cannot change it.

Mr Power. — Is the Council aware that the United Kingdom already has a guaranteed price for wool and that the reluctance to have it included in the marketing system should be looked at, too, by the Council; the reluctance displayed here by both sections of the United Kingdom representatives seems to confirm my opinion that it would be well worth looking at immediately.

Mr Genscher. — (D) I would point out once more that the initiative on this subject can only come from the Commission. If the Commission does take the initiative, the Council will take the subject up.

President. — Question No 7 by Mr Edwards:

In considering the forthcoming proposals for the revised version of the Lomé Convention, will the Council take steps to include a provision that aid under the Convention is directed towards the welfare of the peoples it is intended to benefit and not only towards the regimes in power in the countries concerned?

Mr Genscher, President-in-Office of the Council. — (D) This question concerns an important problem in the ACP-EEC negotiations due to open on 24 July 1978. We are, of course, constantly mindful of the need to ensure that aid given in fact reaches the population.

Mr Edwards. — I realize that this is an extremely delicate subject, a very difficult one. Nevertheless, we are frequently appalled by stories of corrupt politicians and officials pocketing the money that we send to help the needy and some military dictators taking a percentage and having it put in their own bank account. I think that these aids must be monitored now more thoroughly than they have been in the past because of the nature of some of the reports that are coming to us from both the Caribbean and some of the States of Africa.

Mr Genscher. — (D) First of all, I must say that we must beware of getting the impression that in the implementation of the ACP agreement we are faced

with a general phenomenon such as the one you fear. All the same, it is, of course, our duty to do everything to ensure that the tax payer's money is properly spent, and that is done on the basis of a sovereign equality of rights in cooperation with our partners.

Sir Derek Walker-Smith. — Does the President appreciate that there was some disappointment this morning when, in the course of his generally admirable address, he said that the Council would not be concerned with making any basic amendments or innovations in the Lomé Convention? Does he not recall the debate that we had in this House a few months ago on the initiative of the European Conservative Group and will the Council reconsider the possibility and propriety of introducing into the renegotiated Lomé Convention a provision to make receipt of aid conditional upon observance of the relevant articles of the Universal Declaration of Human Rights?

Mr Genscher. — (D) Those were two questions. As regards the first, I would not consider insistence upon proper application of the funds as a change of principle, for that would mean that we had ignored this in the past. It might well be a matter there of improving the means at our disposal, but not of introducing anything essentially new.

As for the second question, I have already made clear on another occasion that when the Commission makes proposals and also when the Council makes decisions all political aspects have to be considered, including the question of human rights, which is of essential importance.

Mr Prescott. — In the President-in-Office's speech this morning he expressed the desire to influence European values particularly concerning racialism in South Africa. Does this imply that he accepts the principle of interference in the domestic affairs of another State where human rights are involved and should we not therefore look for his support for the executive clause to be included in a new Lomé agreement upon which aid and assistance should be made conditional, or does he differentiate between white and black Africa?

Mr Genscher. — (D) I should be going against my own principles if I were to make the question of human rights dependent on the colour of the citizens of a particular country, and therefore there is no interference in a country's internal affairs when importance is attached to the observance of human rights. How otherwise could we, for example, have held the Belgrade follow-up conference — to take a case in Europe — at which the question of human rights was discussed just as we discuss it in the United Nations?

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When I said in a previous answer — to which your question obviously refers — that we observe in our conduct the sovereign equality of rights of our partner States, I was referring to measures to ensure the proper application of funds. I would ask you not to confuse that with the fundamental question of human rights. I think we are agreed that these two things are both important but qualitatively somewhat different.

Mr Jahn. — (D) Do we know of any cases where aid has been channelled to the population of a State without going through the government's hands? Has that ever happened so far?

Mr Genscher. — (D) Yes, there are such cases. Some countries have agreed to allow organizations offering guarantees of independence to carry out supplies direct to the population.

President. — Question No 8 by Mr Corrie :

Will the Council state what discussions have been and will be held on the subject of guaranteeing Community investments in developing countries, especially in the context of the renegotiation of the Lomé Convention?

Mr Genscher, President-in-Office of the Council. — (D) A Commission communication on the need for Community action to encourage European investment in developing countries and guidelines for such action has been put before the Council. This communication contains a number of suggestions pertaining to the methods which could be adopted at Community level to supplement national projects on investment protection. The communication is at present being scrutinized by the Council bodies. It has not yet been possible, however, to work out joint guidelines of sufficient precision.

The Council has also given consideration to questions concerning investment promotion and protection during the preparations for the opening, on 24 July 1978, of negotiations for a new ACP-EEC Convention to follow on from the Lomé Convention. In this connection, the Council, after a wide-ranging discussion, adopted negotiating directives for the Commission at its meeting on 26 and 27 June; these were based on the report which the Committee of Permanent Representatives had drawn up, taking as their starting-point the Commission proposals. The honourable Member will understand that, given the nature of such directives, it is not at present possible to furnish him with more detailed information.

Mr Corrie. — Can I thank the President-in-Office for his detailed statement on this particular subject this morning? Could I ask him, in what way does he think that the EEC could play the greatest part in the matter of guaranteeing Community investments in developing countries and will he take steps to guarantee that the Community's firms and trade associations are consulted about the desirability of

protecting Community investments in developing countries?

Mr Genscher. — (D) In its proposals for the renegotiation of the ACP-EEC Lomé Convention, the Commission urged that the future Convention contain explicit provisions concerning fundamental rules of conduct for investors and for the recipient country and also that provision be made in the Convention for the possibility that for particular projects the Community concludes investment protection agreements in addition to the already existing bilateral agreements. A subsidiary mechanism guaranteed by the Community would also be introduced. Finally, measures for encouraging investments, mainly of a financial nature, might be taken. I take it as a matter of course that firms will be consulted.

Mr Fellermaier. — (D) Mr Corrie's question and your answer, that this is being discussed in the Council on the basis of a Commission communication, prompt me to ask a question of principle. In the relations between Council, Commission and Parliament, how do you propose to ensure that on such important questions of foreign trade the appropriate committees of Parliament can be informed in advance so that the Parliament, through these committees, is given an opportunity of influencing such Commission communications, since, Mr President-in-Office, the Parliament normally only has to deal with directives and regulations?

Mr Genscher. — (D) You have raised a question concerning relations between Council, Commission and Parliament. Without consulting the Council, I am not in a position to offer you a satisfactory reply. You are familiar with the legal standpoint which the Council has taken so far.

Mr Prescott. — As a person who believes in public ownership, may I ask the President-in-Office to tell us whether the conditions he is enforcing on these countries in these Lomé agreements are greater than one would expect for a German investment in Great Britain?

(Laughter)

Mr Genscher. — (D) I don't think one can compare the two things at all.

President. — Question No 9 by Mr Fellermaier :

How does the Council view the announcement by Mr Habsburg, who in addition to his Austrian nationality, has surprisingly been granted German citizenship by the Bavarian authorities, that he wishes to present himself as a candidate for the European Parliament elections so that he can also represent the Austrians, and does the Council not share the fear that, given Austria's strict neutrality, this may create extremely serious foreign policy complications for the EEC?

Mr Genscher, President-in-Office of the Council. — (D) Every citizen of the Member States has a right to stand as candidate.

(Laughter)

Mr Fellermaier. — (D) Mr President-in-Office, do you share the view contained in Parliamentary Question No 1937 of the Austrian National Council, excerpts from which the President has allowed me to quote?

Nevertheless, for well-known reasons relating to the policy of neutrality, there can be no question of the Austrian Republic's joining the EEC and therefore of its being represented in the EEC Parliament. Consequently, if Dr Otto Habsburg, as a German citizen, is elected to the EEC Parliament and creates the impression that thereby Austria is also represented in the EEC Parliament, this can in no way be in the interests of the Republic of Austria.

(Laughter)

Mr Genscher. — (D) I have such respect for the sovereignty of the Austrian Republic and its government that I am convinced the Austrian Government is capable of fulfilling the obligations imposed by its neutrality.

Mr Normanton. — In view of the very satisfactory nature of the answer given by the President-in-Office to the first part of the question, would he not agree that at the date of the direct elections there are going to be very large numbers of European citizens who, by the decisions taken by Member States, are going to be disenfranchised? Would he not commend to his fellow members of the Council that some action should be taken to enfranchise all citizens of the Community for this vitally important European election?

Mr Genscher. — (D) That is a matter for the national legislatures of the Member States.

Mr Geurtsen. — (NL) Does the President-in-Office of the Council consider that Mr Habsburg might have more opportunity to influence Community foreign policy than Mr Fellermaier?

(Laughter)

Mr Genscher. — (D) All German citizens enjoy equal rights and opportunities. That is laid down in our constitution.

(Laughter)

Mr Jahn. — (D) Would you not admit that if I, as a German citizen, were to espouse the cause of German citizens in the GDR, this might have serious consequences for the Community in the sphere of foreign policy?

Mr Genscher. — (D) It might well be that this had consequences for the Community. That would not,

however, prevent me, as a German citizen, from espousing the cause of Germans.

Sir Geoffrey de Freitas. — The question alleges that Mr Habsburg has been granted German citizenship by the Bavarian authorities. I am puzzled. How can it be that one constituent part of a Member State of our Community can naturalize a foreigner. Where are we getting to? I do not understand it.

(Laughter)

Mr Genscher. — (D) The German Federal Republic is a federal state which grants special rights to the Federal *Länder*. Whether the Federal Government is in every case fully informed and given an opportunity to play its proper part in the granting of citizenship is another matter.

Mr Sieglerschmidt. — (D) Mr President-in-Office, are you aware that the approval for granting German citizenship, which, in the view of the Bavarian Higher Administrative Court, is obligatory, was not obtained in this case, and may I also ask you in this connection whether, in view of the fact that Mr Otto Habsburg himself has declared that he wishes to represent Austria in the European Parliament, the Council does not fear that this may lead to complications with the Austrian Republic?

Mr Genscher. — (D) As regards your first question, on examining the minutes of the German Bundestag for 21 June 1978, I am afraid that you are right. As for your second question, I do not share these anxieties. I say again, I have not the slightest doubt that the Republic of Austria will be in a position to fulfil the obligations it has taken on with the Treaty. Whether these obligations are affected when Mr Habsburg says he wishes to represent Austria is a matter which I cannot judge: it falls within the powers and needs of the Austrian Government and it is for them to decide.

Mr Seefeld. — (D) Do you share my view that the whole problem could be solved very simply if we were all to ask that no political group nominate Otto Habsburg?

(Protests)

Mr Genscher. — (D) I think it should be left to every political grouping to find for itself the most attractive representation.

(Laughter and applause)

President. — Question No 10 by Mrs Ewing has been withdrawn.

Question No 11 by Mr Schyns:

What practical steps does the President-in-Office of the Council intend to take during his period of office to give a new impetus, clearly outlined in the EEC Treaty, to the stagnant common transport policy?

Mr Genscher, President-in-Office of the Council. — (D) At its meeting of 20 and 21 December 1977, the Council stated its desire to give the greatest consideration possible to the three-year programme of priority activities forwarded by the Commission. In the meantime, the Council has, for the first of these three years, either adopted decisions or begun work on almost all the priority measures which appear on the list drawn up by the Commission. This list will continue to be used as a basis for the preparation of a meeting of the Council scheduled for the end of November 1978. It should, however, be noted that, in addition to the questions which have not yet been resolved, there are now the problems of safety at sea, which have become pressing as a result of well-known tanker accidents.

Mr Schyns. — (D) In this connection, does not the President-in-Office of the Council believe that it is high time to do away with such grotesque obstacles to frontier traffic as the obligation on commercial vehicles to indicate axle load, gross weight and other things, as attested by various Member States at the meeting of the Internal Transport Committee in February in Geneva?

Mr Genscher. — (D) That is not exactly a question of belief, but I share your scepticism.

(Laughter)

Mr McDonald. — Will the Council encourage the national governments to ask the national airlines to pass on the new policy announced by IATA last week to the benefit of the consumers in the Community?

Mr Genscher. — (D) That is not a matter that lies within the governments' powers of decision.

Mr Müller-Hermann. — (D) Will the President-in-Office please note, for his work during the next half-year, that the same subjects, which I dealt with as rapporteur for this House at the beginning of the sixties — incidentally, together with Helmut Schmidt and Hans Apel — are still on the agenda as awaiting a decision?

(Laughter)

Mrs Dunwoody. — Would the President-in-Office not agree that a common transport policy can only be built on an agreed approach from all the Member States? There is some evidence that British holiday-makers travelling in family vans have been refused permission to land on various shores because they did not have a tachograph in the vehicle. This is hardly the way to encourage people to move around Europe freely.

Mr Genscher. — (D) A common transport policy indeed presupposes a consensus of views. I am told that an agreement has been reached on this point.

Mr Seefeld. — (D) Mr President-in-Office, may I ask you to bring your influence to bear, during the period of office for which you are responsible, so that the list of proposals awaiting decision, which Mr Müller-Hermann has just mentioned, are dealt with in the Council of Ministers along the lines that you ask the Council of Transport Ministers to meet not just once but — I am not asking for too much — at least twice during this half-year?

Mr Genscher. — (D) Yes.

Mr Fuchs. — (D) What chance do you give the possibility during the next few months that effectual measures are taken to resist the dumping practices carried on by various parties, particularly by the State-trading countries?

Mr Genscher. — (D) This will undoubtedly be a subject for the Council, but the responsibility here lies primarily with the Commission, as you know.

Mr Prescott. At the recent inquiry into the Amoco Cadiz disaster conducted by a committee of this House in Paris two weeks ago, the Commission's proposals to tackle the problem of the substandard 'flag of convenience' vessels were discussed. These proposals involved the concept of port State control. It was alleged that the Council was dilatory in its discussion and application of these proposals. Will it be any different in the next six months?

Mr Genscher. — (D) Questions of marine pollution are to be dealt with by the European Council. For the rest, I assume that the appropriate Council of Ministers will take the matters up.

Mr Corrie. — Could the President-in-Office use his influence to ensure that services which are being, or could be, provided by independent airlines within the Community, often between parts of the Community not previously linked directly, are not jeopardized by subsidized competition and by unfair practices on the part of State airlines?

Mr Genscher. — (D) This question does not lie within the Council's competence.

President. — Question No 12 by Mr Ryan:

Has the Council discussed the possibility of having a uniform rate of motor taxation and petrol taxation in the Community and if so what is the present state of such discussions?

Mr Genscher, President-in-Office of the Council. — (D) The Council has not yet discussed the possibility of establishing a uniform rate of taxation on petroleum products in the Community. The only proposal for a directive which the Commission has submitted to the Council in this area is limited to the harmonization of certain aspects of the structure of excise duties on mineral oils. The Commission has reserved the

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right to submit later, at a second stage, proposals regarding the harmonization of rates.

With regard to the adjustment of national taxation systems for commercial road vehicles, the Council has agreed in principle to the text of a first directive, provided certain problems in its implementation can be resolved. The Council intends to adopt this directive at its next meeting on transport questions. The directive would be a first practical step in the introduction of tariffs for the use of infrastructures.

Mr Ryan. — Having regard to the fact that in June 1977 the Finance and Economic Ministers considered the undesirability of the political difficulties and artificial marketing practices which arose by reason of varying rates of taxation on petrol and oil and varying rates of car taxation, why has there not been more progress since then on a study of the matter and of the implementation of a uniform rate of taxation on both fuel and vehicles within the Community?

Mr Genscher. — (D) The Council has given priority to other taxation matters.

Mr Osborn. — Would the President-in-Office bear in mind that as more and more people own their own private cars, with a view to carrying themselves because public transport is neither convenient nor economic, there is a growing pressure to reduce the impact of vehicle taxation and put the taxation on the consumption of fuel? Would the President-in-Office bear this trend in mind and react suitably to it?

Mr Genscher. — (D) The Commission has made no proposals on this subject. Moreover, you yourself have pointed out how disparate the rates are in the various States. Development trends also vary enormously.

Mr Power. — Does the Council realize that this question from a former Minister for Finance may be an indication that he is a penitent now when he is too late to atone for his sin of taxing petrol to the tune of 1.5p a gallon? Could it be possible, however, that he is using his position here in this particular House to bring pressure on the Irish Government to restore motor taxation on cars up to 16 horsepower, the removal of which followed closely on the removal of the Minister from office in June 1977, and could we have an assurance from the Council that it will not bring pressure to bear on the Irish Government in this matter?

(Laughter)

Mr Genscher. — (D) It is against the Council's principles to exercise pressure.

(Laughter)

President. — Questions Nos 13 and 14 will be answered in writing, as Mr Sandri and Mr Schreiber are absent.¹

Question No 15 by Mr Howell:

What is the Council's definition of the right to work, and how would it apply this definition to all Community citizens?

Mr Genscher, President-in-Office of the Council. — (D) The Council sees no possibility at the moment of defining the right to work in legal terms. Neither has a definition of the concept been incorporated in the legal order of the Member States. The right to work will have to be regarded as part of the political objective of ensuring that citizens have appropriate living conditions and a share in economic development.

It should none the less be pointed out that the Community, is, at the request of the European Council, at present embarking upon a common strategy to deal with the economic and social situation. One of the fundamental aims of this strategy is the improvement of the employment situation.

Mr Howell. — I believe that the Council should apply its mind to this definition, because the phrase 'right to work' is far too often bandied around in this Parliament, and a recent document on work-sharing actually talks of establishing the right to work. In my opinion we need to think seriously about it. I think that the ever-growing level of unemployment in the EEC and the Western world generally is becoming increasingly unacceptable, and I would therefore ask the President-in-Office to apply his mind more firmly to this subject.

Mr Genscher. — (D) The practical solution of labour market problems is one of the most urgent tasks that the Council has set itself. I am not sure that we shall be helped in this by elaborate attempts to define the right to work.

President. — We now come to the questions put to the Foreign Ministers of the nine Member States of the European Community meeting in political cooperation.

We begin with Question No 16 by Sir Geoffrey de Freitas:

What support are the Foreign Ministers giving to the British-American plan for the future of Rhodesia?

Mr Genscher, President-in-Office of the Foreign Ministers. — (D) The nine Foreign Ministers emphatically support the right of Zimbabwe to self-determination and independence on the basis of a speedy and peaceful transition to the rule of the majority. They regard the British-American proposals as a suitable foundation for an internationally acceptable solution.

¹ See Annex.

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The Nine stand for a continuation of the British-American efforts to achieve a *rapprochement* of those concerned, with a view to guaranteeing peaceful developments in Zimbabwe.

Sir Geoffrey de Freitas. — Would the President-in-Office agree that the economic part of this plan would enable blacks and whites to work together in prosperity and peace under a black majority government as has happened in Kenya over the last fifteen years?

Mr Genscher. — (D) That must be the aim of any acceptable and peaceful solution.

Mr Fletcher-Cooke. — Would the President-in-Office say what complaint he has with the internal settlement which provides for one man, one vote, which requires a vote in December, which only asks to be left alone and not interfered with? Why, in those circumstances, should the Council of Ministers interfere with what is an internal democratic agreement achieved against all the odds, with all the parties swallowing their pride, and which I should have thought deserved the support of Brussels and all around it?

(Applause from certain quarters from the Centre)

Mr Genscher. — (D) If the Council supports the British-American proposals for a solution, it does so in the awareness that a peaceful solution appears to require the participation of all parties and groupings concerned.

(Applause from various quarters on the Left)

Mr L'Estrange. — Would the President-in-Office not agree that there are hopeful and encouraging signs that the interim government will succeed, despite the orgy of killing and rape of British and Irish missionaries and others by terrorists, backed by politicians who should know better? Do you not believe, Sir, that black and white can live and work together without interference from weak world politicians, who seem to be more interested in getting gunmen stooges of Russia into power and turning the country into another Angola. Do you want to see that? In conclusion I would like to ask Sir Geoffrey de Freitas whether he would agree or argue to have the Irish Republican Army terrorists included in an interim government in Northern Ireland; I believe in democracy and in the ballot box, not in the gun and the bomb, and I for one moment would not agree to that.

(Protests)

President. — Mr L'Estrange, you may put questions to the President-in-Office of the Council, as briefly as possible, but you may not put questions to colleagues in the House.

Mr Genscher. — (D) To your question whether black and white should not be able to live together in

peace — and, I would add, equality of rights — I can only answer 'yes', and I think that the horrible developments which we are witnessing show how urgently such a solution is needed. I may, however, point out that it was a long time before the first attempts were made to move in this direction. That is very unfortunate.

Sir Derek Walker-Smith. — But is not the only material difference between the British-American proposals and the internal settlement the fact that under the former the transitional government would be provided from outside, whereas under the internal agreement the transitional period would be administered by an Executive Council and Ministerial Council representative of all democratic elements within Rhodesia of all colours and races?

Mr Genscher. — (D) I cannot allow myself to judge what are democratic elements in Rhodesia and what are not, since democracy in Rhodesia has so far had no opportunity of establishing itself by means of free elections. At the moment, the Council supports the British-American plan — I repeat once more — in view of the fact that it aims at an all-embracing solution involving all the parties engaged in the conflict.

(Laughter)

Mr Wawrzik. — (D) Is the Council prepared for the eventuality that those forces which have so far preferred recourse to violence are not prepared to take part in the forthcoming elections? What attitude will the Council then take?

Mr Genscher. — (D) I would say first of all that, for the Council, the peaceful solution of all problems in southern Africa — there are three problem areas — is a matter of primary importance and an essential element in its policy. It is therefore to be regretted that this peaceful solution was not set in motion earlier, because then it would undoubtedly have been easier. It continues to be the policy of the Council and the Member States to encourage all those concerned to contribute to a peaceful solution in which the real will of the majority of those living in Zimbabwe can be demonstrated in democratic fashion.

Mrs Kellet-Bowman. — Does the President-in-Office accept that the leaders of all races and all colours in Rhodesia believe that it is the mistaken pride of the British Foreign Secretary which is standing between them and peace and will he seek to bring pressure to bear on the United Kingdom Foreign Secretary to back the internal settlement, which is far and away the best hope of peace in Rhodesia, setting the example to other countries of Africa?

Mr Genscher. — (D) I cannot agree with you.

President. — Question No 17 by Mr Spicer :

How does the statement of Mr Mugabe that his aim and purpose is to establish a single-party State, match with the policy of the Nine to establish democracy for the people of Zimbabwe ?

Mr Genscher, President-in-Office of the Foreign Ministers. — (D) The Nine have consistently declared their support for the right of the people of Zimbabwe to independence and peace on the basis of a majority system. It is therefore not isolated political groups but rather the entire population of Zimbabwe that is called upon to express its views, freely and peacefully, on its own political future. It is for the parties concerned to work out the exact procedures for this election. This is the reason why the Nine support the British-American efforts for a *rapprochement* of the interested parties.

Mr Spicer. — In reply to an earlier question the President-in-Office said it is not easy as yet to establish what forces or what parties in Zimbabwe are democratic. But Mr Mugabe has made it quite clear that he does not believe in one man, one vote : he believes in a one-party State. The course is quite clear and open for Mr Mugabe and Mr Nkomo to come back and take part in the democratic elections. What is the basis for this continued insistence within the Council that the interim government and the interim settlement must be damned out of hand purely and simply because it represents something that has not been imposed on the people of Zimbabwe from outside ? That is what we find difficult to understand. All I ask him to do is to say where democracy lies at the moment. Does it lie in the hands of Nkomo and Mugabe or does it lie internally ?

(Applause from the European Conservative Group)

Mr Genscher. — (D) That Mr Mugabe calls for a one-party State is to my mind no reason why — and here the Council agrees with me — we should not attempt to create the conditions for a peaceful solution to the conflict in which all the parties take part. In the Community countries too, parties engage in free elections whose ultimate aim is a single-party State.

Mr L'Estrange. — When will the smug, apathetic and Communist-boot-licking West awake to the real perils endangering our civilization, if we get another Communist-backed government in Rhodesia ? Does the Council of Ministers want to see another Angola, where there will be no freedom, democracy or human rights ?

(Laughter, applause from the European Conservative Group)

Mr Genscher. — (D) I shall never understand how support for human rights in Zimbabwe can be interpreted as kow-towing to Communism, of all things.

(Applause from various quarters on the Left)

Mr Schwörer. — (D) Why does the Council not insist that Mr Mugabe prove his democratic principles by taking part in democratic elections ?

Mr Genscher. — (D) We do in fact expect all parties to the conflict to take part in the preparations for such elections.

(Protests)

President. — Question No 18 by Mr Edwards :

Will the Foreign Ministers take care that they are not involved in propping-up corrupt regimes in Africa ?

Mr Genscher, President-in-Office of the Foreign Ministers. — (D) One of the fundamental principles on which the Governments of the EEC Member States base their policy in Africa is that the economic and political independence of the States of Africa should be strengthened by cooperation as between partners without interference in their internal affairs. The purpose of the economic aid which has been furnished and is in future to be furnished to the African countries is to enable their peoples, regardless of the type and composition of their governments, to solve their problems for themselves.

Mr Edwards. — Would the President-in-Office not agree that unconditional support for some of the African States ruled by military dictators does not encourage the development of democratic practices in other African States ? Would he justify the tendency to support one African State where the present president has destroyed the whole political opposition and takes 17 % of the total income of the country for himself and puts it in Swiss banks ?

Mr Genscher. — (D) I do not know which State you are referring to, but speaking quite generally, I would say that, as you have already heard from replies to other questions, respect for human rights is an important point, a political point, in the Community's negotiations, and it will, of course, be treated consistently in all cases.

Mr Wawrzik. — (D) Do you share my view that one should give the same treatment to all countries in which human rights are violated, whether this is done by whites acting against whites in Argentina or by blacks acting against blacks in Africa ?

Mr Genscher. — (D) Everyone is entitled to enjoy human rights, and therefore the only question is whether they are respected or are violated. The question must not be *whose human rights are violated*.

Mr l'Estrange. — When we speak about propping up corrupt governments, is the President-in-Office aware of the degree of Soviet, Cuban and East German military activity in Africa and of the efforts being made there to bring down certain governments and get a foothold in Africa and prop up the most corrupt governments. Is he further aware that it is reckoned that there are at least 60 000 foreign troops in Africa, mostly from Russia and Cuba, and it is their aim to bring down governments; and does he not agree that if the Communists conquered us there, they could manipulate all Africa and we would have a threat to Africa and a menace to the West that could lead to a third world war!

President. — Mr L'Estrange, I have already asked you a number of times to put specific questions and not to give lectures or make statements. I should like to ask you once again to take note of this, if only for the sake of other questioners.

Mr Genscher. — (D) The Council considers outside military intervention to be inadmissible, regardless of whether the State concerned is corrupt or not.

Mr Jahn. — (D) To put Mr Edwards' question more precisely, has the Council any information on what corrupt State are involved in Africa and how many they are?

Mr Genscher. — (D) No, the Council has not.

Mr Forni. — (F) What is the Council's position on the direct military aid that France has given Zaïre, and on a more general note, how does it reconcile the principle of the independence of the African States with the military aid given to these countries by certain Member States of the Community?

Mr Genscher. — (D) Relations between a Member State and a third country are not a matter for judgment by the Council.

President. — Question No 19 by Mr Corrie:

What steps are the Foreign Ministers planning to take in response to the recent call by African Heads of State meeting in Paris to establish a Pan-African Defence Force?

Mr Genscher, President-in-Office of the Foreign Ministers. — (D) I would point out to the honourable Member that the matter raised in his question has not been discussed by the Foreign Ministers meeting in the framework of European political cooperation. In accordance with the principles laid down for answering parliamentary questions, therefore, I cannot answer the question on behalf of the nine Foreign Ministers.

Mr Corrie. — If the Foreign Ministers do think about this, what action will they take in political cooperation with our Lomé friends to define the responsibility for safeguarding the Community's raw material supplies, because the Lomé Convention partners do depend so much on the sale of those materials to the Community, and transport communication, in general, between the Lomé Convention partners and the Community?

Mr Genscher. — (D) The safeguarding of transport communications does not figure among the tasks of European political cooperation. At any rate, it has not yet been discussed in that framework. I repeat that.

Mr Cot. — (F) If I understand the President correctly, the Foreign Ministers meeting in political cooperation did not discuss the question of the Pan-African defence force. Does this mean, then, that they in some way disapproved of the neo-colonialist ambitions of certain of the Member States' governments?

(Applause from certain benches on the Left)

Mr Genscher. — (D) Not everything that the Foreign Ministers have not discussed is rejected by them.

(Laughter)

Mr Wawrzik. — (D) In the course of your work, have you come across any neo-colonial ambitions on the part of an EEC Member State?

Mr Genscher. — (D) I am in the happy position to be able to say, No.

(Laughter and applause from various benches)

President. — Question No 20 by Mrs Ewing has been withdrawn.

All the questions have now been answered.

I call Mrs Dunwoody on a point of order.

Mrs Dunwoody. — Mr President, I wonder if you would be kind enough not just to repeat your warning to Members and those taking part that questions should be brief, but would you try not point out to Members in this Chamber that the reading of long and very complex statements should not form part of Question Time, since it destroys the interest both of those that take part and those that listen?

(Applause)

President. — Mrs Dunwoody, I made this very point three times, I think, during Question Time. I could not do any more. I would appeal to each individual Member to be very careful in this matter, if only for the sake of future questioners.

President

The first part of Question Time is closed.

9. Votes

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

I shall first put to the vote the motion for a resolution contained in the *Bangemann report (Doc. 203/78): Parliamentary control of the financial operations of the European Fund.*

The resolution is adopted.

I put to the vote the motion for a resolution contained in the *Früh report (Doc. 202/78): Sixth Financial Report of the EAGGF.*

The resolution is adopted.

I put to the vote the motion for a resolution contained in the *Bruce of Donington report (Doc. 210/78): Carry-over of appropriations from 1977 to 1978.*

The resolution is adopted.

I put to the vote the motion for a resolution contained in the *Aigner report (Doc. 204/78): Discharge in respect of the financial year 1976.*

The resolution is adopted.

I put to the vote the motion for a resolution contained in the *Patijn report (Doc. 221/78): Date of European elections.*

The resolution is adopted.

10. EEC-Portugal additional and financial protocols — Relations between the EEC and Turkey

President. — The next item is the oral question with debate (Doc. 186/78) by Mr Fellermaier on behalf of the Socialist Group to the Council :

Subject: EC-Portugal additional and financial protocols

Can the Council state whether the additional and financial protocols of 20 September 1976 between the European Community and Portugal have now been ratified by all the Member States ?

If not, what are the reasons for the delay ?

and the joint debate on

— the oral question with debate (Doc. 192/78) by Mr Hansen on behalf of the Socialist Group, Mr Jahn on behalf of the Christian-Democratic Group (EPP), Mr Pintat on behalf of the Liberal and Democratic Group, Mr Spicer on behalf of the European Conservative Group, Mr Porcu on behalf of the Communist and Allies Group and Mr Kaspereit on behalf of the Group of European Progressive Democrats to the Commission :

Subject: Reactivation and updating of the EEC-Turkey Association

After an interruption of more than twelve months due to the elections and change of government in Turkey at the beginning of this year, the activities of the institutions of the Association, which assume especial importance in view of the future enlargement of the Community, are now about to resume.

We therefore ask the Commission :

1. Is it aware that, given Turkey's political importance to Europe, relations with that country cannot be developed satisfactorily through partial concessions by the Community in specific economic sectors ?
2. Is it aware that the reluctance by the Community to take any initiatives in this matter has contributed to a certain strain — notably evident in Turkish public opinion — in EEC-Treaty relations under the Association ?
3. What steps does it envisage to reactivate and update the EEC-Turkey Association so as to assure an economic development for Turkey which will allow the country to accede to the Community at a future date and prevent the erosion of Community preferences after enlargement ?
4. What form will be taken by the consultation with Turkey provided for in the Treaties on the matter of the Community's future enlargement ?

— the oral question, with debate (Doc. 188/78), by Mr Hansen on behalf of the Socialist Group, Mr Jahn on behalf of the Christian-Democratic Group (EPP), Mr Pintat on behalf of the Liberal and Democratic Group, Mr Spicer on behalf of the European Conservative Group, Mr Porcu on behalf of the Communist and Allies Group and Mr Kaspereit on behalf of the Group of European Progressive Democrats to the Council :

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3. What steps does it envisage to reactivate and update the EEC-Turkey Association so as to assure an economic development for Turkey which will allow the country to accede to the Community at a future date and prevent the erosion of Community preferences after enlargement ?

President

4. What form will be taken by the consultation with Turkey provided for in the Treaties on the matter of the Community's future enlargement?

5. How does it propose to intensify the necessary political cooperation with Turkey?

— the oral questions with debate (Docs. 189/78, 190/78 and 191/78) by Mr Bertrand on behalf of the Political Affairs Committee and Mr Kaspereit on behalf of the Committee on External Economic Relations to the Commission and the Council of the European Communities and to the Foreign Ministers of the nine Member States of the European Community meeting in political cooperation:

Subject: Present state and future prospects of relations between Turkey and the European Community

In view of the Community's commitments to Turkey under the Association, how does the Council assess the present state of relations between the two parties and the prospects for their development?

What economic and political measures does the Council intend to take to help resolve the economic crisis and political problems facing Turkey?

The speaking time agreed upon by Parliament yesterday is intended to cover both debates.

I call Mr Mitchell, who is deputizing for Mr Fellermaier.

Mr Mitchell. — Mr President, in putting this oral question with debate I do not wish to anticipate the major debates on the accession of Portugal to the Community which we shall have some time in the autumn. What I do want to do is to put some questions to the Commission about the immediate situation and the possibility of immediate aid to Portugal. I spent a week recently in Portugal talking to Portuguese political leaders and to individual Portuguese citizens and it is absolutely clear when talking to them that the primary reason that Portugal wishes to join the EEC is not an economic one, it is a political one. Portugal, after many many years of dictatorship, has emerged to a new democracy and they believe very strongly that the best way of maintaining that democracy in Portugal is to join the European Community and have the cover, if you like, the support of the European Community in the future.

Now the greatest threat to that democracy in Portugal would be a serious deterioration in the economic position in Portugal. We all know that Portugal has gone through and is going through a very difficult economic period, and if there were to be an economic collapse in Portugal this could well lead to a restoration of a dictatorship either from the extreme left or from the extreme right. All the people I spoke to in Portugal were quite firm that they did not want that to happen, they wanted to maintain their new democracy and I think this in fact presents the Community with

certain obligations. In the opinion drawn up by Mr Hoffman on behalf of the Committee on Regional Policy it says

for Portugal, immediate and generous Community financial aid measures are essential

and I want to emphasize that very much indeed. The situation at the moment is that in 1977 Portugal had a balance of payments deficit of 1½ billion dollars. They have negotiated with the International Monetary Fund a new agreement and on page 6 of the Commission's opinion on the accession of Portugal, it says

'a 1978/79 stabilization plan just adopted is aimed primarily at reducing the 1978 balance of payments deficit to less than a billion United States dollars, to reduce inflation to 20 % and to avoid too heavy a fall in employment, while maintaining some economic growth',

but we all know that the conditions laid down by the International Monetary Fund, although perhaps not as harsh as they could have been, will lead to considerable hardship for the people of Portugal. It could lead to labour unrest and all the things that come from that. If I may quote again from page 8 of the opinion of the Commission, it says

'since Portugal's future lies in Europe it would also be desirable to consider action at European level. The Community should examine the possibilities of actively participating in such action. It would thus be desirable to support the Portuguese Government's efforts to raise funds in the international capital markets and to consider the possibilities for recycling certain loans falling due'.

What I would like to ask the Commission at this stage is what progress is being made in this field? What plans has the Commission for an aid programme to Portugal in the interim period before we get on to the detailed negotiations about accession? These will be difficult, we know all that, but what plans has the Commission for supplementing the International Monetary Fund's loan and giving immediate aid to Portugal? On page 9 of the Commission's opinion on the entry of Portugal it says

alongside these moves to assist the balance of payments the Community's cooperation projects for furthering Portugal's economic and social development should be proceeded with. In this context consideration might be given to speeding up utilization of aid under the financial protocol signed in 1976.

And the question that we have put down and which is the peg for this debate is how many States have in fact ratified the financial protocol, why is it being held up?

As I understand the position, Portugal has put forward a number of projects. There is one particular one, which I heard about when I was in Portugal, for the assistance of their cement industry. An agreement has been initialled but, as I understand it, the money cannot be paid out from the Investment Bank until all nations have signed and ratified the financial protocol, so I am asking what the Commission is doing to put pressure on the nations of the Community to carry on and ratify this financial protocol.

Mitchell

Now it is important, as I and my colleagues impressed upon Portuguese leaders in industry and elsewhere, that they do put forward some concrete proposals. Obviously the European Investment Bank will want to see definite proposals put forward and we spent a lot of time impressing upon the Portuguese that it is essential to put forward detailed proposals if they want loans at reasonably generous rates from the European Investment Bank. Now part of the money that is available is for agricultural projects. We know, of course, that there are particular difficulties in Portugal at the moment in the question of agriculture. This is a particular hangover from the early days at the time of the 1974 original revolution in Portugal. There are still difficulties, and any Portuguese government is going to be faced with the very great difficulty of solving their agricultural problem because of political reasons, because of what happened immediately after the first revolution in 1974. They have not yet managed to solve it.

Perhaps the immediate problem is on the industrial side and here, I think, we come up against a difficulty if the Community is going to assist in the development of Portuguese industry. It so happens that those industries for which the Portuguese have expertise and experience are those very industries of which we have a surplus in the Community, for example, steel, textiles, shipbuilding. If I may again quote for a moment from page 3 of the Commission's report, it does say :

for the Community the economic impact of Portuguese accession will be very limited. Portugal represents only 3 % of the present Community of nine in population, and 1 % in GDP.

I am a little concerned when I read reports of the press conference given by Mr Natali when he opened the Lisbon Trade Fair. According to those reports he did say in connection with those industries in which Portugal has particular expertise, the ones I am talking about, steel, shipbuilding and textiles, it may be that the Community would have to exert pressure on Portugal to diversify its industries in other fields. I would like to say to Mr Natali that we are a large Community, we are a fairly rich Community — one of the criticisms of this Community in the past has been that we are a rich man's club — and I believe that we, as a Community, have to be big enough to make special arrangements for the accession to the Community of poorer countries like Portugal. I believe it will be frankly unwise for the Community to try and exert pressure on the Portuguese to move away from their traditional industrial expertise in shipbuilding, textiles and steel into other fields. That may be a long-term slow process, but if we try and do it too quickly merely because we in the Community have a temporary surplus of those commodities, I think that would be the wrong way of dealing with it. If you are dealing with a relatively new emergent

democracy, a poorer country, you have to let them develop in areas in which they are experienced at this moment. To try and move them off into other fields too quickly would, I think, be quite disastrous for the Portuguese economy. If they do produce more steel, if they do produce more textiles, if they do produce more ships, this is a minimal thing as far as the Community is concerned. So I would like to say this to the Commissioner : let us show by our actions that we are willing to do everything possible to encourage and smooth the path of a poorer nation wishing to join the Community.

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

Mr Scott-Hopkins. — Without at all wishing to take away from what Mr Mitchell has just been saying, the question is to the Council, and yet he has been addressing all his questions to the Commission. I do not quite honestly see, Mr President, the relevance of the debate with the acting President of the Council here, because all the questions which have been asked are for the Commission to answer. I think that we are in a bit of a mess, because it has gone the wrong way, and I wondered how you intended to deal with the situation ?

President. — As far as the Chair is concerned, Mr Scott-Hopkins, nothing has gone the wrong way. Every Member is free to say what he thinks about the various problems.

I call the President-in-Office of the Council, Mr von Dohnanyi, whom I welcome very cordially on his first appearance in this House.

Mr von Dohnanyi, President-in-Office of the Council. — (D) Mr President, I should, of course, like to go into the matters raised by Mr Mitchell outside the strict scope of the question. Perhaps the winding-up will give me an opportunity to say a few words there. For the moment, however, I will concentrate on the specific question that was submitted in writing, and it will depend on the debate whether further explanations are needed from the Council.

In reply to the question, I would like to say the following. Five Member States (Denmark, France, Ireland, Italy and the United Kingdom) have to date officially notified the Council that they have completed the procedures for ratification of the Financial Protocol with Portugal. The same five States have also ratified the Additional Protocol. The customary procedures for the ratification of these protocols by the other Member States are under way. The Community authorities, including the Commission, remind the Member States at regular intervals of the importance they attach to seeing this procedure concluded as rapidly as possible. It is to be expected that the ratification procedures still outstanding will soon be

Dohnanyi

concluded. Since, however, this is a matter for the Member States, I cannot say exactly when this will be.

I should like to say something more about the stage reached by this procedure in the Federal Republic, since here I have been in a position to get last-minute information. The appropriate legislative bodies adopted a measure giving their approval on 12 May, and it is therefore to be expected that the Federal Republic will be able to deposit the ratification document in the course of September 1978.

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

Mr Berkhouwer. — *(NL)* Mr President, Mr Scott-Hopkins has just said that we are concerned only with the question to the Council on the ratification of the Additional and Financial Protocols between the European Community and Portugal of 20 September 1976. That does not stop me from welcoming the fact that Mr Mitchell, deputizing for Mr Fellermaier, has brought this matter into the realms of contemporary European politics, which of course implies a great deal more than the purely technical side of the question.

I should like to begin by concentrating on that point and to say that I particularly regret that my own government is one of the four that have not yet ratified the protocols: I should like to take this opportunity of appealing to fellow Members from the defaulting countries to make a concerted effort to get our respective governments to ratify these protocols. That is, perhaps, one of the advantages of the dual mandate; it does give you the opportunity to have action taken by the national parliaments on items that can only be discussed in the European Parliament. All that is involved here is an agreement that we concluded in 1972 and to which an additional protocol was drawn up in 1976 — and remember, that is now nearly two years ago — on financial aid, favourable terms for imports of Portuguese goods into Community countries, and so on. I think, Mr President, that, particularly after the latest changes that have taken place in Portugal, it is high time that we allowed the Portuguese to reap the benefits of that additional protocol. That was what Mr Mitchell was calling for. I do not need to go into all the technical details of his speech, but I do wish to say that I agree with him.

Regional development is not a matter confined to the Third World, it also concerns our own countries here in Europe. Regional development is essential in a country like Portugal. We now have a delegation from Portugal in this Chamber, but I am not saying this simply to pay lip-service to our Portuguese colleagues. We cannot choose between Third-World development and our own regional development, we must tackle both. It is our duty to help the less-developed regions

in Europe to the best of our ability as much as the Third World.

My second point — and I speak here on behalf of my group — follows on from what Mr Mitchell said in his opening statement. It is quite astonishing that the matter of whether Spain, Greece or Portugal should or should not join the Community is still being treated as an open question in some quarters. European Liberals wish there to be no doubt about the fact that the accession of Greece, Spain and Portugal is a European political necessity. Of course there will be problems, but there were problems when we were enlarged from Six to Nine. And we still have some of those problems with some of the new Member States! Of course we shall have problems when we enlarge from Nine to Twelve, but I want there to be no doubt, seeing that this is being stirred up again, that we European Liberal Democrats are committed to the view that the three new applicant States, which have now restored the democratic system, must be admitted to our Community. From the beginning we have always said: we will invite you to join us as soon as democracy is restored. Now it has been restored. They have come knocking on our door, and we must open the door to them. We know there will be considerable problems, but what is politics for if not for solving problems? We are here to find solutions to these problems, and I should like to see the President-in-Office of the Council take the same view.

To conclude, I should like again to call on all the delegates from the four defaulting countries here to make every effort to get their national governments to ratify this protocol as soon as possible. Where Portugal's accession is concerned, we must be in no doubt: Portugal must become a member of the European Economic Community in the very near future.

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

Lord Reay. — Mr President, I would just take up a moment or two to say that I agree with every word that Mr Mitchell said in his well-informed and able speech. This is a matter which both Mr Edwards from his group and myself from my group have raised in Question Time in the past. The advantage in having it raised in an oral question with debate now is that it gives an opportunity for Parliament to broaden the base of its support for aid to be given to Portugal in the present circumstances.

I must say that I am astonished and appalled to learn that no progress has yet been made with this protocol, or rather that it has not got to the point where the money is being made available to Portugal. It has now been many months since we were last told in Parliament that this matter had almost been completed and was almost ready to go into effect, and it is very disappointing indeed to hear that the

Lord Reay

Community has still not been able to finalize a matter which the Commission six, seven, eight months ago was already describing as being of urgent necessity. So I think it is absolutely correct that this matter should be continually brought up in Parliament and that we should press the Council to produce results in this field. I must say that, on reflection, one cannot help thinking that the Community does manage to miss opportunities to make gestures of very considerable psychological importance, that are not necessarily expensive, such as were offered to it in this case by the possibility of giving aid to Portugal during the period of its application for membership. This is a period when an applicant Member State necessarily has to wait in a condition of limbo, and in which it could have a very important effect on the public of such a State, if the Community did manage to give assistance of some kind in a tangible, demonstrable form. It seems to me a great shame that the Community has not been able to do this in the case of Portugal.

There is not only the consideration — to which Mr Mitchell quite rightly drew attention, — of the perilous economic situation in Portugal, which is of course a fact, and the dangers which that situation itself holds for the future of democracy in that country, which are also, I think, a fact. But there is this additional element: the need to maintain, in an applicant State, public belief in the reality of our wish to see it as a member of the Community. That is also an important point. The public of such an applicant State necessarily cannot be aware of negotiations which are conducted in secret, and so on, so the Community needs to devise methods of reassuring countries in this position that we continue to have an interest in their membership of the Community. Only reflect on the little that we do now for applicant States in terms of being troubled by the progress of events in them, or of the aid we could be giving them but do not. If you contrast the little that we do now with the enormous degree to which we are bound to be pre-occupied with their problems after they are members, I think there is a quite unnatural discrepancy. So I certainly hope that the Community will finally be able to bring this measure into effect, and I hope that under this Presidency a greater effort will be made to ensure that in future the Community does not miss opportunities of this kind to give psychological assistance to countries in such a situation as Portugal is at the present time.

IN THE CHAIR: MR BERKHOUWER

Vice-President

President. — I call Mr Natali.

Mr Natali, Vice-President of the Commission. — (I) As regards the question of the ratification of the Financial Protocol with Portugal, Mr von Dohnanyi has already given a reply. For my part, I would simply like to point out that the Commission can only regret this state of affairs, where, through failure to ratify the Financial Protocol, it has not been possible to grant the emergency aid to Portugal. And, at the risk of broadening the scope of the debate, I must say that unfortunately a similar situation exists for the Financial Protocols concerning other countries: Greece, Turkey, Malta, the Maghreb and Mashreq countries and Israel. In these cases, too, we regret the serious delays in the entry into force of the Financial Protocols because, as all the previous speakers have pointed out, this state of affairs has created a great deal of disappointment in the countries concerned and has placed the Community in a difficult position.

We should point out, for our own part, that the Financial Protocols with these countries were negotiated in the framework of a global approach and were for the most part concluded before the decision was taken to enter in the budget the Community's financial commitments under these protocols at a time when, consequently, it was not known whether these commitments would be carried out on the basis of national contributions or through the Community budget. This background explains why it has been necessary to involve the Member States, as well as the Commission, in the signing and conclusion of the protocols, and, consequently, to submit them to ratification by the national parliaments. The contacts which the Commission had with the Member States at the beginning of the year seemed to indicate that the procedures would be completed by spring thus allowing us to bring the protocols into force by, say, 1 July. This did not happen and, I repeat, we can only regret it. However, in future the situation will be different; that is to say insofar as financial aid granted by the Community to third countries continues to be financed by the Community budget, the agreements on protocols will be concluded with the third countries concerned by the Community alone, and therefore these regrettable delays should not recur.

Allow me, Mr President, to reply briefly to the question on Portugal. I was very glad to hear Mr Mitchell mentioning on several occasions the Commission's opinion on Portugal's application for accession to the European Community. I say I was glad because I believe that the main lines of the opinion accord perfectly with successive votes of this Parliament. Portugal wishes to enter the Community not so much for economic as for political reasons and this is true also for the other applicant countries: choosing Europe means choosing democracy, freedom and peace! It is therefore clear that we cannot keep the Community to ourselves as a club of rich countries but we must face up to our responsibilities and give a

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positive answer to these applications. In the specific case of Portugal, Mr Mitchell, I can say, since I have visited the country, that one cannot but admire the efforts and commitment shown by the Portuguese Government. The majority of the political parties adopted a policy of not simply asking for external aid but of adopting an intelligent and responsible attitude towards the recovery of the Portuguese economy. All this merely confirms once more the need for us to respond to the hopes and expectations of that country. As I said, the Commission's opinion is based on a fundamental political concept: we propose that from the start of negotiations, there should be provision for financial aid to support the Portuguese economy and the undoubtedly necessary process of restructuring in agriculture and industry. We also believe that we must not attempt to cut back on given spheres of activity, but work together to find the best way to integrate Portugal harmoniously into the life of the European Community. We believe that the challenge facing us can be overcome only if we show a responsible attitude and take account of the true situation in Portugal, a country which has returned to democracy and which, above all, in returning to democracy, has chosen Europe.

We are waiting to see the basic direction of the medium-term plan of the Portuguese Government to decide what practical measures the Commission can propose to the Council to help Portugal economically and socially.

In this connection I would like to say that when negotiations are opened, the Commission will act on the basis of the political views which have emerged in this Parliament; it has respected them in its opinion and intends to remain faithful to them.

President. — I call Mr von Dohnanyi.

Mr von Dohnanyi, *President-in-Office of the Council.* — (D) Mr President, I should like to provide some information in reply to the observations that have been made here. The Council is, of course, aware that the accession of Portugal, and of the other applicant countries too, does not only — and perhaps not even primarily — represent an economic problem, and this applies to both sides, to the applicant countries and to the Community. The motives are deeply rooted in the political sphere.

Secondly I should like to give some indication of the way things have actually been developing. As the Parliament is certainly aware, a, so to speak, advance contribution of 150 million u.a. was made available in 1976 and 1977, and this money has been spent. A further contribution of 200 million u.a. to cover a period of 5 years is now, in 1978, due; this is in fact still outstanding, and, if I am not mistaken, this is the delay about which concern has been expressed.

I am sure the Council will take up the remarks that have been made here about the importance of Portugal's economic development and about the question of structural changes. In the various discussions that have taken place, the Council has fully appreciated that we must give close study to the structural and economic conditions that are required if Portugal is to join the Community. We would stress, as Mr Natali has just done, that the Community bears a responsibility for equilibrating the more highly and less highly developed regions of the Community, and this naturally applies also to the applicant States in connection with their accession.

I think this was discussed this morning in connection with Mr Rippon's question, and Mr Genscher expressed his views on the subject. We were glad to hear the remarks made from the benches of the Chamber by the present occupant of the Chair on the opportunity which the national parliaments have of accelerating the procedure.

I want to make a final remark on what was said by Lord Reay. I think it is right to point out that the Community is constantly running the danger of allowing political opportunities to slip out of its hands. This danger comes from the fact that we live in a rapidly changing world and that, when matters come up for decision in the Member States, many internal problems have to be considered which vary in importance and urgency from one point in time to another. Consequently, it seems to me important that not only every Member State, as the President suggested, should make an effort to accelerate its own decision-making process, but also that the Council should be aware of its duty, together with all other Community bodies, to speed up the Community's own decision-making processes.

President. — I call Mr Mitchell.

Mr Mitchell. — Mr President, I think this has been a useful short debate in that it has highlighted the problem. I would like to thank the President-in-Office and Mr Natali for their comments and would just say one thing: if there should be a need for urgent action, I hope that neither will be hidebound by protocol, who signed what and so on. I hope that urgent help will be forthcoming. If there is an urgent need, please go ahead and take the action and forget about the protocol.

President. — We now come to the joint debate on the five questions on relations between the European Community and Turkey.

I call Mr Hansen.

Mr Hansen. — (*D*) Mr President, as chairman of the European Parliament delegation to the EEC-Turkey Joint Parliamentary Committee, I am particularly pleased to be able to explain to you, on behalf of the Socialist Group, this question which has been tabled by all the political groups in this House. It is further proof of the attention with which the European Parliament follows the development of relations between the Community and Turkey and the importance it attaches to them.

Relations between the EEC and Turkey within the Association were, in fact, unsatisfactory in 1975/76 and were to all intents and purposes broken off at the beginning of 1977. The preparations for the elections held in Turkey on 5 June 1977 and the country's internal political problems have made it impossible for the organs of the Association to do any constructive work as yet.

I find this situation very disturbing. The EEC-Turkey Joint Parliamentary Committee has on several occasions pointed out to this House and to the responsible bodies under the Association that Turkish public opinion is increasingly dissatisfied with the Community and has warned of possible adverse consequences. The root of the problems does not lie in Turkey only but rather in the fact that, through its Mediterranean policy, the Community has eroded the trade preferences hitherto enjoyed by that country. Despite promises to the contrary, the European Community's Member States have virtually closed their frontiers to Turkish workers. In addition Turkey has been somewhat neglected as a result of the intensive negotiations on the accession of three new countries to the Community. Remembering also the unsolved problems of Cyprus, the Aegean area and relations between Turkey and the United States, it requires very little perspicacity to realize why Turkish public opinion is disappointed with the European Community and the Western World.

I have been insisting for quite some time now that if Turkey is to remain a staunch, if sometimes rather difficult, partner, the Community must take action on a broad front in its interests. In this connection I should like to stress that limited and partial concessions by the Community in the economic and trade sectors can no longer bring about a radical improvement in relations between the EEC and Turkey. The Commission, the Council and the governments of the Member States will have to manifest a definite political resolve if the Association is to be reactivated and brought up to date without further delay in a manner that will satisfy all the parties concerned.

We therefore welcome the fact that a revival of mutual relations seems to be once more in the offing. After a break of 18 months we resumed parliamentary contacts with our new Turkish colleagues of the Turkish Grand National Assembly at the last part-

session in May and noted their concerns and wishes with the utmost attention.

There can be no doubt that the all-important work that lies ahead was aided by the visit of the Turkish Prime Minister, Mr Ecevit, to the Commission in Brussels on 25 May 1978, when the position of the new Turkish Government with regard to the European Community was clarified. He explained that no radical change would be sought in the existing legal and institutional framework of the Association, but that efforts would be made to improve and deepen relations by building on the existing foundations.

As you all know, Turkey is at present grappling with great economic and financial difficulties. Practical measures to overcome these difficulties must therefore be worked out and implemented without delay, particularly with a view to reducing the Turkish trade and balance of payments deficits with the Community, which are a source of grave concern. For this purpose Turkey must be accorded further protection in the industrial sector and additional facilities for its agricultural exports to the Community.

I would remind the House that, under the terms of the Association Agreement, Turkey has a right to apply for full membership of the Community. This application has not yet been submitted, because Turkey, in a responsible and realistic appraisal of its own capabilities, does not feel that it is as yet sufficiently developed to take its place in a highly industrialized Community. I see it therefore as one of the important duties of our Association to extend our cooperation with Turkey in all important sectors, in order to support its economic and social development so that it can look forward to future accession to the Community.

We must make the most of this propitious juncture in the reactivation of our relations with the new Turkish Government and avail ourselves to the full of the goodwill evident on both sides. This is why we have today, together with other colleagues, tabled first-hand information from the other institutions on the practical content of the measures that are being envisaged. It must be stressed, however, that we also need the wholehearted support of the Turkish Government. Unless it submits practical requests and ideas, the greatest willingness to help on the part of the Community will be of little avail.

In addition to these practical questions, on which the Commission and the Council should report to us, the negotiations for the accession of Greece, Portugal and Spain must also be taken into account. The future accession of these countries must not lead to any further neglect of the Association with Turkey; on the contrary it should enhance the value of the Association. For this purpose the consultations provided for in Article 56 of the Association Agreement between the EEC and Turkey provide an appropriate frame-

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work which has unfortunately not yet been fully utilized. Furthermore, it seems to me essential that Turkey should be involved in the Community's political consultations in order to bring about the agreement on all questions of common interest which is becoming increasingly necessary at international level.

We should like the Council and Commission to state their positions clearly and give definite answers on all the problems mentioned. Finally, I should like once again to emphasize the importance of this discussion, which will be followed very closely by Turkish public opinion and will have a decisive influence in that country.

President. — I call Mr Bertrand.

Mr Bertrand. — (*F*) Mr President, it is not by chance that we are discussing today in Parliament, at the request of the political groups and the Political Affairs Committee, a series of oral questions on relations between the European Community and Turkey. The reason for this is clear.

Grave concern is felt in our Parliament about the internal, political and economic situation of this associated country and about its relations with the Community. The latter is now entering a very delicate stage in its development, the accession of three southern European countries: Greece, Spain and Portugal. Enlargement will have repercussions not only within the Community itself but also on its relations with the other Mediterranean countries. Virtually all these countries are bound to the EEC by agreements (either association or trade agreements) negotiated within the framework of the Community's overall Mediterranean policy. The agreements were negotiated or renewed after the association agreements with Turkey and Greece, both of which were geared to the eventual accession of these countries to the Community. Under these agreements, and in particular the agreement between Turkey and the Community, the latter has entered into specific commitments to promote the economic development of its partners.

In negotiating the Ankara Agreement and its additional protocols, both partners were fully aware of the political value of Turkey's European links, particularly as Turkey plays a crucial role in the defence of the West under the Atlantic Alliance.

The preferences granted to Turkey have been partly eroded by the other agreements with Mediterranean countries and will be even more so after the accession of the three new Member States.

We are all aware of Turkey's apprehension at the prospect of Greece's imminent accession to the Community. It is concerned not only at the obvious economic aspects of accession but also its political aspects. Faced with this situation, Turkish public opinion and Turkey's leaders are wondering what will be the

Community's attitude to its association partner and whether it will still be prepared to fulfil not only the letter but also the spirit of its commitments.

Today's debate should first of all enable us to reaffirm the Community's determination to regard Turkey as a valuable partner which will in the future play a full part in our joint undertakings and also show clearly and unhesitatingly that the Community wishes to consolidate and strengthen its links with Turkey.

This very day, the President-in-Office of the Council, Mr Genscher, emphatically stated that: 'enlargement must in particular not hinder the constant development of relations with Turkey. It should on the contrary act as an incentive to revitalize the Association Agreement with Turkey'.

Mr Genscher confirmed that the German presidency attached great importance to this task. We can only welcome this statement and draw attention to its political implications. Obviously we are now expecting that some practical steps will be taken and that they will produce results.

We are not, of course, unaware of Turkey's disturbing and in many ways dramatic internal economic situation, which has been severely affected by the world economic crisis. With Turkey's inflation rate approaching 50 %, almost 20 % of its active population unemployed, an increasing balance of payments deficit and an external debt — 12 000 million dollars, 6 000 million of which are repayable in less than a year — much too high in relation to the gross national product, we must consider practical and short-term forms of aid in addition to the appropriations provided for in the additional protocol, which in any case has not yet entered into force.

Turkey is also faced with serious problems in the field of foreign policy, for example its conflict with Greece and the partial embargo on arms supplies which the United States Congress has refused to lift despite the recent appeal from President Carter. It is not surprising — but it should at the same time give us food for thought — that Turkey is trying to extend its links with other non-Western countries and in particular its powerful neighbour, the Soviet Union. A pact of mutual confidence and cooperation was signed during a recent visit to Moscow by Prime Minister Ecevit. This pact does not mean that Turkey has changed its foreign policy completely and is turning its back on the West, at least so it appears from Mr Ecevit's settlement, after his visit, that Turkey regarded itself as a faithful ally of NATO and did not propose to obtain arms from Moscow. It is nevertheless true that Turkey considers itself to some extent a neglected and misunderstood partner and that it is trying to evolve a 'Nordpolitik' *vis-à-vis* the Soviet Union, to use the expression employed by the Turkish Foreign Minister.

Bertrand

A new factor — which has not escaped the attention of observers of Turkish affairs — seems to indicate that Turkey might wish to reorientate its foreign policy towards Europe namely, the simultaneous appointment of a number of Turkish ambassadors to the Western capitals who are all in favour of their country pursuing a 'European' policy.

The Political Affairs Committee is unanimously concerned about all these factors and considers that it is time to reassess our responsibilities on both sides. It is encouraging that at their quarterly meeting in Copenhagen the Foreign Ministers found a satisfactory way of informing Turkey of the subjects dealt with in the context of political cooperation relating to the Eastern Mediterranean. But the Community must also, through the organs of the association, give a fresh impetus to relations with Turkey, and the Member States, either in the framework of the Community or in the OECD, must provide substantial funds to support the Turkish balance of payments.

These measures must be backed up by other measures, advocated by Turkey, in other words the 'joint venture' — way cooperation with Arab capital, Turkish labour and European aid.

In conclusion I think that if the Community wishes to ensure that Turkey's policy is orientated towards Europe, it must do so without delay or hesitation. This must be in our interests and in Turkey's. Indeed Prime Minister Ecevit reaffirmed, when he visited the Commission in May, that Turkey was a democratic State and this is the point of its association with the Community and NATO.

The Turkish Government wishes to continue to establish links with the Community without losing sight of the final objective of accession and Turkey is ready, if it receives a satisfactory response from the Community, to include accession as one of the objectives in its next five-year plan, to be discussed in autumn 1978.

I think, therefore, that we should try not to disappoint the pro-European Turkish people and should encourage the leaders and government of this associated country not to turn aside from the Community but to see it as a party capable of helping them, now and in the future, to overcome the immense difficulties confronting them. This is what we are hoping for from the Council and the Commission.

President. — I call Mr van Dohnanyi.

Mr von Dohnanyi, President-in-Office of the Council. — (D) Mr President, as has already been repeatedly stressed, the Council is fully aware of the political importance of Turkey for Europe, particularly

for the Community; there is therefore complete agreement between us on this aspect of the remarks just made by Mr Hansen and Mr Bertrand. Among the countries with which the Community maintains special relations, Turkey enjoys a privileged position as being one of the first to apply for association with the Community. The last meeting of the Association Council took place in December 1976. On that occasion, the Association Council, at ministerial level, adopted a number of important decisions in favour of Turkey: these related to agricultural, social and financial matters and were based on a global offer by the Community which the Turkish delegation described as constructive. The EEC-Turkey Joint Parliamentary Committee has held no meetings since November 1976, when it met in Ankara. A meeting of the EEC-Turkey Association Committee took place on 22 June 1978.

Mr President, we have behind us — and I stress, behind us — a period in which it was not certain how Turkey intended to conduct its relations over a longer term with the Community. Following contacts made by the Turkish Prime Minister, Mr Ecevit, in various capitals of the Community and also with the Commission in Brussels, the EEC-Turkey Association may be expected to experience a new upswing.

As regards specific measures by the Community to reanimate its association dealings with Turkey, it is still too early to deal with individual points in detail. We must first of all hear the Turkish Government's views on the future of its relations with the Community; then the Commission will draw up all-embracing proposals.

In this connection, I would remind you that the Council has continually stressed the importance it attaches to stability and equilibrium in this Mediterranean region which is so important to the Community. Here again I refer to what was said by the two honourable Members when speaking to their questions. During its discussion in June 1975 on the Greek application to join the Community, the Council stressed the importance the Community attaches to maintaining and developing a close relationship of association with Turkey and expressed its conviction that Greece's accession must not be allowed to have a deleterious effect upon the Community's relations with Turkey or lead to any changes in the rights established in the Ankara agreement between the EEC and Turkey. Mr Genscher expressly referred to this point this morning.

This same concern found expression during recent discussions in the Council on the Commission's wide-ranging reflections on the general problems of future enlargement. With regard to financial cooperation, you may remember that additional financial aid to

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Turkey amounting to 47 million u.a. is provided for in the Additional Protocol signed with Turkey, in connection with the question of enlargement, on 30 June 1973. This Protocol, which has been ratified by all the Member States, still has to be ratified by Turkey itself before it can come into force.

Finally, a third Financial Protocol with Turkey was, as you know, signed on 12 May 1977. This provides for financial aid amounting to 310 million u.a. Its ratification by the Community is at present under way: it has not yet been ratified by Turkey.

Mr President, from the very beginning Turkey has occupied a special place in the Community's external relations, and in this the Community has not changed its attitude towards Turkey. The Community is ready, as it always has been, to examine with Turkey all possibilities of working for the greatest possible *rapprochement*. This, of course, includes questions of political cooperation. The Nine attach great importance to maintaining close relations with Turkey, and, bearing in mind the prospects of enlargement of the Community and also the aims of the Association Agreement with Turkey, the Nine have decided to propose to Turkey a mutual exchange of information on subjects which have been discussed by the Nine in political cooperation and which might be of particular interest to Turkey. In the course of this year, the Nine hope to be able to make specific proposals to the Turkish Government on this subject.

President. — I call Mr Natali.

Mr Natali, Vice-President of the Commission. — (1) I think that Mr von Dohnanyi made a very valid point a moment ago when he said that we shall deplore the fact that over recent years relations between Turkey and the Community have not developed in the way that we wished and hoped they would. I think that if we analysed the reasons for this we should probably find faults on both sides.

For some time, public opinion in Turkey has not taken a very favourable view of relations with the Community and with Europe and this is undoubtedly a very important factor. But I believe the past must be put behind us; the misunderstandings which may have arisen, even in political matters, must be overcome and I believe that the visit which Prime Minister Ecevit made to the Commission on 25 May last was extremely important from this point of view. This visit leads us to hope that relations between the Community and Turkey will receive a new impetus and that the objectives of the Association will be achieved.

Prime Minister Ecevit clearly confirmed Turkey's desire to remain within the Association and above all to consolidate its attachment to the West.

He also said that in view of the profound changes in the economic situation in the world, in the Community and in Turkey since 1973 — when the Additional Protocol entered into force — and in view of the prospects, to which Mr Hansen and Mr Bertrand drew the Assembly's attention, of further enlargement of the Communities, we will have to work together to find the means of achieving the objectives on which the Association was founded.

The Commission believes that the ideas set out by the Turkish Prime Minister constitute a positive basis for resuming talks with the Turkish authorities. These talks, as Mr Ecevit himself pointed out, should be concluded by autumn.

Mr Hansen and Mr Bertrand put forward some very interesting suggestions on the type of measure which should be developed. I will not go into the details of these suggestions, particularly because I believe that any future action should be coordinated between Turkey and the Community. During Mr Ecevit's visit we decided on the consultation procedure for drawing up, by autumn, a complete list of Turkey's requests to the Community, on the basis of its needs, requests to which the Community can and should accede, both to contribute to the economic development and the strengthening of the links of the Association, and to take account of the consequences which enlargement will have on relations between the EEC and Turkey. In view of the need for these consultation procedures and particularly in view of the need to examine the proposals put forward by Turkey, Mr Hansen and Mr Bertrand will permit me to say that their suggestions are extremely important but I am afraid that we cannot discuss them at the present time because we would not wish to do so until after the close consultations with the Turkish authorities.

As regards this series of meetings, I must say that the Commission will do all in its power to ensure that these contacts are successful, and will draw up its proposals on the basis of information received from the Turkish authorities. I would like to assure Mr Hansen and Mr Bertrand that the Commission will not fail to inform Parliament of the outcome of these contacts.

I would like to make one final comment. Mr Hansen and Mr Bertrand stressed the need to develop measures which would, so to speak, make up for lost time and take account of the Community's future prospects. I would like to say to those speakers that the Commission is perfectly aware of this: so much so that in the 'fresco' which it has drawn up it has, I believe, given significant importance to the need to maintain, consolidate and develop relations between the Community and Turkey.

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

Mr Dankert. — (NL) Mr President, I should like first to express my appreciation of the statements by the Council and the Commission on relations with Turkey. It would appear from what the German President-in-Office of the Council said this morning that the second half of this year will be a time of important developments in relations between the EEC and Turkey. But Bonn has a reputation to maintain in this area, and we should hold the German President-in-Office of the Council to it. There are a number of good reasons for giving more than usual attention to relations between Turkey and the EEC. There is a lot more involved than the details of talks such as those that were held in May.

This is a favourable moment. Turkey now has a government which is favourably disposed to the EEC and which is, moreover, politically in a position to make something of that. This is a departure from the earlier situation. The enlargement of the Community will also have a profound effect on Turkey's attitude to the EEC. I have the impression that insufficient thought has been given within the Community to that aspect of enlargement. This does not just mean the accession of Greece: it concerns the overall Mediterranean problem that will be created by the accession to the Community of Portugal and Spain as well, and the effect this could have on relations with the Maghreb countries. So this raises problems that are much more fundamental than internal EEC problems. Enlargement will have a strong impact on external policy. I should like to consider that in connection with European political cooperation. The consequences, particularly as they affect relations between Greece and Turkey, are particularly stark at the moment, but this is also having a profound effect on Turkey's relations with NATO and the consequences may be even more serious if political cooperation is extended to Greece. These are problems to which we are not paying enough attention. We should seek a medium-term solution, not try to solve them from one day to the next; but they clearly demonstrate that Turkey is vitally important to security and to the operation of the EEC. I feel that that cannot be said often enough.

There is the other problem — the internal Turkish problem. One of the reasons why this Parliament welcome the fact that negotiations are now going on with Greece, and that negotiations are to be opened with Portugal and Spain, is that the EEC can help to stabilize the democratic system which has just recently been restored in these countries. Now, there is no reason why Turkey should not get the same kind of help from the EEC, even although it is not considering joining the Community in the immediate future. Democracy in Turkey is structurally just as weak as democracy in Portugal or Greece or Spain. Turkey should not be denied the assistance it needs to

stabilize democracy inside the country when Spain, Portugal and Greece are being helped to do just that by special income transfers.

Mr President, I have already said that the Council and the Commission have given us little definite information about now this is to be done, and we look forward to seeing the proposals on supplementary and additional protocols in the next few months.

I should like to comment particularly on the point that was raised by the President-in-Office of the Council about the Copenhagen discussions on providing Turkey with guidance on political cooperation. It is intended that this should happen after Greek accession. I understand, but I have still seen no official communication on this, that after Greece becomes a member of the Community, Turkey is to be kept informed. I am still unaware of any official Turkish reaction to this, but it seems obvious to me that in practice that will be insufficient, in particular as it affects the specific problems of Greek-Turkish relations, above all in the Eastern Mediterranean. I am sure it would be unacceptable to the Turkish Government for Greece to be able to take part in discussions of the Greek-Turkish problem under a system of European political cooperation from which Turkey was excluded.

Bearing in mind the likely effect on public opinion in Turkey and bearing in mind the room for manoeuvre left to the Turkish Government. I think it is extremely important that the principle of equal status should be adhered to in the matter of political information, because that is the best chance there is of bringing about the improvement in relations between Turkey and the European Community that we are trying to achieve.

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

Mr Jahn. — (D) Mr President, ladies and gentlemen, my group have given their support to the oral question now being debated because it is with great concern that they have witnessed the stagnation of relations under the EEC-Turkey Association, the neglect of Turkey and the threat she faces of isolation in the Western world. I wish to thank the chairman of the Political Affairs Committee, Mr Bertrand, for his presentation of the political discussion in that committee: it represented the views which had crystallized there and which he largely shares.

I would remind you that Turkey is one of the few Mediterranean countries with a democratic régime, despite all the troubles it has experienced, and a loyal partner in our Western defence system. A glance at the map is enough to convince oneself of this country's geopolitical importance for the Near East, for the

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Mediterranean region and for Europe in general. Nevertheless, Turkey's wishes for an improvement or a consolidation of her relations with the Community have often fallen on deaf — I repeat, deaf — ears in Europe. Is it any wonder, then, if Turkey, our partner in treaties and alliances, should feel misunderstood and neglected? Is it any wonder that Turkish public opinion, for lack of proper consultation and information, sees in the negotiations over Greece's application for membership in the Community a tendency by our Member States to take sides to Turkey's disadvantage? Again, can we be surprised if, in view of the arms embargo which has existed since 1974, Turkey should feel that she has been pushed on one side within the NATO alliance? Turkey, we all know, is entirely within NATO but Greece only to the extent of less than 50 %. I believe we must recognize that people in Turkey take notice of the fact that Greece and the Greek lobby in the US Congress exploit the arms embargo on Turkey as a lever not only with regard to Cyprus but also with regard to Turkey, for the purpose of weakening her. The fact that the West has so far given Cyprus 700 million dollars' worth of aid, of which the Greek-Cypriot Government has assigned only 20 million dollars to the Turkish part of the island, is greeted in Turkey with something more than amazement.

This does not correspond to our conception, or the Western world's conception, of humanitarian aid to Cyprus as a basis for finding a solution to this problem.

A word on the attitude of the Turkish Governments — and I stress, governments, with special reference to the previous speaker — to the European Community. Every government — and I stress, every government — with which we have had to deal has adopted a perfectly clear attitude towards the Community and the Western alliance. This attitude, that is, is shared by the entire Turkish people.

The attitude of the Turkish Government and in particular its tendency to turn towards the Islamic world and countries of the Eastern bloc, due to regrettable errors by our governments and also by institutions of the Community, can no longer, I think, be a cause of surprise to us. On the contrary, it is high time the European Community, our Member States and also the USA genuinely fulfilled their treaty obligations to Turkey, complied with her legitimate wishes and in general breathed new life into their relations with her. Only in this way can we avoid dangerous developments. Only in this way can we stop Turkey from being driven into isolation or even into the outspread arms of the East. Those with sufficient connections to be able to divine what is going on inside Turkey are aware of the widespread discontent and unrest which

is at present being provoked, not in the government but in party-political circles and in large sections of the population, by the prospect of neutralization and isolation.

Mr Ecevit, the Turkish Prime Minister, assuredly made it clear in Brussels, at the end of May 1978, that he is not out for any radical — and I stress, radical — changes in the existing legal and institutional framework of the EEC-Turkey Association. At the last NATO conference too, despite the continuing embargo, he adopted a waiting, moderate position. At the same time, however — and this is not a matter of merely incidental importance — if we look at the wording carefully we find that at the end of last month he signed in the Soviet Union a political document on friendly cooperation and a long-term economic agreement. According to press reports from Ankara and Istanbul, Turkey wants to keep all doors open, and this to my mind is understandable in view of the developments of the last few years but dangerous for the situation as it has been so far in the Eastern Mediterranean.

And so, to prevent further possible negative developments, we call upon the Council and the Commission to start without delay the talks by experts that have been planned with Turkey so that public opinion in Turkey, as elsewhere, can shortly become aware of steps to activate EEC-Turkish relations. Only in this way can, we think, growing political pressure within Turkey be avoided which might — I repeat, might — lead the country to turn away from the European Community.

The negotiations over Greece's application to join the Community acquire a special significance in view of the problems, unhappily still unsolved, relating to the Aegean and to Cyprus. Public opinion in Turkey fears that the Community, once Greece has been admitted to membership, may take up an anti-Turkish stand on the so-called unresolved problems. Added to this is the belief that Turkey's admission to the Community might be blocked by a Greek veto, and I am convinced that, before Greece joins, we must make sure — and make legally sure — that such a veto is impossible after Greece has joined the Community.

Hence it is clear that economic concessions are no longer enough to put our relations with Turkey in order. It was therefore with particular interest that we noted the results of the latest meeting of the Foreign Ministers, held in Copenhagen on 12 June 1978, to which Mr Bertrand referred.

Although Greece is not yet a member of the European Community and although it has made no such request, it should already be kept informed about meetings of the Political Affairs Committee and about meetings of the Ministers. A similar procedure is also envisaged for Turkey, but, according to press reports, not before the Treaty of Accession has been signed.

Jahn

According to Mr von Dohnanyi, it is intended to make such proposals to Turkey in the course of this year. The best proposal one could make to Turkey would be that Turkey should be kept precisely informed from this moment on about political cooperation measures, as is the case with Greece.

I am of the opinion that if we carry on as we are doing now instead of meeting Turkey half-way and ironing out whatever difficulties may arise from the negotiations on accession, we shall not only be violating our obligation to hold consultations under Article 56 of the Additional Protocol to the EEC-Turkey Association Agreement but also offering unfairly favourable treatment to Greece. And that will not do!

I ask you to make careful note of what I have said and to enable Turkey to participate in political consultations in a manner which is both worthy of this country's importance for the European Community and designed to allay the feelings of frustration and suspicion nurtured by Turkish public opinion, for our political activities can only reach Turkish public opinion when really constructive proposals and a policy of long-term economic aid begin to make their appearance.

I am grateful to the chairman of the Political Affairs Committee, Mr Bertrand, for his clear presentation of the discussion held in that committee, also to my colleague, Mr Hansen, whose statements in his capacity as chairman of our delegation to the EEC-Turkey Association joint Parliamentary Committee are in all important points supported by my group, and we hope that when we — that is, all the groups, the Council and the Commission — tackle this question together we shall find a way of reaching a solution to this question of relations in the Eastern Mediterranean — EEC-Turkey-Greece, EEC-Greece-Turkey-Cyprus or however they may be designated — which will guarantee peace in the Near East.

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

Mr Pintat. — (*F*) Mr President, ladies and gentlemen, the Liberal and Democratic Group welcomes this debate, in that it enables the European Parliament to break the year and a half's silence which has given our Turkish partners the impression that the Community has abandoned them. This is serious, in view of the patient attempts at penetration by the Soviet Union, which have just culminated in a pact of mutual confidence and cooperation, signed in Moscow by Mr Ecevit.

Turkey's grievances against the Community centre mainly around its Mediterranean policy and its forthcoming enlargement.

As far as the Mediterranean policy is concerned, various agreements concluded with the Maghreb and Mashreq countries etc., have resulted in an erosion of the preferences, notably in the agricultural sector, which Turkey was granted under the association agreement. The preferential conditions for the access of Turkish products to our markets must therefore be restored, if necessary by updating the agreement.

In addition there is Article 56 of the additional protocol which provided for appropriate consultations in the event of reciprocal political or economic interests being placed in jeopardy by the enlargement of the Community. In fact, negotiations with Greece have progressed considerably and negotiations with Portugal and Spain have also been initiated, without Turkey being consulted in accordance with the protocol. This has been much resented by Turkish public opinion.

Paragraph 5 of the proposed resolution, asking that these consultations should begin immediately, thus remedying this omission, therefore seems very much to the point.

It is true that elections were held in Turkey in 1977; it is true that it was not easy to form a Turkish delegation to the European Parliament because of the vicissitudes of the Demirel government. But that does not justify the attitude of the Community, which is acting as if Turkey was not bound to it by an association agreement intended to culminate in due course in full membership of the Community.

This attitude is clearly at variance with the efforts that the Community is making to establish new links with countries which are less close to it from the geographical, political and defence points of view.

Even the 'fresco' on enlargement is very vague with regard to Turkey; it merely affirms that the enlargement must not hamper the implementation of the association agreement and expressed a political determination to consolidate and extend relations with Turkey.

What is the practical significance of these terms? What strategy can achieve this political objective? What measures are being considered with a view to improving Turkey's trade balance, which shows a substantial deficit in relation to Europe? What social measures are to be taken to reduce the rate of unemployment, at present 20%? What proposals can be made with a view to restoring preferential treatment for Turkish products?

These are specific questions which the rapporteur on the problem of enlargement must ask himself and they must be answered if this important Commission document is to produce the desired results.

Whether or not Turkey regains its interest in the Community depends on the answer received. Parlia-

Pintat

ment must make greater efforts to reactivate the association with Turkey and we hope to see the joint delegation resume its work. Although we are glad that the accession negotiations with Greece are progressing so satisfactorily, we must try to maintain a balance in our relations with this part of the world, in such a way as to restore Turkey's confidence in us, so that it does not begin to reconsider its links with the West — a relationship that goes back to Atatürk.

To achieve this, there is no need to put a stop to our relations with Greece and to the enlargement process, but this commitment must be counterbalanced by a positive attitude towards Turkey in the economic and political spheres. The representatives of the Liberal and Democratic Group will work to achieve this in the relevant parliamentary delegation. We shall also endeavour to remedy the present lack of progress in the political field and obtain information from Turkey as was proposed at the Conference of Foreign Ministers in Copenhagen. This regular information, which would help to alleviate Turkey's feeling of isolation, would be particularly useful for the meetings of the Conference of Foreign Ministers which concern Turkey directly, enabling a start to be made on finding a solution to the Aegean disputes, notably the problem of the continental shelf and, if possible, the Cyprus conflict.

In conclusion, we must not forget that Turkey is one of the all rare democracies that exist in the world today and that it is our duty to give it political support. Economically, we have a further reason for helping it to overcome its difficulties, which can be summed up in a single figure: an inflation rate of 40 % in a year. Turkey has over 2 ½ million unemployed and an external debt of 12 000 million dollars, of which 6 000 million are a short-term loan, in other words repayable before the end of the year, as was pointed out by the chairman of the Political Affairs Committee, who gave us an accurate summing-up of the situation.

The OECD recently proposed that this debt should be consolidated. The Community should try to negotiate the consolidation of Turkey's debts to its Member States collectively and not bilaterally. This is a practical measure which would enable the Community to regain Turkey's confidence and show the rest of the world that it is a single entity, which would be good for its prestige. Such a step seems to me entirely feasible on the eve of the Bremen Conference, the aim of which is to give a fresh impetus to economic and monetary union. It would encourage all those in Turkey who are fighting to maintain links with Europe, for instance Mr Inan, the ex-chairman of our Joint Parliamentary Committee. This additional encouragement would also help to prevent a widening of the gap between Turkey's economy and our own,

which would further jeopardize the possibility of full membership in the future, which, let us not forget, is the ultimate aim of the association agreement. The Liberal and Allies Group is therefore very much in favour of ensuring more regular information and promoting greater understanding between Turkey and the Community.

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

Mr Spicer. — Mr President, I think that it is quite clear from the House's deep interest in this oral question, and also indeed in Mr Bertrand's oral question, just how concerned we all are about the situation in Turkey. I sometimes feel that we have a little more concern for the current situation in Turkey than perhaps some of the Member States have from time to time. I think that, individually and collectively, we all know that Turkey is now experiencing the worst social and economic crisis since the foundation of the Republic. That situation has been growing worse over the last two or three years, and it clear that we have now reached a stage where we can no longer talk of help and support for Turkey in terms of next year or 1980. Action has to be taken now and within the next 6 months.

If I may say so, time is not on our side, and I would take to task a view which I have heard expressed by the Council on several occasions in the past, and again today, that Turkey does receive what amounts to most-favoured-nation treatment. There was a time when that applied, but over the years — and this has been stressed by many speakers in this debate already — that most-favoured-nation treatment has been eroded, with the result that Turkey now feels that no one in the West really cares. This view is supported by Turkey's relations with NATO, and in particular the bilateral arrangements with the USA. No one in this House, although we might hope that there will be a change in attitude within the United States, can really expect the arms embargo to be lifted. This cannot be viewed in isolation from Turkey's relationship with the EEC, because relations between Turkey and Europe will automatically deteriorate with any decline in the good feeling between Turkey and the United States.

Then there is a definite fear in Turkey, and I personally believe a growing fear, that we within the Community are continuing to favour Greece over Turkey. Now we and the Council of Ministers and the Commission can protest that this is not so, but that fear is there and it pervades the whole Turkish community from the Prime Minister downwards. They believe that we are tackling their problem within the Community, but that in so doing, we are going to favour one particular party to that dispute. I would like to say a few words about that in a moment.

Spicer

In spite of all that and in spite of all the problems, what we have to realize, and indeed to be grateful for, is that in the Prime Minister of Turkey we have a man of outstanding capability and of world stature. I think we should all be grateful for his recent tour round Europe, when he made Turkey's position quite clear and spelt out the need for help from us. But he also made it clear that he still looked towards developing relations with the European Community with a view ultimately to membership of that Community.

We all know that Turkey is in the process of preparing a new five-year plan. If we in the Community are to do anything to help Turkey on a scale that will have some impact on its present economic problems, it is vital that our work should run in parallel and link up with the work they are doing. They are working on their five-year plan now. If we are to help them, our work and theirs must dovetail. I hope that the Commissioner will give an assurance that he is looking at their five-year programme and saying, 'this is the area where we can help you, this is where we can give a massive injection of support.'

I do not want to go into financial protocols or other things, but let me briefly mention four areas where I think we should be doing much more for Turkey. The first is agriculture. We all know of the population explosion that we are going to see in Turkey over the next 20 years and we know that they should aim for self-sufficiency, which may possibly mean a surplus in the short-term. But is there not some particular way in which we can help them, not only by dealing with their surpluses but by encouraging the development in their agricultural structure of certain crops that could be of help to us? One could instance soya bean, which we in the Community need desperately and Turkey could so easily provide. Why cannot we provide the experts, why cannot we provide the seed, why cannot we give a guarantee that we will buy back from Turkey over the next four or five years the first results of such cropping which would favour us within the Community? That seems to be a commonsense arrangement that would help them as well as helping us.

Then I think there ought to be special consideration for industrial export. I apologise particularly to my friend, Mr Vandewiele, who sits with me on one committee. He has heard me say this time and time again. There can be no sense in the industrial countries of the Community going out on an export drive and selling, say, textile machinery to Turkey to help it build up a textile industry, and then in the next breath turning round and saying, 'look, we did say that three years ago, but now we do not want your textiles, you jolly well have got to hang on them and do the best you can with them.' We cannot have it both ways, and this is what we are trying to do. We are trying to get export orders for ourselves, and then

when we have to face up to the consequences of those exports a few years later, we do not particularly like it.

To turn to the question of migrant workers, of course we all understand the problem of migrant workers within the Community. We know that the days when we could take migrant workers in a never-ending flow have gone. However, if we cannot take migrant workers, it is no use our temporizing and saying that what we ought to be doing is encouraging the development of employment in Turkey, so as to bring those people back and find employment for them in Turkey.

I should now like to turn to an area that worries me more than anything else, and I was particularly sorry not to hear from either the Council or the Commission any positive mention of it. I refer to this business of consultation which has been mentioned by several speakers this afternoon. It is not good enough from Turkey's point of view to be consulted only after enlargement. It is not good enough for us to say, 'this is what we think we will do; we will talk to you after we have made decisions and give you the first glimpse of what we are proposing.' If we are going to retain Turkey's trust, then in my view we have to devise a completely new consultation procedure right at the beginning. Now I do not know how that is to be done, but I am sure there are wise men over on that side of the House who can deal with that tiny little problem and get it right, so that the Turkish government and the Turkish people will be happy with the result.

What we face is a situation where stability in Turkey is at risk, and the repercussions of failure in Turkey, if Turkey cannot succeed as a democratic state, — and that is what we are really talking about — will be felt not just within Turkey alone. We are witnessing not merely a takeover by the Left or the Right in Turkey, but the destruction of a vital part of Western democracy. It has been mentioned this afternoon that we talk a great length about how vital it is for the continuance of democracy in Spain and Greece and Portugal that they should come into the Community. That is important, but there is something far more important in my view. I look at the Community not just as an economic Community or a political Community. I also believe that we must care for the defence of our Western way of life, and in that context Turkey plays a vital role.

I look at those three things, the economic stability of Turkey, the political stability of Turkey and Turkey's role in the West, and we are all involved in that. I heard Mr Ecevit in London when he was speaking at to the Institute of Strategic Studies, and he said that Turkey is no longer prepared to provide the frontier guard for NATO, if NATO will not provide that frontier guard with the arms. Turkey feels that both in

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economic and political terms it is moving into a position of isolation from the Community.

My Group supports this resolution wholeheartedly. We know that the Commission has great plans and we hope they will soon come to fruition. We hope that they will also have the full support of the Council of Ministers, because if they do not, then I really do fear for the future of democracy in Turkey and I fear for the effect on our Community, should that democracy fail to live up to our expectations.

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

Mr Porcu. — (*F*) Mr President, ladies and gentlemen, I am delighted that the question of relations between the Community and Turkey is the subject of a debate in this House. By the way, it was primarily to enable this debate to take place that my group joined in today's questions, which does not mean that we approve their content or all their ramifications, or that our attitude has moved towards the attitude of the other political forces supporting these questions. I will now explain why. We cannot escape the fact that relations between Turkey and the European Community have been particularly bad for nearly two years. In various Community institutions, and in this House in particular, the wish to conduct some kind of model policy of cooperation with all the Mediterranean countries has often been voiced. Well, the present state of relations with Turkey shows the limits of that policy nicely. From the economic point of view we should be trying to reach a form of mutually beneficial cooperation, which respects the independence of both parties, and is based on the economic and social progress of all the elements involved. Instead, we see multinational capital establishing its dominion. In both the Community and third countries, this dominion seeks to make the biggest profit in the smallest amount of time, and for the peoples of the Community and the peoples of the associated countries it is a heavy burden to bear.

Turkey is an obvious example: Turkish migrant workers being sent back home at a time when there is 20 % unemployment in Turkey; Community investment concentrated in those sectors of the work-force where we can benefit from low wages in the area; increasing imbalances in trade to the disadvantage of Turkey. From the political point of view, we can only note sadly that the European Community's attitude — and today's debate proves my point — is largely inspired by policies formulated in Washington. The President of the United States is seeking a rapprochement with Turkey, so the Community falls into step and tries to unfreeze its relations with the Mediterranean countries.

So in the present economic situation, the basic concern is to help Greece join the European Community, and prepare for Turkey's accession tomorrow, as the speakers before me said. All this will be done in much the same way as the enlargement of the Community envisaged today, in other words, to the exclusive advantage of large-scale capital, to help it reorganize at the expense of the workers, of many small and medium-sized businesses, and at the expense of the regions and entire sectors of the Community.

The Community will not grow by making partisan use of willingness to cooperate, by giving it rein or restraining it as circumstances dictate in order to serve hidden interests.

We have a different idea of cooperation, based on diversity of relations, on non-discrimination and on respect for partners. This is not a new position for us; when the Community's relations with Turkey were at their lowest ebb, my friend Marcel Lemoine said at a meeting of the Joint Parliamentary Committee in Ankara in 1976 that it was necessary — and I quote — 'to go beyond this short-sighted policy and develop a broad kind of cooperation with Turkey which would be in the real interests of the people of our countries.' When Mr Ecevit says during his visit to the USSR that he has found that states can strive for peace, live in friendship and develop mutually advantageous cooperation, even though they belong to different defense blocs and social systems, I note that his words alarm some of our colleagues, and I ask myself why. Or when Mr Ecevit asks in Brussels for the EEC-Turkey Association to be reorganized because of the serious shortcomings in the relationship, and because it has been eroded, we can only express our support for the Turkish Prime Minister's proposal. And in fact cooperation must make a break with the policies of the blocs, and with capital's stranglehold on trade and finance; it must be based on reciprocal advantage and strengthened industrial, technical and scientific relations, and it must emphasize exchanges of technology and vocational training. It must respect the independence and sovereignty of all.

I hope, then, that I will be able to welcome the fact that such principles are at last being applied when the Joint Parliamentary Committee next meets with our Turkish colleagues.

Allow me to conclude by stressing that the establishment of complete democracy in Turkey, the end of all repression and the lifting of prohibitions would not only meet with widespread approval amongst our peoples, but would also facilitate wide-ranging and fruitful cooperation.

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

Mr Rivierez. — (*F*) Mr President, at this stage of the debate it might seem that everything there is to say has been said. The miracle which the last speaker of a group to take the floor has to accomplish is to find something new to say.

But this is an interesting debate and it does not require a miracle to find something to say. It is interesting, and it is taking place at an auspicious time, following Prime Minister Ecevit's visit to the Community, the talks which took place and the demonstration by the Community of its political will to give new impetus to cooperation with Turkey. It is good that this has been decided on, and that the representatives of the Council and the Commission have both spoken in favour of it.

This renewal of relations is imperative because, whether you like it or not there are special links between Turkey and the European Economic Community. We must not forget that Turkey is our second partner with privileged status; the Treaty of Ankara came immediately after the Association Agreement linking us with Greece, and Turkey has expressed its wish to have it examined and solutions found. But when it is remembered that Turkey is a privileged partner, its displays of ill-humour can be understood, and it may be noted that the advantages given to Turkey as a privileged partner have crumbled away as our Mediterranean policy has developed and agreements have been made with the Maghreb countries and other Mediterranean states. These agreements had the effect of making Turkey think whether justifiably or not, that what it had been granted was eroding away, as has just been said.

Thus the attitude of Turkey, and the resentment of this privileged partner, may readily be understood.

A second fact should be borne in mind. In accordance with the Treaty of Ankara, Turkey will one day be eligible for full membership of the Common Market. Turkey is aware of this, and is astonished that something laid down in the Treaty, especially areas such as freedom of movement, are running into difficulties. Turkey is certainly astonished at the lack of understanding and of readiness to share the burden of its problems when it is remembered that a large proportion of its foreign exchange comes from Turkish nationals working in some Member States of the Community. Turkey would hope that the decisions taken, which are justified by the economic difficulties of Member States, and of one in particular, would have enabled this first step against free movement of workers to be restricted. Here again, Turkey's display of ill-humour can be understood, and it is right, as I

have read somewhere, that we should endeavour to give Turkish workers what is known as the status of 'second priority', after the priority given to Member States of the Community.

A third point which also needs examining is the present situation in Turkey, which everyone has mentioned. Turkey is facing considerable economic difficulties, and it is to be wished that these do not lead to political difficulties, for that would be disastrous. In trying to reach a new *modus vivendi* with the Community, it is only to be expected that Turkey would make various demands. Turkey is asking for a period during which certain customs measures will not apply, and would like to have a safeguard clause for its own industry, which is obviously not covered in the texts or the Treaty. It is only to be expected that, as Mr Pintat pointed out just now, Turkey is asking for a particularly favourable arrangement for its agricultural exports. So, in order to understand Turkey's attitude, it is necessary to bear in mind the point I have just made. And I believe that if the Community wants to cure Turkey's problems, once they have been expressed clearly, it will have to make a great effort and bear in mind what every speaker here has pointed out.

Then there are Turkey's suspicions aroused by the imminent accession of Greece. Turkey is convinced that we prefer the Greeks. This suspicion is not something that can be dispelled by mere words. It can only be dispelled by action, and what exactly the Community is planning to do to settle the difficulties encountered with Turkey will show Turkey that Greece is not preferred and that we are aware of Turkey's importance to the Community. However, there is no need to worry that after Greece has joined, Turkey will fear whatever the Community does. But I would repeat that this is something indefinable, and actions are needed to show Turkey that its occasional suspicions are unjustified.

Mr President, I could say now that I associate myself with what has been said by most speakers here, except my immediate predecessor; however, I must make one reservation with regard to political cooperation. My group has been looking at the draft resolution tabled by Mr Hansen and others. We support this draft resolution except for paragraph 6. Why? Because according to paragraph 6, the European Parliament 'Hopes that the Foreign Ministers of the Member States of the European Community meeting in political cooperation will examine the real possibilities of enabling Turkey to participate in their work, ...'. It is impossible to consider Turkey participating in the work of the Foreign Ministers meeting in political cooperation, because only Member States may participate in this way. If it had read 'will seek ways of informing' we would have understood; that is why we cannot support this wording of paragraph 6. And that is why we have tabled an amendment to delete it,

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which we would be prepared to withdraw if the wording of paragraph 6 were altered from 'enabling Turkey to participate in their work' to 'informing Turkey about their work'. Only Member States can participate in meetings of the Foreign Ministers, and we should not encroach on the powers of this institution, which dates from 1969, was altered in 1974, and operates smoothly. If we do, every associated state will soon be asking to participate in the work of the Foreign Ministers of the Nine meeting in political cooperation. I do not know whether you have weighed up the import of the phrasing of paragraph 6. I ask you consider it; we would be prepared to support a text not worded in this way: that is why we have tabled this amendment to delete paragraph 6.

That is what I wanted to say on this important subject which the Assembly was right to deal with this evening. If I am not mistaken, our debate is taking place following the Turkish Prime Minister's visit. It is taking place at a time when new relations are being sought to take into account the serious situation in Turkey. So our debate will enable the Turkish public to understand that this House wants to help Turkey regain its equilibrium. Our debate will also enable the Commission to understand that with the reservation of what I said regarding political cooperation, this House supports its generous approach to the problems which are soon to be discussed with our Turkish partners.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, ladies and gentlemen, I am in fact grateful that with regard to paragraph 6 of our motion for a resolution a colleague from the Group of European Progressive Democrats has once more demonstrated his loyalty to the views of the leader of the French Gaullists. The pretext made out for not being able to allow Turkey any participation in European political cooperation is exactly what was to be expected after the Group of European Progressive Democrats had failed this morning, in spite of two insistent requests, to answer the question whether that group in this House shares the views put forward over the weekend by Mr Chirac as leader of the French Gaullists, namely, that his political supporters are opposed to the accession of Greece, Spain, Portugal and also Turkey. Naturally, no one who is opposed to granting Turkey, in the more distant future, the full membership it may apply for under the Association Agreement can be expected to grant Turkey, one of the Western community's most loyal partners, a right of consultation in the framework of European political cooperation. I am sure that the other groups in this House who have tabled the motion will make it clear how isolated the Gaullists, including Mr Chirac, are in this House.

(Applause from certain benches on the left)

President. — I call Mr Rivierez for a brief reply.

Mr Rivierez. — (F) Mr President, this is the third time today that Mr Fellermaier has challenged the Group of European Progressive Democrats to speak about something the Chairman of the RPR has said.

I say now to Mr Fellermaier that it is not up to him to question us on our state of mind. He is accusing us falsely by confusing a political position held by the Chairman of the RPR in France and what has just been said on political cooperation.

At its meeting in Copenhagen, the Council said nothing about associating either Greece or Turkey with its work, the work of the Foreign Ministers. It simply said that Greece, and later Turkey, would be informed. So this is nothing new, Mr Fellermaier, but a consistent and traditional attitude.

Thus to attribute to the Member speaking on behalf of the Group of European Progressive Democrats, in this case myself, a Machiavellian idea based on a position held by the chairman of a French party shows a lot of imagination.

However, since you have questioned us so pressingly, perhaps too pressingly, I shall reply to you, Mr Fellermaier. One day the problem of enlargement will be raised in this House. It will be voted on. I hope that both you and I will still be Members of this House. Then we shall see how you vote and how the EPD group votes. So don't be in such a hurry, Mr Fellermaier, and don't be so aggressive!

(Applause from the Group of European Progressive Democrats)

President. — I call Mr Spicer.

Mr Spicer. — Mr President, had Mr Fellermaier been in during the course of the debate, he would have heard all speakers during the debate making it absolutely clear that we are dealing with the Turkish side. From a Turkish point of view, they will not accept being informed afterwards. There must be a new form of consultation, and that is why, on behalf of my group, I reject this amendment.

President. — I call Mr Radoux.

Mr Radoux. — (F) Mr President, I believe that in his capacity as President-in-Office of the Council, Mr Genscher was right to mention the problem of Turkey, because while conducting discussions and negotiations with Greece we cannot feign ignorance of the problems which divide Greece and Turkey. We ought to realize that once Greece is part of our Community, unless we have already shared actively in Turkish problems, difficulties will also arise between the Community and Turkey, and that must be avoided.

When negotiations start with Greece, the Community must somehow offer its good offices to try and settle these problems, in the mutual interest of both parties; I think they will be able to find a solution. At a time when we are becoming more interested in our Greek colleagues, with whom we are associated, I believe it would be useful if our Turkish friends could let us know both their short-term and long-term wishes. While it is true that the Association Agreement provides for Turkey to join the Community, it would perhaps be no bad thing in the long run of we knew what the intentions and wishes of our Turkish friends were. I think that we could then try and satisfy our Greek friends.

President. — I call Mr Edwards.

Mr Edwards. — Mr President, after the very constructive debate we have had, there is very little left to be said. But there is one point which I think is necessary for us to underline, and that is that thirty years of parliamentary democracy in Turkey can very easily disappear under the stress of economic difficulties. It is very difficult indeed for a parliamentary democracy to maintain itself when its inflation rate is running at 50 %, when its unemployment percentage is over 20 % and when all its exports are not equivalent to the cost of its imports of energy. How can a democracy be maintained under those circumstances? It leads to a welter of industrial disputes, such as is taking place in Turkey today, because workers are entitled to keep wages in tune with prices, and therefore it is urgent that we keep Turkey close to our Community, and I think this resolution represents our views on the subject.

I do not want to introduce controversy into this debate because it has been very harmonious so far, but one of Turkey's real difficulties with the West, and particularly with the United States of America, is the failure to assist in the settlement of the Cyprus situation. Here is a country that has a large army in occupation of this island, with its dreadful strain on its economy. An army that has to be fed and kept creates its own difficulties, and therefore the country's public relations with the rest of the world are such that there is a big lobby in America and a big lobby, I must say, in my own country that wants a settlement of the

Cyprus situation so that we can move in and help Turkey in a big way. And, as a recent visitor to Cyprus, I know there is a great yearning among the Turkish and the Greek Cypriots for a settlement to the problem. They want to live in harmony together, and I hope in our discussions with Turkey we will politely and diplomatically suggest to them that they help us to solve the dilemma of Cyprus, and in so doing we will help them and help ourselves.

If democracy disappears in Turkey it will be a great blow to us. It is a case, as it were, of 'Ask not for whom the bell tolls — it tolls for us.' Every democracy that disappears weakens our democracy, and if the bell tolls for Turkey, it tolls for all of us. So I hope we will carry this resolution unanimously. After all, paragraph 6 only suggests that we consider how best we can bring Turkey into a relationship of participation. It does not insist on it. It merely suggests how best we can do this, and therefore I hope the opposition to this Clause 6 will be with drawn, and we will carry a unanimous decision and help Turkey to move closer to our Community.

President. — I call Mr von Dohnanyi.

Mr von Dohnanyi, President-in-Office of the Council. — (D) Mr President, I have listened with great interest to the various observations that have been made by Members of this House. On behalf of the Council, I should like to say that we are grateful — I repeat, grateful — for the encouragement to take specific steps in the question of a *rapprochement*, as I termed it, with Turkey. I can only hope that this encouragement will be followed by genuine action. It is quite clear that there is no disagreement over the importance to be attached to certain problems raised here, in particular over the importance that Turkey has for Europe, for the Community, and this was stressed once more by Mr Edwards at the very end. Not only that: everything that has been said about Turkey's situation, its population and so on, is absolutely true. The same applies to the scale of the problems: we, too, see them as they have been described here by various speakers. It is also true of the measures that have to be taken. But what are those measures? They concern financial aid, they concern the strengthening of investments in Turkey, together with cooperation. Here I should like to take up what Mr Spicer said about the need to absorb goods arising out of cooperation — or at least the importance of seeing this need. Finally, there is the question of protecting the Turkish market for its own products. All these points were contained in the proposals of December 1976, which still apply and still await the response of the Turkish Government.

But we can take it that in the end more is expected than there has been so far — more in the field of finance, more in the field of exports to the Commu-

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nity and more in the way of cooperation. The question is, of course, whether we agree not only on the measures to be taken, but also on the consequences they will have. The fact of the matter is that goods and products have the disadvantage that they not only figure in delivery notes but are suddenly there in reality: they have to be sold and take the place of other goods. The Council therefore agrees with you that in all these matters relations with Turkey must be strengthened and Turkish interests borne in mind. But as the English say so pertinently, the proof of the pudding is in the eating — and here literally 'in the eating'.

Speaking quite frankly, I have known the Council, in successive meetings extending over a number of months, to spend hour after hour debating the problem of a few barrels of sherry or a few tons of spring potatoes from Cyprus. All I want to do is to remind you that these are the real problems, since goods, as I said, have a way of not confining themselves to delivery notes. I therefore appeal for the Parliament's support when the time comes to turn words into deeds, for we can do nothing unless the national parliaments support everything that has been said here.

Now a word on political cooperation. First of all, I can reassure Mr Porcu that our political attitude to Turkey is definitely not just a copy of United States policy. On the contrary, it is generally known that we have attempted, amid all the conflicts of interests which have been mentioned here and which we naturally are also aware of, to stress the importance of Turkey in the matter that is a subject of dispute in the United States. Mr Porcu can, I think remain assured that in this matter we are not aping the policy of others.

I should also like to say to Mr Spicer that I may have misunderstood his first speech. I understood him as meaning that the Council or the Nine meeting in political cooperation were prepared to have talks with Turkey only after enlargement. That is definitely not true, as it is also not true that it has already been decided that consultations with Turkey can necessarily only take place after the Foreign Ministers have met. Details of this question are still under discussion and I am glad to note that you also attach importance to establishing simultaneity even though there is as yet no membership. That is the problem, and we shall try to solve it.

Mr President, I conclude on behalf of the Council with the observation, after what I have heard today, that there is almost unlimited agreement on the plane of words: I hope that our unanimity will continue when words are translated into deeds.

President. — I call Mr Natali.

Mr Natali, Vice-President of the Commission. — (I) Mr President, I will speak extremely briefly to confirm

what I have said already: the Commission is fully aware of the political, economic and social requirements underlying the need to revitalize the association relations with Turkey; I confirm that by July, the first contacts at expert level will have been held to discuss how our measures will fit in with the Turkish economic plan; the Commission will keep Parliament informed of any proposals it puts forward. The Commission also wishes to stress that it is particularly conscious of the need, pointed out in this House, to view relations with Turkey in the context of the whole Mediterranean.

The Commission would also like to thank all the honourable Members who took part in the debate.

President. — The joint debate is closed.

To wind up the debate I have received from Mr Hansen, Mr Spicer, Mr Jahn, Mr van Aerssen, Mr Baas, Mr Bertrand, Mr Dankert, Mr Edwards, Mr Fellermaier and Mr Pintat a motion for a resolution (Doc. 218/78) with request for immediate vote, pursuant to Rule 47 (5) of the Rules of Procedure. In accordance with the usual procedure Parliament will decide at the beginning of tomorrow's sitting whether the motion for a resolution is to be put to the vote immediately without reference to committee.

11. Customs union and the internal market

President. — The next item is

— the oral question with debate (Doc. 184/78) by Mr Nyborg on behalf of the Committee on Economic and Monetary Affairs to the Council of the European Communities:

Subject: Realization of the customs union and the internal market

In the light of the statement by the Heads of State and Government at their April 1978 meeting in Copenhagen, to the effect that further progress must be made in removing obstacles to the free movement of goods within the Community:

1. What is the Council's reaction to the numerous examples quoted in the report by the Committee on Economic and Monetary Affairs on the development of the customs union and the internal market (Doc. 557/77) showing that the removal of tariff and quantitative barriers to internal trade has been nullified by technical and administrative barriers to trade, e.g., lorries importing milk powder into Italy are forced to wait at frontier customs posts for up to a week while the Italian authorities analyse the nitrate content, and another example, before membership of the EEC, Danish poultry producers could export to the Federal Republic of Germany simply on production of a general Danish certificate of origin, whereas, since membership, the goods have had to be inspected by the West German veterinary authorities, at specific public slaughterhouses, few in number, and only at certain times?

President

2. Why are important proposals from the Commission to improve the operation of the customs union and the internal market blocked in the Council; e.g. the Commission proposal on the transition to the free circulation of goods, submitted to the Council in December 1973?
3. Why — more than twenty years after the establishment of the customs union — is there still no essential difference between the formalities at the Community's external and internal borders?
4. How does the Council explain the fact that persons residing or working in more than one Member State are subject to continual incomprehensible formalities and inconvenience; e.g., having to pay motor vehicle tax in more than one Member State?
5. Does the Council agree that only very few branches of industry are in a position to reap the full technological and economic advantages to which the creation of the common market should have given rise and that, because of the persistence of administrative and technical barriers, many important sectors of the economy are actually deprived of much of the advantages they should enjoy in competition with Japanese and US manufacturers, for example?
6. Does the Council regard the state of the customs union and the common internal market, twenty years after their establishment, as satisfactory?
7. What can be done, in the Council's view, to speed up the Community's decision-making process in this field; does the Council regard this as one of the areas where, in accordance with the Paris Communiqué of December 1974 by the Heads of State and Government, it would be appropriate to make greater use of the provisions of the EEC Treaty whereby the powers of implementation and management arising out of Community rules may be conferred on the Commission?

— the oral question with debate (Doc. 185/78) by Mr Nyborg on behalf of the Committee on Economic and Monetary Affairs to the Commission of the European Communities:

Subject: Realization of the Customs Union and the internal market

The debate in the European Parliament on 11 April 1978 provided further evidence of agreement between the Commission and the European Parliament that realization of the customs union and the internal market is proceeding too slowly.

In the Commission's opinion, what can be done to encourage the solution of the problems mentioned in the oral question tabled on behalf of the Committee on Economic and Monetary Affairs to the Council (Doc. 184/78), and so help achieve the EEC Treaty's objective of free movement of goods, persons and services within the common market?

I call Mr Nyborg.

Mr Nyborg. — (DK) Mr President, most members here in the House are, I think, aware that the purpose of these questions is to give an opportunity for the Council, Commission and the European Parliament to

discuss together what can be done to get the customs union and the internal market to function as originally intended. When innovations are mooted in the customs sector, an extremely slow process is involved and this is in our opinion, in certain cases, coupled with a degree of reluctance at national level, which has the effect of shaking the faith of broad areas of the business community and of the general public in the effectiveness and credibility of EEC cooperation. This is unacceptable more than 20 years after the establishment of the customs union, and all the Community institutions ought to play an active part in ensuring that cooperation functions effectively and as originally intended. The custom union and the functioning of the common market have both an economic and a political dimension.

Firstly, the economic dimension. We consider it to be an established fact that, today, there are only very few branches of industry capable of reaping to the full the advantages which the creation of the Common Market ought to have entailed. The persistence of administrative and technical barriers to trade which, to a certain extent, have even replaced earlier customs and quota restrictions etc., means that many important sectors of industry are deprived of many of the competitive advantages in relation to, for example, Japanese and American manufacturers, which were precisely the object of establishing the Community.

Implementation of the customs union and the common market is not only a question of converting into reality the objectives fixed more than 20 years ago. It is just as much a question of creating the large internal market which is one of the most important preconditions for the Community's ability to compete on international markets.

If the Council is therefore to take seriously the task of getting the many millions of unemployed back to work, it is not enough to approve special measures dealing with, for example, youth unemployment, unemployed older people, unemployed women, etc. but integration of the economies of the Member States must also be speeded up. Converting the customs union and the common market into reality is, in actual fact, one of the key elements in a long-term employment policy.

Secondly, there is the political dimension. We are fully aware that the European Parliament is having difficulty in gaining sympathy for the suggestion that the efforts to secure the abolition of border formalities should now be pursued in earnest, particularly at a time when the Member States have, for security reasons, tightened identity checks. Nonetheless, it is unacceptable that the millions of people travelling at this very moment by road, train and plane, etc. should continue, when crossing the Community's internal borders, to be subject to checks which do not differ to any appreciable extent from the kind of checks that

Nyborg

were carried out prior to the setting up of the Community. Equally, it is unacceptable that, when dispatching consignments of goods within the Community, trade and industry should generally be required to comply with so many complicated formalities that they find it necessary to consult experts every time they send goods abroad.

The truth is that, as customs and quota restrictions have been abolished, the customs authorities at the Community's internal borders have been instructed to carry out a series of new duties not related to customs work proper. This is perhaps a natural and, in economic terms, also defensible reaction on the part of the national authorities but, as already mentioned, it has led to people questioning with growing frequency the EEC's effectiveness and general public image in this field.

It is only natural for a government or public authority to argue that, now we have customs officials on the national borders, we might as well use them to collect statistical data. It is also understandable that the more stringent identity checks that have unfortunately become necessary should be applied at border crossing points. The result is simply that the Community's credibility and political image suffer and that, with these duties combined, border crossings take longer than when customs officials, the frontier police and the statistical offices each discharged their respective tasks separately. We must, as the European Parliament, voice our view that we would like to see the gradual simplification and abolition of formalities and we must see to it that there is sufficient manpower at the major crossing points to permit checks to be carried out at smooth pace. We should not hesitate to simplify one particular formality on the grounds that this has not yet been done for another formality.

Identity checks are a policy duty, part of which, but only part, is carried out at border crossing points, and it is not evident to me or the committee that these identity checks at frontiers are particularly effective.

This is because wanted persons know ways of getting through these checks if they can decide themselves in advance where and when they are to be carried out. I am convinced, for instance, that the West German police's spot checks on motorway drivers and similar measures are far more effective in catching terrorists and criminals than are border checks.

As Parliament said in April, the customs union would be characterized internally precisely by the removal of all formalities governing trade and communications,

and by controls at the Community's internal borders being confined to any tasks that might prove necessary in the way of police duties. If we achieve this, then a great deal will have been accomplished and I believe too that the general public will then show an understanding of the need for the Member States to take the necessary measures, either at the Community's internal borders or by other means, to safeguard themselves against terrorism and anarchy. On this note I would like to bring to an end my comments on these two oral questions. The large number of specific problems referred to in the question and the political considerations which I have presented here today on behalf of the Committee on Economic and Monetary Affairs are, in our opinion, important enough that the Community institutions ought to allocate greater priority than has been the case hitherto among the Community's various tasks, to translating the customs union and the internal market into reality.

I am, of course, aware that Parliament may risk being told today by the Council that the Council carefully and in a positive frame of mind examines every Commission proposal in these fields, but that the Council naturally cannot take decisions in areas where the Commission has not put forward proposals.

I hope that the German presidency especially will take the opportunity to map out clearly the priority to be accorded in future by the Council to this task.

President. — I call Mr von Dohnanyi.

Mr von Dohnanyi, President-in-Office of the Council. — (D) Mr President, I should like to begin with the preliminary remark that this comprehensive question by Mr Nyborg has prompted the Council to offer a relatively comprehensive answer. I hope you will excuse me, therefore, if it takes a little longer than the previous answers. I should like to make eight points.

First, I would refer to the debate which the European Parliament held on this subject during its April part-session and also to the answer given by my predecessor during Question-time, also in April, to the oral question by Mr Nyborg on the simplification of border formalities. The Council shares the view of the European Parliament that the free movement of goods is a fundamental feature of the Community. I would remind you that the European Council, at its Copenhagen meeting of 7 and 8 April 1978, expressed the view that further progress must be made in removing obstacles to the free movement of goods within the Community. So there is plenty of work for us to do, and that I wanted to emphasize.

Von Dohnanyi

Secondly, as increasing trade links clearly demonstrate, it would be wrong to maintain that little progress has been made with regard to the free movement of goods. One should also bear in mind what has already been achieved in various spheres — customs, quantitative restrictions, competition, sectoral policy and so on.

Nevertheless, the Council is aware that the free movement of goods has still by no means been completely achieved and, as I said, much still remains to be done. I should be less than frank, however, if I omitted to add that this is often a matter of settling technical details, the coordination of which among the various Member States is extremely time-consuming.

Thirdly — and here I come to Mr Nyborg's first question — there are still certain sectors in which technical and administrative barriers to trade within the Community persist. If these barriers are to be completely removed, controls carried out before goods are put into circulation must be given mutual recognition, as the Council stated in its Resolution of 1969 when its general programme for the removal of technical barriers to trade was drawn up. In order to show you that the Council is persisting in its efforts in this field, I should like to point out that in the industrial sector alone the Council has adopted more than 100 directives on the removal of technical barriers to trade. Community legislation contains provisions covering milk powder both for human and animal consumption without, however, any special provisions concerning nitrate content: here, the implementation of controls is still a matter for the Member States. As regard poultry, the principle has been adopted that a country exporting fresh poultry meat to other Member States is responsible for ensuring that the products exported conform to the requirements of Community legislation: in such cases, which concern the health of human beings, checks and inspections may be carried out when the goods are brought from one Member State into another.

Fourthly, the harmonization of customs legislation is largely under way, as is proved by the measures already adopted in such important spheres as the problem of origin, customs value, transit procedures, foreign processing trade, both active and passive, and the régime adopted in May 1978 for deferred customs payments.

Mr Nyborg also asks about the situation concerning the transition to the free circulation of goods. This is in fact a stage of fundamental importance in the introduction of common provisions for the application of the Common Customs Tariff, since in this case all customs administrations apply to all Community importers the same procedures for the customs clearance of goods. This matter has been under constant consideration in the Council, but the scale of the

Commission proposal has made the examination of this problem more difficult and time-consuming than one might have supposed. The difficulties lay not so much in the general principles of customs clearance as in the elaboration of a number of special procedures designed to simplify as far as possible the business of inspection in the interests of trade within the Community. The experts therefore had to devote much time to this problem. A short while ago they completed their work, so that this important proposal has now entered the last stage of its examination by the Council.

It should be clear from all these observations that the Council attached great importance to completing the customs union. The same applies to the proposals relating to customs debts and the deferred collection of duties, though a few months more will have to be devoted to the examination of these matters.

Fifthly, the essential difference between inspections carried out on the Community's external and internal frontiers lies in the fact that in the latter case no customs duties are as a rule levied. This important point should not be forgotten. It has made possible a considerable growth in trade between the Member States of the Community. It is true that numerous inspections are still carried out at the Community's internal frontiers; but, as everyone knows, this is due to the fact that a watch is kept on numerous factors which have an immediate impact on various policies which have not been — or not yet been adequately — harmonized within the Community, and that this is still mainly done at the frontier. It must be realized that these controls can only be abolished when a genuine common policy has been introduced in the economic, commercial, monetary, fiscal and other fields. I do not want to go any deeper into this aspect of the problem, but rather emphasize the considerable amount of work already done by the Community to simplify these controls so far as they take place on the internal frontiers of the Community. As an example, I should like to remind you that goods that are subject to the Community transit procedure laid down by the Council in its Regulation of 13 December 1976 can now pass internal frontiers virtually without formalities and that the only formality in these cases is the presentation of a document to the customs office. This procedure provides for numerous other simplifications, including the possibility of allowing the importer to take possession of the goods immediately after their arrival in his warehouse without having to present them beforehand at the customs office of the place of destination — to say nothing of the procedures relating to railway and road freight traffic under the international TIR agreement, which have been further simplified in the revised version of this agreement which the Community intends to accept this year.

Von Dohnanyi

Sixthly, the Council admits that the administrative barriers of a fiscal or technical nature affecting persons residing in one country and working in another present a considerable problem. I am thinking, for example, of the two-fold taxation of motor vehicles. This is a field in which we shall have to work out proposals and solutions.

In his last question — and here I come to point seven — Mr Nyborg asks for wider application of the principle that the powers of implementation and management arising out of Community rules should be conferred on the Commission. But this is the very principle that the Council has applied in its decisions on customs matters and the removal of technical barriers to trade. The adoption of this procedure by the committees concerned makes it possible to settle administrative problems rapidly and effectually and at the same time to exercise the necessary caution by means of the right of appeal.

Eighthly, I should like, in conclusion, to answer the last two questions put by Mr Nyborg, in which he asks who benefits from the creation of the Common Market and how the Council regards the present state of the customs union and the common internal market. Here, Mr Nyborg, the Council does not share your view that only a few branches of industry reap the advantages offered by the Community while many other industries have no advantages at all *vis-à-vis* producers from third countries. Rather, the Council takes the view that the advantages of the Common Market are widespread and multifarious, and this, as I have already mentioned several times, is proved by the increase in trade within the Community. Insofar as the Community does not pursue a restrictive trade policy, third countries too, of course, stand to gain from the growing prosperity of the Community as a trading partner, but naturally the Community is of advantage primarily to those who belong to it and work in it.

IN THE CHAIR : MR HOLST

Vice-President

President. — I call Mr Davignon.

Mr Davignon, Member of the Commission. — (F) Mr President, I can speak a little more briefly in this debate because we already had occasion, when Parliament adopted its resolution on condition of the customs union, to discuss the various aspects and to indicate the Commission's main lines of approach. I have passed on to Parliament the documents on this subject.

It is, however, necessary to sum up the present situation, to pose the problems correctly and to try to make suggestions for the future. The Commission is particularly pleased that this debate associates Parliament, the Council and the Commission, so that the different authorities concerned can carry out their obligations.

I listened to the President of the Council's remarks with the closest attention, and whilst he wonders whether we should not seek encouragement in what has already taken place, I prefer, for my part, to look for encouragement in our desire to chart a new course.

I shall mention a few dates, because dates are important.

Once the Commission has made a proposal and the opinions of Parliament and the Economic Social Committee have been delivered, and bearing in mind that the Commission's proposals follow lengthy consultations with national experts on all the technical matters involved, one is entitled to assume that the political debate can begin in the Council and that it only remains to settle the outstanding points. The fact is, however, that in the matter of customs reforms, for instance the opinions of Parliament and the Economic and Social Committee were delivered in March 1973 and there is still no decision. On free circulation, an opinion was delivered in May 1974 and there is no decision. As regards tax exemption on small consignments, which closely concerns ordinary people, which cannot bankrupt states, and which can have some influence on the direct election of Parliament, the proposals and opinions date back to February 1975! The same is true of reimbursement, May 1976 which is the cause of so many disputes and difficulties and of customs debts.

Looking at these dates, it can be seen that there is something wrong with the method being used.

I do not wish to start a controversy; I would merely like, in as practical a way as possible, to sort out the trouble. In my opinion, it is not the preliminary consultation procedure that is at fault. It is the Council's rehashing of the technical discussions preliminary to the Commission's proposal that causes so much time to be lost. Where the Council has administrative responsibilities, we have no difficulties. When we deal with customs questions, when we tackle, for example, with the EFTA countries, difficulties comparable to those existing between ourselves, the procedures are expeditious because they are designed for external relations. The Committee functions well and we are able to take decisions.

I should also like to say a word about what, to my mind, is a too convenient alibi. Granted, the European Community is not yet finalized and we do not yet have common policies in the economic, trade, monetary, fiscal and veterinary fields, etc. But how much longer are we going to say that just because we cannot do all we would like, we do not accomplish the progress which can be made? That is the annoying thing! We know very well that it will take time to achieve full customs union, but why do we not work steadily at what is within our reach?

To this end, I should like to make the following suggestions, which are based on the Commission's

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plan to submit a multiannual programme. Can we not agree to the Council's convening more often the groups responsible for these matters? Why do these groups meet less often than others even though the smooth functioning of the Community is at stake and the difficult work of harmonization is not accomplished as quickly as it should be?

Second, do you not think that when a group has already discussed the same problems twice and has noted the different opinions, the matter should be forwarded to the Committee on Permanent Representatives and the Council? To be perfectly frank and objective, I would mention here that the talks we had with the President on the preparation of the next six month's activities in connection with customs union were extremely positive. Granted, it will not be possible to remedy the situation in a single day, but the President has accepted that the discussions can continue at the political level, so long as they have been well prepared. We have drawn up a list of the subjects we shall be trying to deal with in the next six months. These subjects are extremely important. I would particularly mention the following: regional assistance at the level of customs organizations — this is in line with Mr Nyborg's ideas on better cooperation among the services —, free circulation, already considered urgent in 1973, reimbursements and recovery *a posteriori*, customs exemption and small packets — an important matter with the European elections approaching — and, — finally, action on units of account. The various customs services must know what they have to pay and duties can no longer vary according to monetary fluctuations. In our preliminary discussions with the President, this option to politicize the debate was accepted and recognized and the Commission will no longer agree to reproduce the interminable discussions that have already been held with the same experts. Whenever the procedure is at fault, we shall point this out and notify Parliament, which has a responsibility here through the Committee on Economic and Monetary Affairs. We feel that this will speed up the pace of decision-making.

I should like to make one last suggestion. We are carrying through a multi-annual programme, we have established what we want to do in the coming 18 months and what we have to do in the next six months. If Parliament could accept that when the work of a presidency is being assessed, an assessment should also be made of what has been accomplished in the event of customs union, we could combine this open attitude of the Council and this involvement of Parliament to accomplish a task which is admittedly unattractive but goes to the heart of the European Community.

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

Mr Schwörer. — (D) Mr President, ladies and gentlemen, during the last few days we have been celebrating the tenth anniversary of the removal of all customs duties within the Community. Nevertheless, there was no great rejoicing — and for good reason too. Today this is demonstrated once more by the question tabled by our colleague Mr Nyborg, whom I should like to thank sincerely for the fact that he continually draws attention to the unsatisfactory progress made in the realization of the customs union and the internal market.

This debate should serve as a reminder to the Council that the Parliament is dissatisfied with the progress made in the internal market and in particular with the rate of improvement. Here there are no differences of opinion between the Commission and Parliament: all we can do is to continually urge and encourage the Commission to persist in its efforts to ensure at long last that barriers on our internal frontiers are broken down, formalities abolished and matters simplified which are simply out of date.

Mr Nyborg did well to cite examples in question. I could add to them. One question of mine to the Commission concerns an incident in which the publicity manager of a Franco-German undertaking was fined 2 000 francs on entering French territory because he was carrying with him photographic equipment which he needed for professional purposes. The customs officials made him return this equipment immediately through an authorized agent in spite of the fact that he needed it for professional purposes in the country just across the border. And that twenty years after the Treaty of Rome had come into force! To this question, addressed to the Commission half a year ago, I have still received no definite answer. How can we prevent this sort of thing from happening in future?

Another example. In our Member States, there are certain commodities with fixed prices. Here I have in mind medicinal products. The Member States impose these prices on the industry concerned, even though they fail to cover the cost of production. At the end of the year, the firms in these countries, most of which are state enterprises, have their deficits made up from state funds, but this resource is denied to suppliers from other Member States, so that it becomes practically impossible to export from one country to another. That is one of the barriers to trade which I wanted to cite here as an example.

Ladies and gentlemen, we in this House have approved a number of proposals, which are now in the Council's hands. The President-in-Office said that 100 had been adopted, but probably another 200 or even more are in the Commission's or the Council's files awaiting adoption. You spoke about the transi-

Schwörer

tion to the free circulation of goods, Mr President-in-Office: this directive was approved by us in this House in 1973, and it is still not in force. That, surely, is a rate of progress which can no longer be regarded as appropriate to the importance of the matter. When one bears in mind that the Commission and the Parliament have held a number of hearings and discussions to find how these matters could be simplified, the impression arises that the progress achieved is not what had been expected. The speech by Mr Davignon has shown that he is of the same opinion, that matters are simply being unjustifiably held up by the Council, matters that could be settled far more quickly if additional checks were not introduced which are really superfluous in view of the unexceptionable procedures that preceded them. I should therefore like to say, Mr President-in-Office, that the answer you have given us today is undoubtedly welcome because of the trouble you have taken over it, but that, in spite of everything that was said, it merely covers up the fact that things are simply not progressing in the way that everyone in this Community would wish them to. I should like to repeat what Mr Nyborg mentioned: the direct elections are a challenge to you, gentlemen of the Council, to treat this subject as one of the most important items in your work programme. Here it is that the citizen can see whether Europe is making any progress, and therefore I would urge you to take very much to heart this motion for a resolution which I have tabled on behalf of my group. In it, all these things are recapitulated, and so I shall not deal with it in detail, Mr President.

I only want to make one more point, so that I need not take the floor again to speak to this motion. In it I have included a reference to the subject of Austria and the Austrian road-tax, and I would ask the gentlemen of the Council also to consider what might be done to improve as rapidly as possible the present situation on the frontiers with Austria.

I ask the Members of the European Parliament to vote for my motion for a resolution and so draw the attention of the public to the fact that we call on the Council to make its contribution in order that, at long last, a situation similar to that of an internal market is created in the Community.

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

Mr Normanton. — Mr President, may I make three quick points: firstly, to endorse very strongly the general sentiment expressed by Mr Nyborg calling for further measures to be adopted by the Community and greater effort to be expended in an attempt to achieve the abolition of the technical barriers which are, like the dragon's teeth, lying in the path of

further expansion of internal trade. Enough has already been said on that particular point; I do not think anything needs to be added to it other than the fact that we endorse the objective underlying this question.

Secondly, may I make one plea, that before the Commission decides to initiate measures to deal with blockages, it should weigh up very carefully the political implications and make a very shrewd, dispassionate assessment of whether these measures are calculated to promote the further development and growth of the Community. I quote, by way of evidence, the much abused proposals on European beer, European bread and the establishment of policies concerning harmonization of mayonnaise or tomato purée. I do not pour scorn and derision on them, but what I do suggest, Mr President, is that these are areas in which the Commission may well have taken action, and/or be contemplating further action, which will cause far more political controversy and derision and scorn than the measures themselves may well warrant. It is this point, the political implications, which I urge the Commission to weigh very carefully before they launch into a particular item calling for elimination of an obstacle.

My third point, very briefly, is that small items of harmonization — and I would personally put tomato purée and mayonnaise into this category — would, in my opinion, be handled far more appropriately in many cases by industry itself rather than by the formal intervention of the Commission as an institution. Such action might well be taken by industry, on the prompting of the Commission in a particular sector of industry. I am sure it could, in many cases, be far more profitable and economical of effort were this to be dealt with by the industry rather than by the Commission. The Commission has a very heavy workload of matters of profound political importance. The further development of the Community into a full, open and free market is progressing, we all admit, far too slowly, but we should separate the major matters from the relative trivia, and above all eschew issues which will bring the Community into ill repute, alienate its friends or may well offer a hostage to fortune as far as its critics and opponents are concerned.

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

Mr Brugha. — Mr President, I would like to make a few brief comments in support of the case put by Mr Nyborg and other speakers. I think it is quite appropriate for Mr Nyborg, who is a member of our group, to raise this question at this stage, although one could perhaps say it is early days, but nevertheless the question is relevant. I should say, of course, that this problem should not be confused with the proper use of the safeguard clauses in GATT to protect the Community's industries, which are an appropriate

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measure and are perfectly legitimate. However, in recent debates on GATT trading problems, this point was made by many speakers in relation to the very numerous, and indeed hundreds of artificial obstacles, that have been put in the way of the import of Community goods by some of the larger trading blocs. These obstacles have been deliberately created to frustrate the spirit of GATT agreements and merely reflect a consistently selfish attitude on the part of some of the world's trading blocs. Now I cite that, Mr President, because it seems to me that, in the circumstances, if, after twenty years since the customs union was established, the Council of Ministers and the Member States concerned have not taken steps to remove artificial obstacles, which have been outlined by Mr Nyborg and other speakers, to freer trade and economic development within the Community, then we are hardly in a position to criticize similar infringements outside the Community. I think it is worth making that point. Mr Normanton has also made it, but I think it should be made in order to impress on the Council and on the Commission that you really cannot throw stones at other people if there is a danger of breaking your own glass. I would like finally to welcome what has been said by the Council and by Mr Davignon. I found his comments realistic and refreshing.

President. — I call Mr von Dohnanyi.

Mr von Dohnanyi, *President-in-Office of the Council.* — (D) Mr President, I am anxious, first of all, to stress that in this matter the Council is not guilty of complacency. If the impression should have been given that we were satisfied with what has been achieved, then I should like to remove this impression as rapidly as possible. That is not at all the case. We are not happy: for us, the problems are exactly as they have emerged during this debate.

My second point: everyone here is familiar with the causes of the problem; owing to differences in the initial situations in the Member States, compromises in questions of detail are often technically very difficult, and for that reason — this is my third point — I much appreciate what Mr Davignon has said in this Chamber. We have a working document from the Customs Questions Committee dealing with the very points made by Mr Davignon in this Chamber, and I can assure you that during the next six months the Presidency will do what it can to realize some of these points and, for the rest, to deal with the essentials in the course of consultation.

In the coming months and years, one important problem for the Community will undoubtedly be that of improving and accelerating our decision-making processes. During the next few months, the Presidency will be studying this question carefully, and at the end of its period in office I hope I may be in a

position, on the basis of the experience which has been gathered, to make some suggestions on the way in which individual decision-making processes might be accelerated.

My fourth point. Mr Schwörer, you drew attention to a field which is not immediately connected with technical barriers to trade or the customs sector — namely, the problem of subsidies, granted in certain sectors of the market, which have an indirectly restrictive effect on the area from which goods are drawn. This problem, as you know, is unfortunately not diminishing, but rather occasionally increasing, and we in the Community shall have to pay attention, when dealing with employment problems in connection with economic developments, which in the coming months and years are likely to remain problematical, in order to avoid a fresh crop of subsidies which tends to neutralize our efforts in other fields — that is to say, advantages which we gain in one field only to neutralize them in another.

I have another point to make on the subject of technical barriers to trade. It is a fact — and this the Commission too will appreciate — that to the extent that technical barriers to trade are due to problems of safety or public health, we are engaged in a race against technical developments. That is to say, new technical developments often necessitate new safety regulations, and if these regulations are laid down at the national level they create new problems of harmonization, not only in the health sector but in the whole of the technical safety sector.

I want to stress here that it is therefore not only a matter of getting through the work which is already on the table (and there we shall listen very carefully to the Commission's proposals): over and above the task of getting through old material — that is, what is already there in the way of technical discrepancies — we must make sure that we look ahead in order to prevent the emergence of fresh problems as technology continues its rapid progress and national measures are taken by way of protection against the effects of this progress.

I am sure that the Parliament fully appreciates the force of these implications. We have taken this debate very seriously, and I too see it as a debate on the eve of the European elections. We have here an opportunity of making even clearer to the ordinary citizen certain features of a reality which we take for granted.

President. — I call Mr Nyborg.

Mr Nyborg. — (DK) First, I would like to thank my colleagues for talking part in this debate despite the lateness of the hour and, secondly, I would like to thank Commissioner Davignon for the answer which we received and which underlines once again the fact that the Commission and Parliament do not have any difficulties in understanding one another — at least

Nyborg

not in customs matters. However, I feel it was equally clear from the first answer from the President of the Council that the Council is the place where the problems are. We received a very long answer which did not really say very much. It consisted of a recital of former triumphs and achievements, but this is not what we are after when we ask the Council something; what we want to know then is: What can we do in the future?

I was therefore much happier with the answer given by the President of the Council the second time round, because what we want is to make progress and not just remain standing where we are, which has been our position now for a long time, and I hope therefore that the Council will be able to follow up the intentions expressed by Mr Davignon by saying: 'Yes, now we are really in favour of making the customs union and the internal market into something that works properly. Now we intend to make great headway after the last twenty years of slow progress.'

President. — The debate is closed.

I have received from Mr Schwörer on behalf of the Christian-Democratic Group (EPP) a motion for a resolution (Doc. 223/78) with request for immediate vote to wind up the debate on the oral question (Doc. 185/78). The vote on the request for a vote without reference to committee will be held at the beginning of tomorrow's sitting.

12. *Agenda for next sitting*

President. — I have received from the Council, with request for urgent debate pursuant to Rule 14 (1) of

the Rules of Procedure, a modified proposal from the Commission for a regulation allocating certain catch quotas amongst Member States for vessels fishing in the waters of the Faeroe Islands (Doc. 224/78).

The vote on this request will be held at the beginning of tomorrow's sitting along with the vote on the other requests for urgent debate on fisheries.

The next sitting will be held tomorrow, Wednesday, 5 July 1978, at 10 a.m. and 3 p.m., with the following agenda:

- Vote on requests for urgent debate;
- Vote on the request for a vote without reference to committee on two motions for resolutions;
- Prescott interim report on the reorganization of the Community shipbuilding industry;
- Ansquer report on aids for the iron-and-steel industry;
- Oral question, with debate, to the Commission, on uranium fuel;
- Oral question, with debate, to the Commission, on injuries and damage caused by radiation at the Ispra Joint Research Establishment;
- Ibrügger report on trade in power-station coal;
- Oral question, with debate, to the Commission, on bird conservation;

3 p.m.: Question Time (by way of exception, questions to the Commission);

3.45 p.m.: Vote on motions for resolutions on which the debate has closed.

The sitting is closed.

(The sitting closed at 8.10 p.m.)

ANNEX

Questions to the Council which could not be answered during Question Time, with written answers

Question No 13, by Mr Sandri

Subject : EEC-Latin America dialogue

Given that a meeting is to be held in the latter half of this year at ministerial level between the EEC and ASEAN, while relations between the EEC and SELA (Latin American Economic System) are at a standstill, would the Council not consider it advisable, and in the interests of the balanced development of the EEC's external relations, to examine the possibility of organizing a similar meeting at ministerial level to strengthen ties between the EEC and Latin America ?

Answer

The Council has always attached very great significance to developing and strengthening relations between the Community and Latin America.

Thus, in 1971, it instituted a dialogue procedure at ambassadorial level with the countries of Latin America aimed at the implementation and progressive improvement of cooperation between both parties.

These dialogue meetings, of which there are normally two a year have enabled definite progress to be achieved in relations between both regions. Furthermore, both parties are now looking for ways and means to produce even more positive and satisfactory results from this dialogue. With this in mind, a detailed joint study is currently being made of trends in trade between the two regions.

The Council would recall that, when the dialogue procedure was laid down, both parties agreed that the Ambassadors could propose that a meeting at ministerial level be convened when they considered that progress achieved in the dialogue justified such a meeting.

Question No 14, by Mr Schreiber

Subject : Participation of women in delegations to the forthcoming Tripartite Conference

Does the Council intend to suggest to the Member States, and to the other bodies which will be represented at the forthcoming Tripartite Conference, that a proportion of their representatives should be women ?

Answer

The Honourable Member will understand that the Council has no intention of interfering in the composition of the delegations of the Governments of the Member States, nor in the composition of delegations from the employers' and labour organizations invited to attend Tripartite Conferences.

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IN THE CHAIR : MR SPÉNALE

Vice-President

(The sitting was opened at 10 a.m.)

President. — The sitting is opened.

1. *Approval of minutes*

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

Are there any comments?

The minutes of proceedings are approved.

2. *Decision on urgency*

President. — The next item is the decision on urgent procedure by the Council for seven proposals for Regulations on fisheries (Docs. 211, 213, 174, 176, 217, 220 and 224/78).

I consult Parliament on the adoption of urgent procedure.

Urgent procedure is adopted.

Since these documents share the same urgency and deal with interrelated topics, I propose that they should all be subject to a single vote.

I call Mr Kofoed.

Mr Kofoed, chairman of the Committee on Agriculture. — (DK) I recommend this House to agree to urgent procedure in this instance, and I would point out that the Committee on Agriculture met yesterday and adopted all these reports. These proposals were previously dealt with under Article 103, and Parliament did not have to be consulted, but it has now been arranged with the Council that we should be consulted under Article 43, and I feel that Parliament should take this opportunity of ensuring that we are in future heard on fishery matters. I therefore strongly recommend Parliament to adopt urgent procedure, and would like to suggest to the Bureau that we include it on Friday's agenda with the other fishery questions, so that we debate them all at the same time and thus avoid wasting Parliament's time. I recommend that we decide on urgent procedure.

President. — I call Mr Hughes.

Mr Hughes. — Further to that, I would only suggest that it be one joint debate on all fisheries proposals, and given that we have taken the Pisoni report of Thursday's agenda, could I draw the attention of the Bureau to the possibility of adding this to Thursday's agenda, which now looks rather thinner than it did at the beginning of the week.

President. — I call Mr Klepsch.

Mr Klepsch. — (D) This is just one point I should like to raise in view of the fact that we shall have to decide when to hold the debate by urgent procedure on these topics. If our vote is to be of any interest to the Summit we must hold the debate today, at the end of the sitting, otherwise the Summit will be over.

However, if this is regarded as inappropriate — I accept the Committee on Agriculture's recommendation — I shall be happy to vote for the proposal that it be held in place of the Liogier and Pisoni reports.

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

Urgent procedure is adopted.

I now consult Parliament on the insertion of these proposals in the agenda.

Mr Klepsch proposes that they should be taken this evening.

On the other hand it has been suggested that they should be taken in a joint debate with the Hughes report (Doc. 206/78) on a regulation establishing Community fishing plans, which is the last item on the agenda for the sitting of Thursday, 6 July.

In view of the fact that today's agenda is very crowded, the latter proposal seems to me more conducive to the good organization of our work.

I call Mr Klepsch.

Mr Klepsch. — (D) Mr President, I agree. I have just looked into the matter. It is not, in fact, necessary to deal with this report today. I therefore agree that we should deal with it tomorrow in place of the Pisoni and Liogier reports, and withdraw my original proposal.

President. — I propose that this item be inserted for joint debate with the Hughes report (Doc. 206/78) on the agenda of Thursday, 6 July.

Are there any objections?

That is agreed.

3. *Agenda*

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

Mr Scott-Hopkins. — It would be better if the chairman of the Committee on Agriculture Committee reported the conclusions of our committee yesterday, and I think it is important that the Liogier report should not be removed from the agenda because it is technical. I would have thought

Scott-Hopkins

that what we are trying to do is to put in the fishing debates, and we could easily do it tomorrow, while keeping in the Liogier report as well, which was passed unanimously by the Committee on Agriculture yesterday. However I think the chairman of the Committee on Agriculture would be able to underline it more clearly than I can.

President. — I call Mr Kofoed.

Mr Kofoed. — *(DK)* Mr President, I apologize for omitting to remind Parliament of the Liogier report, which the Committee on Agriculture unanimously adopted yesterday, and would point out that there are no political problems in this report. It is a purely technical matter, being an amendment of Article 6 of the wine regulation, without which there would be a legal vacuum from September onwards. The Italian members of the committee unanimously endorsed the Liogier report in its present form. I would therefore recommend this House to deal with the Liogier report this week. It is quite important, as well as being non-political.

President. — I call Mr Klepsch.

Mr Klepsch. — *(D)* Mr President. On Monday I moved that this report should be removed from the agenda, as the definitive text was not yet available. This motion was adopted. The Committee on Agriculture now wishes to put it back on the agenda. I think, Mr President, that the only thing to do is to vote tomorrow morning by urgent procedure on this motion by the Committee on Agriculture — for which I will in fact vote — but we should decide today that, if the motion for a debate by urgent procedure is adopted this report will be debated as originally planned.

President. — It is therefore proposed to reinsert the Liogier report on wine in the agenda.

On Monday Parliament decided to refer back this report. As he has just said himself, this request was supported by Mr Klepsch and by Mr Hughes.

It was referred back to the Committee on Economic and Monetary Affairs, which had not given its opinion. It was also agreed to consider it at the September part-session. On the other hand, Mr Pisoni is not present. We are all aware of the problems facing our Italian colleagues today.

In these circumstances, and bearing in mind the difficulties which have already arisen in the past in the course of the examination of this question, would it not be preferable to adhere to the decision which Parliament took on Monday?

I call Mr Kofoed.

Mr Kofoed. — *(DK)* Mr President, this has nothing to do with the Pisoni report. It is quite true to say that the Pisoni report should not be on the agenda. We are only talking about the Liogier report, which does not have to be referred to the Committee on Economic and Monetary Affairs or any other committee. The only committee dealing with this report is the Committee on Agriculture, and the matter is purely technical. There were 16 of us at the meeting of the committee yesterday, and Mr Pisoni has no objection to the technical report which we are now submitting. I therefore again recommend that we deal with this Liogier report this week.

President. — I call Mr Hughes.

Mr Hughes. — If you look at the record of the discussion on Monday, I did point out the possibility that there might be a small legal gap that had to be filled in with a different Liogier report. This is what was decided in the Committee on Agriculture last night. It is making absolutely legally watertight certain positions under Article 6 of the basic regulation. It is totally uncontroversial. It would in fact be without debate if it were put on the agenda of this House, and I believe since the matter was raised when it was originally withdrawn on Monday evening the House should have no difficulty in supporting Mr Klepsch's idea that it be put on for urgent vote tomorrow morning.

President. — I note that the consideration of the Liogier report no longer poses any problem and that there is no link between this report and that of Mr Pisoni.

I propose that it be reinserted, without debate, in the agenda for Thursday, 6 July, as the last item.

Are there any objections?

That is agreed.

4. Resolutions pursuant to Rule 47 (5)

President. — The next item is the decision on the request for an immediate vote on the motion for a resolution (Doc. 218/78) tabled by Mr Hansen and others, pursuant to Rule 47 (5) of the Rules of Procedure, at the conclusion of the debate on relations between Turkey and the European Community.

I put the request for an immediate vote to the vote.

The vote will take place this afternoon at 3.45 p.m.

The next item is the decision on the request for an immediate vote on the motion for a resolution (Doc. 223/78) tabled pursuant to Rule 47 (5) of the Rules of Procedure, at the conclusion of the debate on the realization of the customs union and the internal market (Doc., 223/78).

President

I put the request for an immediate vote to the vote. The vote will take place this afternoon at 3.45 p.m.

5. *Reorganization of the shipbuilding industry*

President. — The next item is the debate on the interim report (Doc. 182/78) drawn up by Mr Prescott, on behalf of the Committee on Economic and Monetary Affairs, on the reorganization of the Community's shipbuilding industry.

I call Mr Prescott.

Mr Prescott, rapporteur. — Mr President, I have tried to embody a number of very complex and difficult ideas in this report on the shipbuilding industry. Perhaps I could draw the attention of the House to the fact that the report they have before them is to some extent complementary to another report in my name adopted by Parliament over twelve months ago and dealing with the problems of shipping. In that report I drew the conclusion, which lies at the base of the analysis in this report, that in order to deal with the crisis in shipbuilding one has to take into account the problems in shipping and then again the problems in trade. So any solution in this particular field is dependent on shipping policy and also on trade policy. I am not going to spend any time developing that argument. I have done that before to Parliament and it is embodied in a report that is available to Members.

I intend to use the limited time available to me to address attention to the problems we face in the shipbuilding yards, the possibilities of solutions and indeed the Commission's proposals that have been put before us for consideration. These problems arise directly out of the collapse of the demand for shipbuilding in the next four or five years, that is the more immediate future. It reflects the boom in world trade in the 60s and 70s which increased orders for ships by about 60%. So there was a tremendous demand for ships and shipbuilding capacity all over the world. At the peak of that demand, in 1975, the Community had approximately 25% of world orders. The collapse of world trade for the many reasons that we have debated on occasions here in the past, not unconnected with the problem of oil prices and energy policies caused an over-supply of tankers that are now laid up and not carrying cargoes as previously intended. This has led to a fall in orders from a peak in 1975 of approximately 19.5 million gross register tonnes to an estimated demand of 11.8 million compensated gross register tonnes in 1980. I am not going into the technical differences between compensated gross register tonnes and gross register tonnes. That in itself can be quite confusing, but it is explained in the report for people who are interested to look for it.

I think the point that Parliament has to bear in mind is that it is estimated that the demand for world ship-

building is going to fall by 1980 by between approximately 45 and 50%. It will of course have considerable effects if that kind of cutback has to take place in the Community shipyards. I refer Members to various tables in the report, particularly on pages 38 and 39, which show the distribution of orders both in tonnage and in proportion among the Community yards. You will note from those tables that the expansion in shipbuilding from 1970 through to 1977 was not necessarily experienced in the same way in each yard. For example, Britain increased its share of shipbuilding in tonnage very little and consequently experienced a fall in its share of the orders, but other countries had considerable increases in their shipbuilding production. This information is again available in the report. So the Community experienced an expansion in its shipbuilding capacity with varying degrees in each country, as outlined in the report.

I think the point that one wants to make particularly about this crisis we now face is the fact that the Commission has now analysed the problem and has prepared a number of proposals. I do not think the Commission would wish to claim that it was a plan. It is an analysis that is very useful because it is a European analysis of an international problem to which there has to be an international solution. And to that extent, the Commission's call for the setting up of another committee of experts is very welcome, if we are to find a proper solution. But I am afraid we are not too happy at the fact that the committee is to be composed mainly of civil servants, not the trade unions, nor industry, nor indeed, I assume, this Parliament. If we ask the unions and industry to agree on tripartite discussions about matters concerning inflation, surely they are entitled to be on committees that will make decisions about their jobs and consequential effects in the various countries of the Community. And that point is made in the report.

The Commission indicates that if there were to be a cut-back of between 40 and 50%, then the figure for the Community share would be 2.4 million cgrt, which would mean approximately a 46% cutback in our shipbuilding production in the Community. But I would draw Members' attention to the technical point of compensated tonnage as opposed to gross register tonnage, which is the normal way of measuring ships. Compensated tonnage allows you to take into account the more complicated type of vessel which involves more man-hours than the rather simple technology involved in producing a tanker. The reason I make that point is that if you look only at the tonnage cutback and take the normal tonnage rather than the compensated figure, the cutback could be equivalent to a 70% drop in production.

I think Members here should really be aware of the economic consequences in an industry which has already lost hundreds of thousands of jobs in the last few years and is established in regions of high unemployment, where whole communities are dependent

Prescott

on it. I refer you to the opinions by the Committee on Regional Policy, Regional Planning and Transport, the Committee on Social Affairs, Employment and Education and the Committee on Budgets, which comment very powerfully and critically on the proposals from the Commission, though I think some of our criticism may be because we tend to think that the Commission's proposals are a plan. At best they are an analysis, with an indication of the consequences for the Community if we cut back equally with other shipbuilding countries in the world. Quite frankly, to accept this argument would be of considerable consequence in our regions of higher unemployment, in areas where alternative employment is certainly not readily available. The question is whether the target of 2.4 million cgrt should be the figure that the Community should accept. It is a reduction in the share of world markets from 25% to approximately 20%, which is what has been happening in the last year or so. But I have consulted most of the industry and the unions involved and they are suspicious of the figure. Admittedly, the figure was based on the industry's own estimates 12 or 18 months ago, but this is a notoriously difficult industry in which to estimate what is going to happen in the next few years. It is dependent upon oil prices, upon the growth in world trade, and it is dependent upon the accumulated amount of growth in each one of our countries. Therefore it is an extremely difficult estimate to make. Therefore the first point we should make is that this indication of the demand in the industry is questioned by those who work in it.

The second point we would make, is that it is not possible to accept — and I refer you to page 23 of my report — that the developing countries who have shipbuilding capacity can produce the simple ships and we will produce the liquid gas carriers, the container ships, the more complicated vessels. There is not sufficient tonnage in that to provide the kind of demand our yards would require even with some form of reduction. Secondly, the Third World countries such as Korea, Taiwan and those countries which are developing their shipbuilding capacity already have the technology and the skill to build those type of vessels also.

Thirdly, as is said in our resolution, there is some doubt — and I believe that it is stronger than that myself — that an international agreement will be achieved. Indeed, even if you get an agreement through the OECD, it is only with countries like Japan, not Korea and Taiwan and those countries which are growing in their shipbuilding capacity and are already undermining the price structure that Japan offers. Do bear in mind that prices of Japanese ships are 30 to 40% cheaper than those from our most efficient yards in the Community and there are a number of reasons for that as indicated in the report. And therefore, I must reject the argument that is put forward I think by the Commission, that if we go

through a process of bloodletting and get capacity down to match the demand, the price mechanism will begin to return to a normal situation and we will have equilibrium in the shipbuilding market and everybody can continue. I think that is against all the evidence, primarily because many States around the world, whether Korea, Japan or in the Community, are not prepared to face the political consequences of a collapse of their shipbuilding industry. They have put massive investment into the industry and therefore will take political action to protect that. That means the maintenance of a high level of State subsidies, whether they are intervention funds as in Britain, or some other form of subsidies. The subsidies are designed to offset the price differential between what it costs to produce a ship in Europe as opposed to what the shipowner says he can buy in another part of the world. I do not personally like that idea: it is a wasteful use of public money which I could use, for much more effective purposes, and I would prefer to find other ways of solving that problem.

But I would refer Members to the section on wage differentials because it is often argued that if we increased our technology and efficiency, we would be able to compete. But even where that technology and efficiency is equal, please look at the differential in the cost structure: I refer you to page 33 where you can clearly see that for the German shipbuilder in an efficient yard, adding his wage costs to the social wage — as we in Britain call the social contribution he makes — the cost per man hour is almost twice that of the Japanese shipbuilder. Now, even if you get all your efficiency arguments right, there is no way that you will be able to compete in that situation. That is the reality that must be considered by those who would argue that the price mechanism can determine the future of a shipbuilding industry. Therefore I want to question seriously — although it is not necessarily the view of the committee — that I do not believe that the price mechanism itself can determine or solve the problems in shipbuilding and, if you leave it solely to that, then you will have a very much more reduced shipbuilding production than is envisaged in this particular proposal. Secondly, I believe it is necessary that the Community should have a shipbuilding industry. Thirdly, I do not believe that you can get an international agreement on it. Even if you get agreement with Japan, you cannot guarantee that you will do so with Korea, Taiwan, Brazil — all these new countries that are including shipbuilding capacity in their own growth programmes. Therefore, it is also essential, in my belief, that we reorganize our industry. I am not arguing that there will not be some cutbacks and reorganization and closure of some yards. That, I think, is an inevitable consequence, and we must say that. But I wish to stress the point powerfully made by the Committee on Budgets that, if you reorganize this industry, 60% of the capital must come from the industry itself, and it will not raise that sort of capital unless it can be assured that orders will be found for it.

Prescott

Now, admittedly and I finish on this point, Mr President if you believe that the price mechanism cannot solve the problem and that international agreement will not be achieved, then you begin to understand why all the States in the Community are operating some form of subsidy system to protect their yards. Therefore I think that the committee being set up by the Commission, suitably increased in its representation as mentioned should urgently look at the various ideas in these reports and get away from the belief that somehow you can determine the situation by a voluntary agreement internationally. Look at the 'scrap and build' ideas suggested by the industry. Indeed, the Commission has proposed a number of these themselves which have increased demand for the yards. But I have to put it to you, that they will only be palliatives: they cannot solve the problem. This problem will have to be solved through exercising a Community preference. If you pay 30% or 40% more for French tomatoes, or whatever it is, that is the same principle, and we apply it, too, to maintain employment and the standard of living we are applying it on textiles and steel. So, it is not a new principle one is arguing for here. At the moment all governments are pressurizing their owners to order in their own yards, so much so that last year 70% of the orders went into Community yards. Therefore, I think there are more profitable ways of getting the owners to order in our yards. Admittedly you face the question: why should they pay more? It is the same for a motor-car manufacturer who is paying 5% more for his steel. But, you know, one of the differences in the case of the shipowner is that he is asking the Commission to support him against unfair competition from Comecon. The argument he uses against Comecon ship operations is exactly the same argument that the Community shipbuilders use against Third World and Japanese shipbuilders.

I am not arguing for total protection; I do not think that is the solution. But I am arguing that you have to have a fair price system, and a fair price does not necessarily mean a world price. That is exactly the argument about agriculture and food. If we are to solve it, if we are to offer an opportunity for the Third World to develop their shipbuilding industry, if we are to convince our people that we have solutions to the problems of unemployment, to the problems of structural development in our shipbuilding industry, to offer it some confidence in future, we will have to try and find a solution that combines a number of these factors which I have mentioned. I hope that in the debate I may hear the response from some of the Members involved and then have an opportunity to reply and answer some of the amendments that have been put down. Really, the question for this Parliament and indeed for the Commission, if the work of the European institutions is in any way to be relevant, is how to approach such problems realistically, and in this industry this will require us to change some of

the ideas that have dominated political and economic thinking in the Community in the past.

(Applause)

President. — I call Lord Bessborough to give the opinion of the Committee on Budgets.

Lord Bessborough, draftsman of an opinion. — Mr President, I am most grateful to Mr Prescott for his very useful and thorough report. When I was asked by the Committee on Budgets to draw up an opinion on this major new Community initiative, I decided it would be helpful to repeat the procedure of consulting as wide a range as possible of interested parties in the different Member States, and I wrote to some 40 shipbuilding firms and groups of firms. I received some interesting replies which are annexed to my opinion, which starts on page 41. For the most part, these replies underline my own reservations which were supported by the Committee on Budgets when it adopted my draft.¹⁴

The Committee was primarily concerned with the financial consequences of the proposal. Expenditure will arise in three ways. The Commission estimates that 900 million EUC will be required to cover investment for rationalizing and modernizing equipment, production techniques and management methods. Some 3 000 million EUC will be necessary to compensate for the expected 60 000 redundancies through new job creation. A further 750 million EUC will be necessary to compensate for the 30 000 jobs lost in the ancillary industries. For a five-year programme, this would amount, as will be seen, to something of the order of 4 650 million EUC, or approximately 1 000 million units of account a year.

This is a massive sum, and therefore the Committee on Budgets has been extremely cautious in its approach. We have repeatedly asked the Commission for more financial information — I have been in correspondence with the Commissioner for the Budget on this point — and for full justification of the new figures it puts forward tentatively. But so far the Commission has not been able to give me any further substantial information. It has not been explained how the Commission arrives at the total number of jobs to be lost. There seems to be some confusion, also, as to the unit cost of job creation. Why for example, for a job lost in the shipyard, should a new job cost 50 000 EUC, and for a job lost in an ancillary industry, only 25 000 EUC? I am not clear about that. Although the Commission did provide some written replies to questions which I and other members of the Committee have posed, I am afraid we did not find these replies advanced us much further. Beyond the question of the overall financing of the policy, we are particularly concerned at the amount that might be charged to the Community

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budget. As far as the breakdown between national government, Community and industry is concerned, no further details have been supplied. In its communication, the Commission estimated that national governments would contribute up to 1 750 million EUC which would be calculated on the basis of the financial contribution already made by public authorities. For the rest, a contribution of up to 2 900 million EUC would be expected from the shipbuilding companies. But the Community is expected to help industry make up the sum.

Nowhere is it stated what the actual charge for the Community annual budget as such would be. Certain existing financing instruments will be called upon, such as the Regional Fund and the Social Fund, as well as Article 375, which was created during the last budgetary procedure and which is designed to provide some economic aid to industries in distress. But the amounts available in these different budgetary items are limited, usually as a result of a fairly restrictive attitude by the Council, and it is difficult to see how they could be expanded significantly to cope with the extra task arising specifically from this proposal. The Commission currently envisages that the industry itself should be asked to participate fully in the financial cost of restructuring. However, the firms already face a very difficult liquidity position. In the view of nearly all the respondents, the firms would find it absolutely impossible to undertake considerable outlays in new investment. The Commission also contemplates recourse to the capital market, financing industrial restructuring through loans. Now Mr Spinelli has already reported to this House on the new lending facility, but we must remember that this facility is designed to cover a variety of policies and not just one industry. Only a relatively small proportion could be expected for shipbuilding. I think some of us would be reluctant to consider yet another kind of loan to finance this aid. Loans in themselves are not — I am sure Mr Prescott agrees with this — a magic solution. They are simply a way of deferring, but not avoiding, current Community expenditure. Therefore, the Commission has not answered the basic question: how would it find the money to finance this vast undertaking?

But our reservations about the Commission's proposal, I am afraid, Mr President, go deeper than that. In the view of the Committee on Budgets, whilst there is agreement upon the Commission's analysis, its approach for the future seems somewhat superficial. One element which particularly concerned me was that the Commission had not taken into account the differing situations within our Member States. The crisis in shipbuilding is not an entirely new phenomenon. In the United Kingdom, for example, we have just passed a Shipbuilding Redundancy Payments Act which affects very closely the relevance of the Commission's proposals in this respect, and which does not seem to have been taken into account by the Commission. Furthermore, the Government set up

last year a Shipbuilding Intervention Fund, again not mentioned by the Commission. I fear, therefore, that this policy document brought out by the Commission is largely being overtaken by events. The Commission seeks an overall planned contraction in the industry, but the target laid down of 2.4 million compensated gross register tonnes is not accepted as realistic by the shipbuilders themselves, as will be seen from the letters annexed to my opinion. Nor does the present state of international negotiations seem likely to lead to an agreed worldwide planned and reduced level of activity.

The Commission has only outlined one approach. In the view of the Committee on Budgets, in this preliminary document the Commission should have presented us with a range of choices. With these different policy options full financial estimates should have been provided, and I think it is particularly regrettable — I am sorry to be so harsh on the Commission here, but I am afraid that this is another point I must emphasize — that the Commission has not provided any breakdown within the overall sums mentioned, neither distinguishing between capital and current outlays for the Community budget, nor between national and Community expenditures. The Committee on Budgets believes that the finance currently available for regional and social policy within the Community is not sufficient, and therefore we would be extremely reluctant to see parts of existing funds deflected from social priorities into new fields of Community activity, thus spreading insufficient resources even more thinly. The many problems facing the industry are clearly of a social and regional character as well as of an economic one, but the question is, should the Community assume financial responsibility for this crisis? I ask this question, because certain members of the Committee on Budgets have expressed their concern that the Commission — and this is a general point — is too willing to take on vast responsibilities in different sectors undergoing major crisis. If the Community's responsibility was accepted, it would involve massive financial commitment far beyond the limits of our own resources as currently defined. Therefore, despite the urgency, I welcome the fact that, Mr Prescott, the rapporteur of the Committee on Economic and Monetary Affairs, is only presenting an interim report, because I do not think that the Commission's present proposals provided a reasonable basis on which Parliament could give its last word. I am grateful, as I say, to Mr Prescott for agreeing to certain points made by the Committee on Budgets in its opinion. In particular, in paragraph 15 his committee regrets, as we do, that no reference has been made to the national redundancy schemes I have mentioned. Paragraph 16 reiterates our point concerning the lack of financial information. In paragraph 17, his committee shares our concern about the lack of funds available for existing policy instruments and the danger of stretching them too far. Most importantly, and finally, in paragraph 19

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he asks the Commission to submit new proposals accompanied by realistic financial estimates. That is good. That is for us the key point, and I welcome the unanimity of view between our two committees on the approach to this vitally important question. The Commission should persevere with the elaboration of its proposals and come back to Parliament and its committees with hard information.

I am sorry, Mr President, to have given you a somewhat long opinion but this is an extremely important matter, and, as you yourself know better than anyone else, except perhaps Mr Lange, the opinion of the Committee on Budgets is mandatory.

(Applause)

President. — I call Mr Vandewiele to give the opinion of the Committee on Social Affairs, Employment and Education.

Mr Vandewiele, draftsman of an opinion. — (NL) Mr President, the Committee on Social Affairs, Employment and Education devoted two meetings to the consideration of the Commission's communication and the remarkable report drawn up by Mr Prescott.

With regard to Lord Bessborough's remarks, I should like to say first of all that this is a communication from the Commission and we have treated it accordingly. We recognize that the Commission has made a considerable effort but we nevertheless feel that a lot more figures need to be added. But, in general, we are extremely impressed by the quality of this summary report.

Our Committee has naturally given attention to the social aspects of the problem. Some figures from our rapporteur give a clear picture of the threat to employment in the shipbuilding sector. In the years 1974/75 annual production stood at around 33 million gross registered tonnes but has since fallen to 13 million. In addition, the Communities share of the world merchant fleet dropped from over 25 % to approximately 20 % in 1976. The consequences of this at national level were an end to overtime, a reduction in working hours and lay-offs of workers. A remedy has been sought in aid measures of various kinds which some feel will have to be maintained in years to come if not indeed strengthened. Everything points to a continuing drop in orders until some time in the 1980s.

Mr President, here I should like to interrupt my exposition of the subject and speak on some of the remarks which have just been made. I think that Mr Davignon also senses that a controversy is in the making. In the Commission report I read that 'the health of the Community's shipping industry in world

markets, and of the trade it carries, require that our shipowners must be free to order their vessels wherever the terms appear to them to be the most advantageous'. But this is followed by the phrase: 'once the Community's shipyards are again competitive'. Mr Prescott has spoken on this point and has himself submitted an amendment on it. He refers to a resolution of 10 February 1977 which the European Parliament asks for 'an investigation of the possibility and desirability of exercising 'Community preference' by requiring Community ship owners to purchase a certain proportion of their ships in Community shipyards'. You see, Mr Prescott, I am a good listener, but I should also like to hear the Commission's answer since various members of the House will probably wish to take issue with you. It is an extremely difficult problem. To what extent can we, for a certain time, because of the employment situation, defend, maintain or dismantle as soon as possible forms of — I have to say it — protectionism. I shall not go into detail on this point as my task here is to speak on behalf of the Committee on Social Affairs, Employment and Education.

At international level a solution was sought in an agreement between OECD countries on a reduction of production capacity and the application of the principle of fair competition.

The Community has issued directives to coordinate aid to the shipbuilding industry. The European Regional Fund has injected investment into areas with a high concentration of shipbuilding and informs us that this has created or preserved over 30 000 jobs. On the other hand, Mr Davignon, the Social Fund has played a very modest role in this sector and I hope that the Commission will be able to justify this in its answer and that we shall make unanimous endeavours to strengthen action by the Social Fund.

Against this background, the Commission is now proposing to reorganize the Community's yards in order to maintain our competitiveness in the world market. It is not possible for us to maintain the present level of employment amounting to 165 000 jobs. The number of workers within the yards who would be affected by reorganization is estimated at approximately 75 000 and, when you count in a number of other groups, Mr Davignon is talking about the dismissal of almost 90 000 workers. This presents us with an enormous social problem of which I, as a Belgian, still have vivid memories. When we closed the coal-mines in Wallonia and some in Limburg as well, there was serious social unrest in Belgium. At that moment thousands of people were at their wits' end. We cannot avoid a double responsibility: firstly to restore competitiveness by structuring and restructuring, but secondly we must not lose sight of the

Vandewiele

social dimension. Clearly economic intervention is not sufficient to maintain social peace in the Community. The consequences of the proposals which we discussed today will be felt in a large number of countries. Reorganization of this type therefore demands, in addition to the proposed coordinated aid measures, appropriations, intervention by the European Investment Bank and Community loans and of course a cohesive package of measures in the social sector.

Since the resources available to the Social Fund at present are far too modest to provide an effective solution to these social problems, completely different resources will also have to be brought into play.

The Commission is therefore requesting the Council to adopt resolutions requiring that production capacities for new ships be fixed with reference to the market situation. The resulting unemployment in this sector must be taken up, where possible, by creating new jobs and a series of supplementary social measures. However, it says nothing about the chances of creating new employment particularly in these threatened sectors and here I am thinking particularly of the United Kingdom and certain other countries. It is a pious hope.

On 2 March 1978 a Tripartite Conference was held between the Commission, employers and European metalworkers' trade unions. Mr Davignon explained to them that implementation of the Commission's scheme would entail the loss of at least 90 000 jobs. Vice-President Vredeling spoke about the social aspects of the plan at this conference and announced that the Commission was considering solving the social and employment problems through the coordinated application of all available means: the Social Fund, the Regional Fund, Investment Bank loans, the use of a proportion of the appropriations for industries undergoing conversion and — and this is important — application, by analogy, of Article 56 of the ECSC treaty to facilitate the financing of programmes to create new opportunities.

The workers' representatives stated before the Conference that they found the Commission's prognostications rather pessimistic. Yes but they cannot deny that we are faced with a real problem and I therefore join with Mr Prescott in saying: let's bring in the worker representatives together with the employers into further discussions.

There is a lot to be gained as far as the social climate surrounding this difficult restructuring is concerned. We have a duty to ourselves to initiate this dialogue.

The Committee on Social Affairs, Employment and Education has formulated a number of conclusions for the attention of the Commission. We thank the rapporteur for the importance he has attached to these proposals — I am referring here to paragraphs 10 to 14 of his resolution.

We welcome very much the fact that the Commission, in its communication, has devoted much attention to the social aspects and employment but we regret that the Commission's only response to the major challenge presented by the catastrophic effects on employment is to put forward general proposals for the retraining and redeployment of workers. It does not however say where these workers should go.

We expect the Commission to begin immediately drawing up more concrete and effective proposals since the resources of the European Social Fund are too limited to deal with problems of this size. We do not consider the proposed alternatives for the creation of jobs to be particularly realistic since the yards are mainly situated in the disadvantaged regions of the Community where there is already a high level of unemployment.

We believe better statistical material is needed. Lord Bessborough has also referred to this, although from a different angle. We must, for example, have more information about the age distribution and the qualifications of those affected and the real opportunities for early retirement and retraining.

Following the statement by Mr Vredeling at the Tripartite Conference, our committee proposes that consideration should be given to the possibility of concluding readaptation agreements together with the national authorities of the Member States for workers in the shipbuilding industry by analogy with the provisions of the ECSC treaty. This would make possible *inter alia*:

- the payment of tideover allowances so that unemployed workers could retain their full wage while waiting for a job;
- the payment of allowances to compensate workers for loss of wages, to cover removal expenses, training and retraining costs and to facilitate early retirement.

The Community is now confronted with incredibly difficult structural problems in the shipbuilding sector — and we shall shortly be talking in similar terms about steel. Only a united Community approach can secure a responsible and durable solution to these problems. And when I was listening to Lord Bessborough just now I asked myself: 'where would we be if the Community did not exist?'. The various Member States would have their knives drawn against each other and the people would be set against each other. It is therefore my sincere hope, Mr President, that this debate and the clarifications to be given by Mr Davignon and Mr Vredeling will help to calm the situation and that we shall be able to approach this difficult restructuring with optimism.

(Applause)

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

Mr Patijn. — (NL) Mr President, I should like to begin by thanking Mr Prescott for once again submitting on behalf of the Committee of Economic and Monetary Affairs an interim report on the shipbuilding industry. In view of the size of this interim report, I shudder at the thought of the size which the final report is likely to have. I hope that it will contain some more definitive proposals from the rapporteur. But his work in this field is, as always, extremely good.

My group considers that the shipbuilding industry and the steel sector as well are of the highest importance. Firstly, shipbuilding is one of the activities which we are good at in Europe. It is a trade which we know. Secondly there is the question of employment. Mr Vandewiele has already given a full account on behalf of the Committee on Social Affairs, Employment and Education of the implications of the disaster which is threatening the people working in the shipbuilding industry and the supply industry. More than 165 000 jobs are at stake.

There is another factor too. It is not a sector found throughout Europe. It is a very concentrated sector established in the river estuaries of European countries, the mouths of the Clyde, the Weser, the Rhine, the Maas and the Loire. Shipbuilding in all the Member States is concentrated in certain areas with the result that the situation in the shipbuilding industry is a social problem of the first order because of such great regional concentration which means that unemployment in certain areas will rise very sharply.

Mr Vandewiele referred to the question of mine closures. We have that problem in my country too. I think that, in a country such as the United Kingdom, they also know what it means for the core to be taken out of unemployment in a particular area. The report is full of analyses of the situation in the world market which of course is dependent on the state of world trade as such and general economic development. I shall not go into this as I do not have the time. In any case, all of this is fully described in the interim report.

Running through the whole of Mr Prescott's report — and the Commissioner will presumably agree with this — is the question of forecasts. We can make fine analyses of the situation but of course the real question is what the forecasts are, what we can expect over the next ten years. How much can we in Europe keep up? What is our target figure? What are our basic assumptions?

My group agrees with Mr Prescott in asking the Commission not to start out immediately with that limited target figure, since we are not at all sure whether it is one which can solve the shipbuilding problem since it is not a world target figure but a target figure for the Community. We have no idea whether Japan and the rest of the world will agree

with this order of magnitude. You do not know whether the cuts in capacity in the industry, which we make, will not be taken up by others, so that a shift in employment will take place to countries outside the Community without the primary problem being tackled. We therefore share the objections which the rapporteur sets out in paragraph 5 of the motion for a resolution against the division of world production into three equal shares which this target figure implies. I think this must be realized now.

Then there is maritime policy. With this I immediately come to protectionism, one of the central points in this report which is continually cropping up and on the subject of which we have submitted a number of amendments. It would of course be wonderful if owners could order ships from places where they can get them as cheaply as possible. But it is of course mad, if you think about it for a moment, that the Commission or the Social Fund should keep yards open with large sums of money whilst the owner who lives next door to the yard orders his ships from Korea or Japan. In itself there is no objection to him ordering a good and inexpensive ship. However Mr Prescott has pointed out the price differences. We shall never be able to bridge the gap between them and therefore the resolution calls for an integrated maritime policy which involves the shipowners as well. Shipowners who order a ship elsewhere and then have it sail under a Liberian flag or some other cheap flag and therefore outside the social legislation of the EEC countries! I ask on behalf of my group for maritime policy to become an essential part of our shipbuilding policy and for consultations to be held with shipowners to see what can be done about it.

Is this creating a Community preference? Yes, perhaps it is. Perhaps it does mean saying to our consumers: 'Buy EEC goods'. We would be saying: 'Buy European ships'! Yes and what then? I do not mean to say that every ship which is ever put into service by a European shipowner must always be built here. But if you are going to put a great deal of money into shipbuilding, must you not make the creation or the preservation of employment one of the important conditions for making that money available? If this is not done, many people, including those of my group, will protest. The social aspect is one of the essential factors which must be taken into consideration when laying down the conditions for granting subsidies. Thus a Community preference is also part of social policy. We do not mean by this that no cuts will be necessary. The rapporteur has already said that. Of course cuts will take place. We agree with this, but they must be structural cuts which enable us to come out of the trough, working together with the shipowners, the shipbuilding industry, the trade unions and the Commission in order to achieve an integrated policy.

Patijn

Of course there is no question of there being an across-the-board reduction as the rapporteur rightly said. A total cutback reducing the capacity of all yards by 60-50% would be crazy. That would solve nothing.

That would knock all the yards out of business because no one can work at half capacity. You have to pick out the good ones and close the bad ones as necessary. Since we have not yet got an integrated policy, since we have not yet got a maritime plan, we are not prepared to accept cutbacks in advance in the way that figures here and there suggest.

Mr President, this is a very important point. The trade unions are often in a situation like this one, in a sector like the shipbuilding industry, where their backs are against the wall. They are confronted with a policy affecting them which requires them to tell the people who are really affected that they are going to lose their jobs. They are often the bringers of bad news. If he is convinced that a situation is not tenable, a trade union leader is capable of taking the responsibility. But if this has to be the case, the trade union organizations in Europe ought to be involved from the beginning in all aspects of the reorganization plan for the shipbuilding industry. You cannot demand that a trade union leader say to people: 'You must leave your jobs but I don't know why because I wasn't involved in drawing up the policy'.

It is thus vital that consultations should take place on a tripartite basis at European level when a European plan is envisaged and at national level when a national plan is envisaged. The trade unions must be involved from the very first moment and all the figures concerning all those affected must be put on the table: the shipowners, the shipbuilders, everyone. Mr Vandewiele has already said we want figures so that we can judge whether the measures suggested are necessary. We cannot make this judgment on the basis of the figures available today.

I understand that the Committee on Economic and Monetary Affairs discussed the question whether the resolution should be forwarded alone or whether it should be accompanied by the explanatory statement. To me this is a discussion which is really unworthy of Parliament. Over the past 25 years the report, the explanatory statement has always been regarded as an essential part of the total package presented by the rapporteur. When the rapporteur submits a motion for a resolution on behalf of his committee, he is submitting his explanatory statement on the same basis. It is inconceivable that you can take out a couple of pages from a thick document on the shipbuilding industry and keep back the figures which it contains. That is crazy.

Last month we debated the Klepsch report and it was said that the governments should do something on the basis of the Klepsch proposals. Imagine what would have happened if we had taken out the

Klepsch proposals! They formed almost the whole thing since there was nothing about them in the resolution. Amendment No 3 by the Socialist group aims to restore the situation which apparently went away in committee. I hope that Parliament will see the sense in this.

To sum up. First of all we must do what we want to do with the shipbuilding industry quickly. Otherwise we shall lose our competitive position in the world and also to a great extent reorganization plans are being implemented nationally which cut across the reorganization plans at European level. I am for example thinking of my own country. There, enormous cutbacks have been made in the shipbuilding industry from 11% to 4%. We are going to have yards closing too. One only has to think of the effects on employment. This is the reason that speed is necessary. A general policy must be drawn up. Mr Vandewiele has also urged this. Paragraph 3 of the resolution explicitly asks for it.

Mr Vandewiele has also urged this. Paragraph 3 of the resolution explicitly asks for it.

Secondly, tripartite consultations are needed. That is my second conclusion. It is of vital importance that the trade union movement should be involved in the measures that are taken at European level as well.

Thirdly, a maritime plan is important. Fourthly, talks with other world producers are necessary.

Yesterday we were celebrating the fact that the date of the European elections will be from 7 to 10 June 1978. Now today more than 200 000 jobs are at stake, when you count in the supply industry. If, in the near future, we do not come up with a plan to do something for these 200 000 people and their families and give an example of the way in which the Community reacts to catastrophes in certain sectors of industry, I believe that people will stay away from the polls next June and stay at home. They will say 'what good is a Community to us which allows our jobs to be cut back without doing anything to defend them?'. What interest have we in this Community which allows our industry to go to pot? Assertions that we cannot do anything about it, that we cannot bring the shipowners or the Japanese around the table, have no effect on people when they are going to the polls. When you have to go to the polls, you go there because your job is in danger and you want to know what the Community can do about it. Well, here we have the basis of a plan, Mr Davignon is working hard at it and the rapporteur has also done his bit. I hope Parliament will do the same. This plan for the shipbuilding industry must succeed, because if nothing comes of it, not only will the shipping industry go to the wall, but we can also forget the European elections as being of any value to the people.

(Applause)

Patijn

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

Mr Müller-Hermann. — (*D*) Mr President. I should like to begin by thanking Mr Prescott for analysing the situation carefully. He is certainly aware that our views on the consequences, and also perhaps on the basic issues, differ greatly. I hope Mr Prescott will forgive me when I say that I feel that the report is an expression of resignation and that it is perhaps, too coloured by the standpoint of his own country, where productivity in the shipbuilding industry is low in comparison with other Member States.

We all realize that the situation is difficult; but it is not hopeless. Fundamentally the problem is that, for a variety of reasons the shipbuilding industry is passing through a lean period, which has led to over-capacity in tankers, merchant fleets and in the shipbuilding industry. It is essential to adjust the shipbuilding to demand and to ensure the long-term competitiveness of Community shipyards. To say that we are passing through a lean period, which could last three, four or even five years but which for reasons which I shall explain in a moment, will certainly come to an end means that Community shipbuilding policy must adopt a flexible approach to reducing over-capacity so that, when the lean period is over, we do not find ourselves suffering from under-capacity. The same applies to protecting the jobs of highly qualified shipbuilders, engineers, technicians and workers.

No one wishes to minimize the social aspects of the problem and I stress that we must work hand in hand with workers organizations to bring about this adjustment without causing undue hardship since the shipbuilding industry is concentrated in certain regions of the Community; that is the way things are.

I should like, on the basis of very sober figures, to point out how questionable the Commission's figure of 2.4 million grt in 1980 is. The Commission has certainly not pulled this figure out of the air; it is the result of investigation, but it is also a figure which is only valid for a particular time, i.e. 1980. It does not tell us what to expect after 1980. We have a world merchant fleet of 400 million grt, of which the Community's share is about 20%. On the assumption that the life of a ship is 20 years — which seems to me too high rather than too low — we arrive at a replacement need of 20 million grt. When the situation has become normal again and world trade is increasing at 4.5 % a year, we will have an estimated replacement need of about 33 million grt. The Community's share of world shipbuilding tonnage used to be 40%. It has now fallen and we do not know how far it will have fallen by the time normal conditions are re-established.

However, even a 20% share would still give a figure of more than 4 million grt. I therefore regard the figure

of 2.4 million grt which is the figure mentioned everywhere, and which some regard as still too high — as misleading. Perhaps we should avoid giving too much weight to these figures. The task will certainly be difficult, but if we make the effort, if we grasp the opportunities offered us, we will again have a normal share in building the world's merchant fleets and I am firmly convinced that this share will be greater than the Community's current share of the world commercial fleet. That is why it is so highly questionable to even consider making Community shipowners to place orders for ships exclusively with German or other European shipyards. This would run the risk of shifting the crisis in the shipping industry to the shipowners who also have to face international competition. I warn most strongly against expecting too much from this kind of solution. We could be cutting our own throats by adopting such a policy.

Mr President, I believe that we must accept the fact that the changed conditions of competition in shipbuilding means that we have no great future in normal shipbuilding, i.e. large-scale shipbuilding; but on the other hand I am firmly convinced that in the case of specialized ships, for which there is a growing demand, for ships in regard to which the cost of production is high in relation to the cost of the raw materials, ships which require highly sophisticated engineering, the future offers great opportunities for Community shipyards and that Community shipping policy should be guided by this fact.

On behalf of my friends I should like to mention eight points which the Commission should consider in preparing its strategy for the future.

The first is that neither the State nor the Community should be allowed to take over from the shipyards' responsibility for adjusting capacity to demand, and in particular flexible adjustment of capacity. Shipping yards made large profits when business was good; or at least one would have expected them to do so. They have been able to build up reserves and the responsibility for adopting capacity to demand cannot be taken over by the State.

The second point and it is one which I wish to stress — is that the adjustment must be flexible so that when the situation improves we can re-adjust rapidly. This second point involves the whole social problem whose significance cannot be overstressed. We must think in terms of retraining, diversification; we can and must draw on the Social and Regional Funds even if, as the Committee on Budgets' rapporteur has told us the funds are not over-abundant; however this does not dispense us from providing aid.

The third point is that the Commission should avoid the illusion — and I believe, Mr Prescott, that we both agree on this point — that a quota system can be established for reducing capacity. Reduction must be based on the level of productivity and the same

Müller Hermann

criteria must apply to nationalized and private undertakings.

The fourth point — and in this context we welcome the Commission's initiative, i.e. its directive of April 1978 — is that competition within the Community with regard to aid must come to an end. This is something which, I believe, can be achieved, provided the political will is present.

The fifth point is that we must continue to work within the OECD for an international agreement on aid, particularly in relation to Japan. A Japanese parliamentary delegation is currently visiting Parliament. Yesterday I asked what the situation was regarding aid to shipbuilding. The delegation chairman replied: there is no aid to shipbuilding in our country. I accept the answer but, of course, with certain reservations.

The sixth point, Mr President, is that we urgently need international arrangements on safety precautions and protection against pollution of the seas by tankers. I feel that we all have very good reasons for making strong demands in this respect.

This will indirectly help the shipbuilding industry by taking tankers out of operation and by making it necessary to refit existing tankers and build new ones.

The seventh point, Mr President, is that the Commission should consider whether in conjunction with the Member States, it should take steps to help the shipbuilding industry to acquire the know-how it needs for the future. If it is true that our hope for the future lies in the construction of high-cost ships with sophisticated technical equipment, we must begin at once to create the conditions to enable the shipbuilding industry to prepare for this situation.

The eighth and last point — and I believe that we all agree on this — is that the national governments should take appropriate action to alleviate the crisis in the shipbuilding industry by placing naval contracts.

Ladies and gentlemen, we should not capitulate before the problem or take a wholly pessimistic view of the situation. There is no reason to do so though the current difficulties are undoubtedly very serious. But the more pessimistically we view the situation from a political point of view, the more difficult it will be to solve the problems. I feel that there are real grounds for cautious optimism regarding future development, beginning in the Community and extending throughout the world.

The last point I wish to make, Mr President, concerns Mr Patijn's proposal that we vote explicitly on the motion for a resolution and the report. That is not the usual procedure. The normal procedure is that the motion for a resolution is adopted and the explanatory statement is attached. Mr Prescott's dilemma stems,

perhaps, from the fact that the committee responsible, the Committee on Economic and Monetary Affairs, changed a number of his ideas — I would even say, changed them fundamentally — with the result that on several points the explanatory statement does not correspond with the motion for a resolution. However, I feel, Mr Prescott, that this is not too serious, since your explanatory statement as even I would recognize, describes, analyses the situation, so that I do not think it as necessary abandon the normal practice which is for Parliament to deliver its opinion by voting on the motion for a resolution alone.

(Applause)

President. — I call Mr Damseaux to give the opinion of the Committee on Regional Policy, Regional Planning and Transport and to speak on behalf of the Liberal and Democratic Group.

Mr Damseaux, draftsman of an opinion. — *(F)* Mr President, Mr Commissioner, ladies and gentlemen, once again it seems the Community is thirty years behind the times in treating a subject of such fundamental importance.

Like the iron and steel industry and the textile industry, the shipbuilding sector is the basic industrial support of many regions in Europe. If this support goes, and with it their regional economic fabric, then we run the risk of further weakening the industrial structure of the Community and aggravating the already bleak employment situation.

Our rapporteur, Mr Prescott, whom I must congratulate for his even pertinent and far-sighted comments as well as for the excellence of his work, railed quite rightly against the Community's weak position and lack of resources. The Liberal and Democratic Group fully endorses Paragraph 4 of the motion for a resolution which laments the fact that the redevelopment plans of the Commission are insufficiently detailed. Unfortunately, the words 'as yet' show that the Commission has only reached an experimental stage and, as has been the case for several years now, the Community institutions and even Europe as a whole seem to be better at bolting the stable door after the horse has gone than in making sure it does not get away in the first place.

Before I can treat the subject in depth, I need to make three preliminary points.

Firstly, the recent international distribution of labour and the gradual setting up of processing industries in countries where raw materials produced are bringing about structural changes as well as trade and transport ones, is bound to have an affect on production and the shipbuilding industry.

Damseaux

Secondly, labour costs and social security charges are much higher in Europe. It would be difficult, or at the very least unrealistic, to minimize or ignore this major factor in calculating the cost of our shipbuilding industry.

Thirdly, growth is still very limited and indeed sometimes downright negative. It is unlikely that international trade will get back on its feet in the near future. Shipping companies will suffer as a result and excess tonnage will certainly not fall.

As for the heart of the matter, I have six comments to make. The first deals with the crucial link between trade policy and redevelopment plans for the shipbuilding sector. Maintaining the merchant fleets of the Community is the essential precondition of any policy designed to recognize production in the Community's shipyards. Paragraph 22 of the motion for a resolution echoes the Commission's action to protect Community fleets from undercutting by State-trading countries and the menace of flags of convenience. The Commission, which listened attentively to Mr Prescott's report, must harmonize its industrial and trade measures. Still on the same track, we want to see agreements reached on limiting production. I shall return to this point later.

My second remark is about convergence within the Community. The Member States must get on to the same wavelength and, as Mr Prescott suggested, in the interests of optimal efficiency, the Commission should tell us exactly how existing measures are being coordinated. We believe that for the work of the Community to be pursued and completed, the shipbuilding sector must be transformed.

Our third basic concern is prices. Mr Prescott told us that Japanese prices now undercut British profitability thresholds by 35%. The Commission told us that in 1976 Japanese steel was about 20% cheaper and raw materials and labour were 30% cheaper. In the light of such figures, it is illusory to carry on talking about competitiveness. Paragraph 9 of the motion for a resolution stresses the urgent need to bridge the price gap; in our view this is a number one priority and the Commission should submit proposals as soon as possible based on the work of the Community members of the Association of West European Shipbuilders.

My fourth point deals with regional policy. The regions concerned must gear their action towards developing and looking after the industry and turning it into a versatile and reliable tool. The Regional Fund must take part in this operation as long as this does not entail dipping into funds earmarked for its other activities. I have defended this position in my capacity as draftsman for the opinion of the Committee on Regional Policy, Transport and Regional Planning and

I hope the Commission will give this matter the attention it deserves. On the same lines, I think it would be useful for the Commission to take an active and immediate interest in the future of subcontracting industries. Paragraph 13 of the motion for a resolution deals with one aspect of the problem; the Commission should look ahead and start considering this subject.

My fifth topic is a social one. In the interests of workers and their families it is imperative to maintain productive employment. Should this prove impossible, then redeployment and retraining should be looked into. However, social aid must not be confined to paying out unemployment benefits. Possible vocational retraining schemes must be studied in depth and the Commission should submit a detailed social survey, backed up by statistical data, at the earliest possible date; any other procedure could well have negative results, both socially and financially.

My sixth and final point concerns the Shipbuilding Committee. Be they ever so competent, I do not subscribe to the divine omniscience of civil servants any more than I do to that of politicians. The opening up of the committee to trade unions and management seems an excellent idea to me. Furthermore, the existence of this committee should make for real cooperation between workers and management in adopting concrete measures to revitalize the Community shipbuilding sector. Lastly, Mr President, Mr Commissioner, ladies and gentlemen, I would like to say that the motion for a resolution leaves us a little unsatisfied. Only Paragraph 24 seems to have any long-term perspective; this is not enough. I know that our rapporteur has tried to make his report as complete and comprehensive as possible and that he has not always been backed up by the Economic and Monetary Committee of this House. When I said a few minutes ago that I wanted to see agreements on limiting production, I touched on the Community's relations with the world at large. Now, I feel that European decisions sometimes make us look rather foolish. Let me show you what I mean. Imagine that you came from some other country and found yourself in front of a family hotel where all the doors and windows had been left wide open and each lodger had his own room. What would you do? I think you would get along there pretty quick and move in. That's rather like what is going on in the Community. We have a crisis on our hands but as yet we do not have a remedy; we have arithmetical problems but geometrical solutions. Of course, we must welcome the Commission's initiative in starting to identify the problems and in drafting a long-term solution to them. The Commission's communication must not just be seen as a draft strategy, because many of the remedies it suggests are still incomplete. I say this, of course, without losing sight of the fact that we should not expect the Commission to come up overnight with a whole body of detailed solutions to such a

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complex and difficult problem which will undoubtedly need a great deal of work for a long time to come.

(Applause)

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

Mr Normanton. — Mr President, in broad principle the European Conservative Group gives a very warm welcome to the report standing in the name, and presented by Mr Prescott, as far as it goes. If for no better reason than that the explanatory statement as such is an outstanding example of the way in which one should analyse the problems facing the shipbuilding industry. We congratulate him upon it and indeed we strongly commend the report for deeper and more intensive and wider study.

I said as far as it goes, Mr President, not in any church-like manner. In fact the report poses questions, it proposes discussion and debate. It does not spell out with clarity, or adequate clarity, a positive policy which ought to be applied to this industry. But of course here within the political environment of this House we must recognize that were this report to contain policies in precise form, we might well come to a political crunch of ideologies: conflict, that is, between those whose political thinking is enshrined in the concept that full interventionism is in itself and only in itself sufficient — interventionism by the State, by the Community, in the ownership and the management of an industry — and those like my colleagues of the European Conservative Group who see such a policy as political and economic suicide as far as the general well-being of our economy as a whole is concerned and, as events have shown, increasingly even to those engaged in the industries which are taken over. One point, however, should command unanimous support by the House. The problems facing the shipbuilding industry, as indeed and this has been repeatedly referred to — other major sectors of European industry, are not unique to any one single Member State.

Shipbuilders everywhere in the Community have common difficulties and common problems, and where you have common problems, logic demands — and this must be repeatedly stated — that common problems require a common approach to reach common solutions. And that, in the language which is obviously common in this Parliament, means a Community approach.

The second point is that the shipbuilding industry is but one example of the follies and myopia of individual Member States in adopting devices and subterfuges to give aids to accord their industry an

economic advantage over those enjoyed by industries in neighbouring Member States. And we have to accept that the irony of this particular tendency is that the Member States which have least economic strength lose out invariably to the Member States which have greater economic strength. The consequence is, and will continue to be that the poor will grow poorer and the rich will either be held back or may well be richer. A classic example of this that I would mention, not for the first time in this House, is the decision by the British Government to accept an order for ships from British nationalized shipyards, the purpose being to maintain employment there, for sailing under Polish shipping colours. Short-term benefit with guaranteed certain disastrous loss: that should be the message which is read in that particular act of short-sighted political folly. The Commission is right to press for a harmonization of industrial aids, as has been repeatedly said throughout this House and in committees, and having reached some degree of harmonization in this to proceed from that point forward to reduce them right across the board. Until that policy has been introduced and implemented effectively, we are continuing to drift to our economic and industrial disadvantage.

But that, Mr President, is not enough, although I consider it to be basic. A number of measures of a very positive, constructive type are essential, and I believe that we should start as we have said we would on numerous occasions in the context of debates on restructuring. We should start with a fundamental re-think of the framework within which the Community engages in international trade. Yesterday I referred to GATT and the need, not just to update GATT, but to re-think the actual rules and the formulae under which we engage in international trade. We must remain constant, though, in our firm commitment as a Community to the expansion of world trade. That must be foremost in our thinking in developing a new institutional agency for the expansion of trade. But free trade is one thing, and as far as I am concerned it is but a textbook philosophy in a world where by one means or another trade is continually made less and less free, though all pay lip-service to it. We need to reconsider very seriously the introduction of what I have occasionally referred to as some regulatory mechanism whereby structural change within the Community can be effected and indeed stimulated. There can be no future for the European economy unless there is continuous evolutionary change, and it is the method and process by which this is effected which should be occupying our minds very intensively.

I do not say control by the State, nor by the Community, nor by a cartel. But I do say, the introduction of a regulatory formula — which, incidentally, is in a sense what the GATT is all about — but one which reflects the changed circumstances operating in the world today compared with those when the GATT

Normanton

was originally introduced. This poses for the Community and the Commission very serious problems of principle, and these, I think, we should not ignore. If the Commission proceeds with sectoral 'interventionism' — I use the word 'interventionism' here not to describe my interpretation of the Commission proposals or approach but the interpretation of them by many of the critics of the Commission policies — if, indeed, the Commission proceeds with sectoral 'interventionism', then how do we in Parliament reconcile this with the Community's commitment to competition, with the Treaty of Rome and all past Community policies, which have been the basis from which we have reached an unbelievable state of economic prosperity way ahead of most other parts of the world? How do we reconcile these two fundamental issues? I believe that that should continue to be the rule for the future economic growth of the Community internally — I repeat, internally. It is in our external policies where we must re-think our major strategies and our major policies.

As a group we support and we endorse the views expressed by Lord Bessborough in his opinion on behalf of the Committee on Budgets, and particularly the comments which he made in his presentation of it. There is no need for me, on behalf of my group, to repeat any of the points which he made. I believe they are irrefutable, and I hope they will be taken as such by the Commission. But to sum up more directly, with relevance to the shipbuilding industry itself, a number of particular points should be made. The industry is too big and must be cut back. No one should try to prevaricate on this point. The second point is that restructuring must have as its principal objective the creation of as efficient as possible an industry in terms of being able to provide the ships both to meet the Community's own requirements and indeed, as Mr Müller-Hermann said, for sale around the world. Here we have an undoubted expertise, which we must develop, promote and make keener and more effective. The third point is that the whole policy and programme must be on a Community basis and must bring together all those who are directly involved in the industry. And that means owners, the management of yards and all who are employed in this particular sector. Lord Bessborough and Mr Vandewiele stressed these points very strongly, and we, the European Conservative Group, endorse them fully.

Fourthly, the Community as such must be responsible directly, I repeat directly, for the social costs involved in the implementation of restructuring, again a point particularly made by Mr Vandewiele. In view of the decisions taken by this House last session, it is also essential that we, Parliament, and the Commission keep constantly in mind the strategic and defence aspect of this industry and seek to ensure that a restructured shipbuilding industry preserves or even

reinforces this particular capability as far as the Community is concerned. We would indeed specifically invite the Commissioner to comment on this particular point when he comes to wind up this debate.

My fifth point is to commend to the Commission and to this House a maxim — I cannot indicate where it comes from — which I am absolutely convinced is appropriate as a guiding principle for the Commission as a body and Parliament as well to follow in dealing with the ever-increasing problems arising from the need of industrial restructuring. Be courageous in decision-taking and be generous and magnanimous in implementation! I am certain that Commissioner Davignon and his staff will keep that maxim constantly in mind and endeavour to be courageous and forthright in dealing with a very difficult problem, but that the Community as a whole will be generous and magnanimous in dealing with those who are prejudiced or adversely affected.

Lastly, on the question of amendments, a large number have been tabled, and I deeply regret to have to note that a large number were tabled literally at the last minute. The European Conservative Group is very critical of many or most of them, and particularly those which, had they been discussed in the Committee on Economic and Monetary Affairs would have been rejected. We will therefore probably vote against most of the amendments, particularly those tabled by the Socialist Group.

(Applause)

President. — I call Mr Eberhard, of the Communist and Allies Group.

Mr Eberhard. — *(F)* Mr President, the crisis which the shipbuilding and repair industry is in has got worse since our debate last January. What is more, the number of orders on the books for the end of the year looks like being seriously reduced again. Such a situation calls for an analysis of all its causes, to enable proposals to be drawn up for the maintenance and development of the shipbuilding industry in the Community. For our part, we do not agree with the Commission's plan, which for the moment consists of cutting the industry's capacity by half. At this point in time, which is one of development in trade which moreover is one of the Community's aims — such a serious crisis in this sector could seem contradictory. Shipping has been for a very long time, and will remain so, the basic vehicle for commercial trade throughout the world. It is therefore decisive for the shipbuilding industry to match up to requirements, as that is a condition of the Community's independence.

It is not a question of destroying half a sector; the policy the Commission is proposing to us is a short-sighted one in the spirit of those carried out to date by the various governments, which have achieved the unhappy results confronting us.

Eberhard

The crisis in shipping and shipbuilding is primarily the consequence of the stagnation of international trade, which is linked to both the pressure exercised by governments and large companies on the purchasing power of the workers as well as anarchic competition among the economies of the capitalist countries.

It is also a consequence of the frantic speculation which occurred a few years ago, when the big ship-owners were investing, often using public funds, beyond the perspectives for the development in trade.

The crisis is also a result of the will of governments and the Community to fall in line with the redeployment policy of the large companies, which, to use the expression of the French Prime Minister, Mr Raymond Barre, would involve cutting out dead wood.

Finally, the crisis is a result of the policies of systematic grants to the biggest constructors, sometimes amounting to 80% of the cost of construction, yet without benefiting production potential since the Community's share of world production has gone down from 70% in 1960 to 20% last year.

I would add that the consequences of this crisis will be aggravated by the enlargement of the Community to include Greece, Spain and Portugal. I really wonder why no one has raised the problem here within this Assembly. Yet these three countries, as is pointed out in a report, are in competition with the Community for 'certain problem areas of production.'

In shipbuilding, Spain's over-capacity in production stands at 40%, with a 30% labour surplus. The Greek merchant fleet is one of the largest in the world; it is about the same size as the United Kingdom's.

What is more, about half of all Greek-owned vessels sail under various flags of convenience.

And what is the Commission proposing? A Community plan to dismantle the shipbuilding industry. I would like to draw your attention to the consequences this would have — the disappearance of all the small and medium-sized yards, the closure of a number of the larger ones, and the consequent laying-off of at least 70 000 workers, plus 30 000 others in jobs which are dependent on the activity of the shipbuilding yards.

We have all the more cause for concern about such a perspective in that the proposed restructuring seems to be taking a very definite direction.

We are forced to note, in fact, that since the European Regional Development Fund (ERDF) set up in 1975, 58% of the aid it has granted has gone into shipbuilding; Germany has received 58% of this, and France 8%.

Above all, we must not try to hold out as a lure the possibility of replacing the limping shipbuilding

industry by new activities. Here and there, there are plans for merging companies in this sector with other industrial groups. Unfortunately, experience has shown that the aim of such mergers has always been the preservation and increase of capitalist viability, nearly always resulting in the closure of factories and jobs lost. Advocating such a solution for shipbuilding means forgetting that most yards are located in areas which are already suffering great difficulties and where a high level of structural unemployment is characteristic.

We French Communists will never agree to such prospects, particularly as the shipyards are not producing at a loss, as my German colleague has just said. I do not have figures for the Community, but I do have some for France: in the period 1970-1974, the biggest shipyards made a profit. The Atlantic yards showed a growth in their profits of 400%, the Dubigeon-Normandy yards 200%. The Mediterranean industrial and ship construction company doubled its profits between 1972 and 1974.

Over the same period, French shipyards as a whole received between 2.5 and 3 thousand million francs in finance from the State. Profits were maintained in 1975 and 1976, and production has continued to increase. It was only after 1977 that difficulties arose.

We will oppose then as strongly as possible the closing-down of yards which are quite capable of being kept operational. In France, there are 153 vessels which are more than 15 years old, and they must be replaced by new craft.

The Amoco-Cadiz disaster has demonstrated the absolute need for twin controls, let alone a twin hull or twin radar, on the very large boats: owners must be forced to have them fitted.

The same disaster highlighted the dangers of very large boats. According to an expert who spoke at the public hearing recently held in Paris by our Assembly, the tonnage of existing boats should be restricted to 100 000 tonnes, which means that a greater number would be built. It also showed the total inexistence of towing resources and anti-pollution vessels capable of coping with such disasters. The governments of the countries involved will bear a serious responsibility if they do not take immediate action to make such equipment available.

The spokesman for the Committee on Regional Policy, Regional Planning and Transport, Mr Damseaux, tells us that the United States restricts coastal navigation to vessels built in America. This is protectionism, no doubt, but why should we not now follow their example, starting by refusing entry to our ports to vessels flying flags of convenience?

Eberhard

It is high time we put a stop to these abusive practices; the financial advantages they offer to large companies are well known — registration facilities, tax advantages, low standards in the recruitment of crew, lower running costs due to a lack of respect of the basic regulations on security, wages and working conditions for the crew. The result, among others, is that three-quarters of all shipping accidents are caused by these vessels.

In the same line of thought, we must demand the annual overhaul of all ocean-going vessels. I feel it is vital, in this respect, to keep the research centres open to keep abreast with the needs of new progress.

In short, we need a policy aimed at achieving, with the assistance and active participation of the workers, a substantial improvement in the sector's efficiency. In fact, for decades management in shipping lines and construction companies have been looting public funds, and you know the result. Now they want to ask the sector's workers to pay the price for their inertia and inefficiency. On the contrary, the necessary social steps must be taken to protect the workers from the consequences of the crisis without affecting their purchasing power. We must work towards a reduction in the working week, longer holidays and early retirement on full pension.

We Communists also feel that the workers and their representatives should be closely associated with the decisions affecting them which are taken at a Community level. This is a requirement of economic efficiency, social justice and democracy. Instead of the negative policy the Commission is putting to us, this sector, like other sectors in a crisis situation, needs a policy which points towards the future, and that means a policy aimed at economic and social progress, independence and democracy.

(Applause)

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

Mr Nyborg. — *(DK)* For some time now the European shipbuilding industry has been in an extremely serious situation, and the shipping companies too have had great problems to contend with. These two sectors must be considered together, as it is difficult to see how the problems of the shipbuilding industry could be solved independently of the problems of the shipping industry as a whole. There has been a considerable effort by the Commission to clarify the problems of these two industries. Today we have to consider Mr Prescott's report on behalf of the Committee on Economic and Monetary Affairs. It is very welcome, being a detailed analysis of the problems of the shipbuilding industry.

There are many reasons for the grave problems facing the Community's shipbuilding industry today, but we

must count among the major factors the intensified competition on the world market, problems arising from the oil crisis, and the general recession. The Group of European Progressive Democrats adopted a memorandum in October 1977 on the action needed to enable the Community's shipbuilding industry to maintain a normal level of activity.

The extent of the Community's involvement in world trade makes it necessary to have a European shipbuilding industry and merchant fleet. Not counting Greece, the Western European fleet makes up about one-third of world tonnage. The role that Europe therefore plays in shipping explains why for a long period it was the centre of the shipbuilding industry, and there is thus a natural link between the prospects of the shipping and shipbuilding industries and their unemployment problems.

As is pointed out in this motion for a resolution, it is vital that international agreements on shipbuilding be concluded, as several of the largest maritime nations are outside the Community, and a Community solution would therefore be inadequate. The problems must therefore be solved under the auspices of international organizations such as the OECD. Nevertheless, there must be a certain degree of coordination to avoid unnecessary and destructive competition between the Member States. This would be a practical step towards a solution, and I have therefore tabled an amendment to the motion for a resolution to this effect.

In our eagerness to find a way out of the crisis we must not lose sight of the primary objective, which is to create the greatest possible degree of freedom of action for the shipping industry, while trying to ensure fair competition. When the steps required to regulate shipbuilding at Community and international level are taken, we must therefore avoid any unnecessary increase in bureaucracy.

As the Socialist Group — I presume with Mr Prescott's approval — has tabled various amendments attempting to restore the report to its original form before the Committee on Economic and Monetary Affairs adopted it by a large majority, and as I regard these amendments as an attempt to thwart the work of the committee, I myself have tabled a number of amendments.

The motion for a resolution says more or less outright that subsidies are a bad thing, in paragraph 2 (e) for example, and I should like to take the opportunity of thanking Mr Prescott for saying so, but I felt that I had to table an amendment stating categorically that aid systems are undesirable. The fact is that there are today various national aid systems for the shipbuilding industry, and it is wrong in principle to aid one sector of the population at the expense of another. These aid systems must therefore be dismantled at international level as soon as possible, of course subject to reci-

Nyborg

procuity. At the same time as aid systems are abolished, European shipbuilding policy should be coordinated to maintain healthy competition and to avoid distortions of competition on the internal Community market. To ensure survival and thus the preservation of jobs in the shipbuilding industry there must be rationalization, and yards must specialize in type and size of ship, so that ships and their equipment may be mass produced, cutting the price of the end-product to match the intensified competition on the world market.

In recent years the Soviet Union has substantially increased its merchant fleet. It has been enabled to do so by its own shipping policy of encouraging the carriage of goods in Russian ships by systematically buying fob and selling cif. At the same time it has offered unreasonably low freight rates in cross trades, bearing no relation to actual costs.

Other countries have been hard hit by the present crisis in shipbuilding, but Japan has kept an excessively large share of the world order book. One reason for this is that Japanese yards can offer new buildings at prices far below those quoted by European yards. The latter maintain that Japan is dumping with State aid subsidies. However, Japan is not the only country outside the EEC using subsidies, Korea, Vietnam, Sweden and Norway are examples which spring to mind. The Member States of the Community must therefore present a united front, and it cannot be repeated too often that the solutions to the crisis in the shipbuilding industry must be sought at international level.

I am glad to note that paragraph 8 of the motion for a resolution points out that recent production trends in the different Member States as well as the division between production for the home market and production for export should be taken into account in any general cutback of production, and not simply regional and social factors. In conclusion, as a technical detail I should like to recommend this House to vote against amendment No 3 tabled by the Socialist Group, which would have the committee's report as well as Parliament's resolution forwarded to the Commission and the governments and parliaments of the Member States, as the explanatory statement on many points directly contradicts the motion for a resolution, and Mr Prescott has refused to amend it.

I should like to give a brief description of the amendments I have tabled.

Amendment No 182/4 is intended to round off paragraph 2, as we feel that it should be pointed out that the Community too has failed on shipping policy.

In paragraph 8 we should very much like to see the words 'and mix' deleted, as there is no reason to believe that mixed production results in optimum efficiency. We are inclined to believe that the solution lies in specialization; hence the amendment.

Then I should like to insert a new paragraph 8a, as we feel that any aid systems are undesirable.

In amendment 182/7 we put our view that, while coordination is essential, aid systems are undesirable. Amendment No 182/8: men losing jobs in the shipbuilding industry cannot reasonably expect special treatment. They should of course receive just the same assistance as the unemployed in general. But we do not see any reason for giving them preferential treatment, and we therefore wish to see this paragraph deleted.

Paragraphs 18 and 19; these are subsidies by another name, and we should like to see these two paragraphs deleted.

(Applause)

President. — I call Mr Hughes.

Mr Hughes. — Mr President, as I read the explanatory memorandum of this report, I was struck by the contrast between this Community's approach to agricultural problems and its approach to shipbuilding. The unthinkable in terms of shipbuilding is the commonplace when we turn to agriculture. In every debate on shipbuilding, we are told we must not disadvantage the shipowners and the shipping operators. We must not force them to pay a higher price for their ships. They must have access to the world to compete in whatever way they can. They may have to have liner conference arrangements in order to fiddle the competition, but that is a different matter. If, however, you ask them to pay a higher price for their ships, this is damaging to competition.

Let us now turn to see what we do regarding sugar. We produce it in this Community at some £ 300 a tonne, and we give a subsidy to sell it to the Third World at £ 150 a tonne, or whatever it is, to get rid of it. We ask every consumer in the Community to share the cost of doing this, and we do it with some reluctance in some parts of the House, but we none the less do it. This then is the extraordinary paradox, that whereas on agricultural policy the political Right is always arguing for more protection and higher prices and claiming that Article 39 of the Treaty of Rome calls for agricultural workers and farmers to be given certain privileges and protections, when the Left of this House suggests that a similar procedure be contemplated for industrial workers, then all the problems of international trade and competition are brought up, and we are made to believe they are very difficult.

In this particular motion for a resolution, what struck me most forcibly, coming as I do from the area of the Tyne and the Wear, was the regional impact. I heard Mr Müller-Hermann, Mr Damseaux and Mr Normanton saying it was a common problem

Hughes

throughout the Community. When I see the differences in the levels of cutback required relative to the already existing unemployment, I feel that it is not the same problem. If you are asking for a reduction in the workforce of let us say 1 000 men in an area that has already got 100 000 unemployed with an average unemployment rate of 14%, that is a very different request from asking for 1 000 men to be made redundant in an area with an unemployment rate of 1 or 2%. It is not the same problem, it never has been the same problem, and there are elements of the Commission's proposals which at first reading can lead one to believe that they have not paid sufficient attention to the massive differences in the social and economic problems involved.

What one has got to ask is whether the crisis facing the shipbuilding industry is a cyclical one, triggered off by oil price rises and the diminution in world trade, so that if we can just hold it together and mollycoddle it for a few years, all will come right in the end, or whether it is a far more serious secular problem that has got to be treated therefore on a more secular long-term basis.

There may be some people who feel that if you can just keep going until 1981 or 1982, world trade will pick up and all will be well and the ordinary market forces will leave you with a sound shipbuilding industry, but I am convinced that this is not the answer to the deep-seated problem facing the shipbuilding industry. Unless the shipowners and consumers throughout this Community are prepared to shoulder the burdens of maintaining an effective shipbuilding industry, they must also shoulder the political opprobrium of causing the unemployment.

To return to an area where we are told we must go in for redeployment and retraining I refer again to the North-east, where the Durham coalfield has reduced its manpower from 120 000 to 24 000 within ten years and the steel industry is facing massive reductions in employment; surely it is not for these sectors that you are going to retrain the redundant shipyard workers. It is very easy for Mr Normanton to criticize the Polish order that brought jobs to the North-east, but it is much harder to say what you would do with the shipyard workers if you had not got it. That is the essential element throughout, that national governments must maintain a degree of ability to prevent unemployment in areas where it is already unacceptably high.

If I may paraphrase the maxim Mr Normanton recommended to the Commission, 'be courageous in your decisions, but be certain that your decisions are based upon an accurate economic analysis of the long-term problems of the shipbuilding industry and of the relationship between the shipbuilding industry and shipowners, not on some rather too facile assumptions that this is a simple cycle that will come right in the

end and we have just got to do a little job to tide it over'. If you make a courageous decision, its effectiveness depends on its being soundly based. No amount of magnanimity in the implementation of a wrong courageous decision will cover up its wrongness.

(Applause)

President. — I call Mr Liogier.

Mr Liogier. — *(F)* Mr President, ladies and gentlemen, Europe's privileged position should grant it a sort of moral right to formulate and promote an exemplary Community shipping policy. For this reason, we are in favour of a common shipbuilding policy, geared towards specific objectives and based on consultation between the Commission, governments, shipbuilders and both sides of industry.

In this context, moreover, our group adopted in October 1977 a memorandum with a view to defining the necessary measures to ensure the continuation of normal shipbuilding activities in the Community. The position of the group of European Progressive Democrats has, in my view, been realistic and clear. Both in the Committee on Economic and Monetary Affairs and in the plenary Assembly, we have repeatedly drawn attention to a difficult situation requiring the adoption of urgent measures.

Since 1970, and in the wake of two successive booms in orders in 1970 and 1973, a substantial surplus production capacity has been created throughout the world, particularly in Japan and certain Far-Eastern countries, following the opening of entirely new shipyards designed for the mass production of giant oil tankers. Production capacity has also been increased in Eastern Europe, but to a relatively lesser extent and mainly by the adaptation of existing yards to the new requirements. We have long stressed the dangers of over-production. However, while demand for new tonnage was increasing, the Commission did not take these warnings seriously.

When it became clear at the end of 1974, after the collapse of the oil transport market, that this situation of overproduction was causing a rapid deterioration of the conditions of competition on the international market, the Commission was not able to lay down the broad lines of a common policy which would have protected — at least partly — the Community shipbuilding industry. European shipowners should have been encouraged to place their orders in EEC shipyards rather than in Japan or in other countries able to offer prices of 30 to 40 % below the cost price of European shipbuilders.

Today, however, the increasing number of orders placed on the Japanese market has made the Commission aware of the dire risk which now threatens the Community shipbuilding industry. In the absence of a Community line of defence, one after the other the Governments of the Member States — and who could

Liogier

blame them — have been led to adopt provisions designed to protect, directly or indirectly, their own shipyards. This situation, which is of course regrettable in terms of the principle involved but unfortunately necessary for the protection of jobs, prompts us to make two observations.

Over the next few years, the Community countries must ensure the maintenance — under the best possible conditions — of a new tonnage production capacity in Western Europe which reflects the latter's weight in world trade. This presupposes the creation, as should be done for other industries, of an effective regional shipbuilding market, protection from the excess of external competition by measures equivalent to the common external tariff.

We therefore ask the Commission to display maximum firmness in negotiations with the Japanese, the Eastern countries, developing countries and the United States within the framework of the OECD. All these countries must accept a stabilization or even reduction of their relative share of the world shipbuilding market so that Western Europe may continue to produce approximately 40 % of total capacity. We consider this the minimum for the preservation of jobs. It is one of the conditions for maintaining the balance between the main shipbuilding areas.

Furthermore, we should define, as part of a coherent EEC shipping policy, the optimum distribution of production among the various Community shipyards: a proper directive is needed here. Occasional attempts at the short-term controlling of aid for the functioning of shipyards is, in our view, not a solution. Instead we must lay down the economic criteria for the allocation of investment aid with reference to the quantitative and qualitative objectives of each shipyard, while avoiding the pitfalls of a planned economy. This is the only way of preventing the complete 'balkanization' of the shipbuilding market in the future, which would represent, within the Community, a serious failure to meet the objectives of the Treaty of Rome which we could not accept. That was not the wish of those who founded Europe or who are today working for that Europe. Under these conditions, the adoption of a balanced trade policy on shipping would make it possible, firstly, to maintain a certain industrial potential, which is one of the guarantees of Europe's economic independence, and, secondly, to formulate and pursue a coherent shipping policy with undoubted credibility in the eyes of third countries.

The measures to be introduced should supplement those provided for under the fourth directive to enable European shipyards to withstand the crisis and obtain the orders necessary for maintaining, at least, a certain degree of activity. The structural improvement

programme for the EEC shipbuilding industry should therefore be drawn up with reference to medium-term forecasts and not to likely activity over the next few years. A clear distinction must be drawn between level of activity and level of production. The objective of 2.4 million cgrt laid down in the communication to the Council was fixed on the basis of estimates of requirements made by experts in early 1976, which have finally proved lower than the figure for orders placed over the last two years.

On the social level, to which we attach the greatest importance it is regrettable that the Commission documents provide few details on the possibilities regarding the redeployment and retraining of the labour force. We admit that such a study is particularly demanding and difficult to undertake, as the situation is different not only in the various countries but also in the various regions in which the shipbuilding centres are located. In general terms, it may be said that the possibilities regarding redeployment in the most seriously affected industries (engineering, heavy boilers etc.) are extremely limited throughout the EEC. In France, almost all yards were situated — as you well know — in employment areas where shipbuilding undertakings represent an important industrial factor and where numerous undertakings may be considered as offshoots of these yards. The problem of the professional retraining of employees unable to find other jobs in the area corresponding to their skills is therefore linked to the creation of new industrial activities and not to the development of existing activities. Under these conditions, the Commission ought to provide specific information defining the jobs to be created and assessing their cost.

It might also be asked whether the Commission is sufficiently aware of the difficulties of retraining and, in particular, the creation of new activities within shipyards. These difficulties are particularly acute when the economic recession also hits existing sectors technically related to shipbuilding. In addition, the creation of activities in wholly new sectors implies that new markets can be opened up too. A coherent shipping policy which has credibility in the eyes of the rest of the world, clearly expressing the EEC's will to have a shipbuilding industry reflecting its importance at industrial and external trade level, would seem to be the best means of safeguarding European shipyards.

(Applause)

President. — I call Mr Christensen.

Mr Christensen. — *(DK)* Mr President, the causes of the crisis in the shipbuilding industry are outlined in paragraph 2 of the motion for a resolution. I should like to deal with two aspects which I see as central to the problem.

Christensen

The first is the question of unfair competition, a term impossible to define. If we in the European Community wish to exclude or limit competition from any country trading with us where wages and welfare are lower than ours, we would soon end up with an even more extreme form of protectionism than we already have in other industries such as textiles, footwear, steel etc. I therefore do not think there is much point in considering wage levels, for there are other factors enabling us in the Community to compete in many fields, despite having among the highest wages in the world.

If we now consider the concept of State aid, we realize that distortion occurs and that the belief that we can somehow return to 'normal' conditions is and will remain an illusion. Some people are tempted to conclude that we must therefore plunge further into the morass of protectionism and State subsidies, because that is what the other countries are doing. They forget that individual Member States have already gone a long way down this road.

They also forget that if we adopt proposals of this kind, the countries affected, Japan and other shipbuilding countries, will almost certainly exact reprisals. These countries will naturally regard this as unfriendly behaviour and react accordingly. This point has never even been mentioned in committee or during the general debate, although it is a vital question. What kind of reprisals can we expect as a consequence of the trade crisis for which the scene is being set?

There is also the fact that preferences and similar schemes raise the price of ships and therefore reduce the competitiveness of the shipping industry.

Pages 31—33 give some idea of what we can expect from these rather woolly proposals, clearly demonstrating what further subsidies to this industry are being envisaged. For it is very easy to give in to the demands of sectional interests in this case, and the fear is that we should move on to talk of price support and aid for restructuring and rationalization, which would increase the surplus capacity and thus render the difficulties even more intractable than they are today. There may be a certain logic in giving aid for re-employment in other trades, but one may ask where the jobs are. What is the use of training if there is high unemployment in the other industry? This question has not been answered at all, and until it has it would be unwise to embark on this policy.

The international negotiations within the OECD on limiting subsidies and aid measures give certain grounds for hope. I would refer to page 9, point 9 of the opinion of the Committee on Regional Policy, Regional Planning and Transport. That paragraph conveys in essence what can be done.

We are told that the use of price as a regulator is outmoded; if so, what else should we use? In Denmark the number of shipbuilding workers has fallen by 4-6 000 over a period of a few years, and this in a situation where the Danish shipbuilding industry has received State subsidies amounting to 200 or 250 million kroner, but there has still been a degree of competition.

Thus there are strong indications that structural change and redeployment of labour can take place, but on condition that our economic policy puts employment before measures to combat inflation, since it is believed that a choice must be made between these two considerations.

Furthermore, the proposals would be fairly expensive to implement.

Another problem worthy of attention is that of iron and steel prices. It is an excellent idea to let shipyards buy iron and steel at world market prices, but the same cannot be said of the European Communities' attempt by protectionist policies, to push prices 30 % above world levels. This would of course have some effect on world market prices, and thus indirectly worsen the plight of the shipbuilding industry.

What is more, some yards are much more competitive than others, and when weaker yards are being subsidized, there is a tendency for the more competitive yards to complain of distortion of competition, which can lead to a situation where aid is given both to yards which need it and to those which do not. The result is of course further overproduction and further problems.

For these reasons — which I also put forward during the committee's discussions — I shall vote against this motion as protectionist, dirigiste and misguided.

President. — I call Mr Davignon.

Mr Davignon, Member of the Commission. — (F) Mr President, I should like to say how much the Commission appreciates the substantial amount of work done by the Committee on Economic and Monetary Affairs, which is reflected in the document now before Parliament.

The Committee on Budgets has also carried out a study on a similar subject and the Committee on Social Affairs, Employment and Education has discussed some of the principal aspects. I should like to thank sincerely the rapporteurs of these three committees for their contribution to our debate.

The various speakers have emphasized the importance of this matter in economic and social terms and have

Davignon

revealed the link between measures taken in a sector such as this one and the very *raison d'être* of the European Community.

I will begin with a few comments of a political nature.

Faced with these fundamental problems of industrial adaptation, during a period of economic difficulties which, as rightly pointed out by Mr Patijn and Mr Hughes, are affecting certain Community regions more than others, we must immediately stop thinking of them as technical problems. We are in fact faced with a basic political question: how do the inhabitants of these regions view European policy and what does Europe mean to them? More difficulties? An alternative to purely national options? We must reject outright a policy of non-involvement.

Another important question is to what extent we can fight against the inevitability of the situation. In this debate, we have contributed a whole series of facts, such as those compiled by Mr Prescott and Lord Bessborough, which, placed one after the other, do not provide us with the material for a policy; this has to be recognized. We can't say: since we have a large fleet, let's use it to solve the problem. Nor can we hope to establish, from one day to the next and for all types of vessels, shipyards capable of withstanding competition from yards working under entirely different conditions. Nor should we think that because the economic situation is going to improve, demand will also increase sufficiently to solve the problems facing the shipyards; 35 or 45 % of the vessels in the Community fleet are not in use because of the economic crisis and, as soon as there is an upswing, they will have to be put into operation.

It is therefore essential to decide how to combine all the various aspects in a European policy, since every speaker, except perhaps Mr Christensen, has stated that we do need a common policy. For my part, I did not say that we should implement a Community shipbuilding policy aimed at settling all difficulties; I said that a policy should be formulated and applied jointly. In answer to Mr Damseaux I would say that it is not true that Europe is like one of Offenbach's guardsmen and that we always arrive after the problems have arisen. We arrive at the same time as the problems and they evolve along with us. We should not think that because we are behind with European integration, there are certain things we can no longer achieve. Is the fact that we have not achieved economic and monetary union as soon as we should have done any reason for abandoning it altogether? The internal market does not function as it should; does that mean that industrialists should give it up as a bad job? And just because aids aren't always well advised, should we decide that we don't need them any more? Should we decide to stop simply because certain things have not been achieved? I do not accept that this is the Commission's position; I accept what seems to be

Parliament's position, that is that we should work together. Europe has certain rights, both internally and externally, to help it cope with its difficulties.

While emphasizing our faults, Mr Vandewiele pointed out just now that we tend to underestimate what might have happened if Europe did not exist. Not only would we have to compete against the Japanese, the Brazilians etc., but there would be tremendous competition between our own countries. As you know, British boats have been sold to Poland; under different circumstances, however, three or four European shipyards would have fought bitterly to obtain this order. It is important that we should realize this and not underestimate the cohesion which the very existence of Europe helps to form.

If you will allow me, Mr President, and although the hunting season hasn't opened yet, I should like to kill two canards which have been around for too long, and I hope that with the help of the rapporteur and of Parliament, when it votes on the resolution, we can dispose of them once and for all.

The first canard is that the Commission, on the basis of its innate wisdom, its genius and its knowledge of what will happen in 1981, states that European shipyards have a capacity of only 2.4 million compensated gross registered tonnes (cgrt). The Commission document does not say that and I myself have never made that claim. What we said was that, if the statistical analyses made within the profession were to be believed, orders would amount to approximately 2.4 million cgrt. Working on the basis of this capacity, we have deduced the social consequences and shown the size of the restructuring operation required. But, if we hadn't put forward any figures, if we hadn't quoted anybody, we would have been asked to justify our statements. We really must get rid of this old canard. The Commission is not fixing, once and for all, the capacity objective for shipyards at 2.4 million cgrt; it simply quoted estimates. It is important to point this out, since otherwise the whole restructuring plan will be permanently surrounded by ambiguity.

Paragraph 5 of the motion for a resolution refers to the '2.4 million cgrt taken by the Commission as the likely level of tonnage to be built'; Parliament can keep this text but it does not convey precisely the Commission's point of view.

We also clarified this point in all our discussions with the Council. Perhaps one could say that we do not admit the inevitability of certain figures which we quoted but which we did not fully endorse; I would leave that to the rapporteur and Parliament to assess but I just wished to clarify my position and that of the Commission on this point. If the text was worded badly then that was my fault. I think everyone has the right to clarify what he has written and that is what I am now doing ...

Mr Prescott. — You have shot your own duck !

Mr Davignon, Member of the Commission. — (F)
That too is one way of getting the job done.

(Laughter)

The second canard amounts to an inaccurate assessment of the nature of the document submitted by the Commission.

Mr Prescott has described the Commission document extremely well and with great objectivity. It is not a programme proposed by the Commission to the Member States to determine how to rescue the shipbuilding sector. We felt that action should be taken in two phases. Firstly, do we agree with the Council, the profession, consumers, the trade unions and Parliament, on the analysis of the situation and on the need to take action at European level as regards the various shortcomings which affect the shipbuilding industry, and hence not to limit ourselves solely to the industrial aspect of shipbuilding? Having established this common position, we should then formulate a number of precise and concrete proposals to alter the situation. Lord Bessborough put a number of questions on behalf of the Committee on Budgets and I understand his dissatisfaction. He said that our figures are not sufficiently precise. That is true, but it is because we have not yet worked out in detail the various *ad hoc* measures we intend to take. I can however, reply to a number of his questions. Lord Bessborough asked why a job lost in the shipyards will cost more than a job lost in a downstream sector. In the case of the former a completely new instrument is required, whereas a downstream industry is able to adjust and adapt itself so that the cost is lower. All estimates contain errors but it was necessary to give some idea of the cost. The Commission is unable to be more precise at this stage, but at least we proceeded logically.

The same applies to a number of points concerning the integration of national measures into our plan. It is a tricky problem because our project has to take account of two principles. The first is that we have no intention of taking over responsibility from the industrial sector, which must adapt itself to the new situation. It's no good blaming industry in general for what is going wrong while attributing success to the individual sector. The second principle is that a common policy obliges us to coordinate our remedial, adaptation and rehabilitation measures. They should not contradict each other and should be capable of obtaining their objective. This implies that the Community should help — and I emphasize the word help — to draw up and implement the programme.

If an individual country is prepared to make all the effort required, it is not for us to deny it the right to do so, but we will take additional measures. You rightly mentioned the redundancy programme; other countries will perhaps adopt a different system and that is why we have put forward the proposal for a Shipbuilding Committee. Its basic aim is to meet the Commission's desire to cooperate with the responsible officials in the Member States to ensure a consistent approach to our aims. Now we are being told that the social partners, trade unions and undertakings, should also be involved and Mr Prescott has asked what will become of Parliament; how will it be consulted?

I would point out that, in my opinion, it is a great mistake to think that everything should be done in the same place. As I have already said, it is vitally important and one of the Commission's basic objectives not to pursue this kind of policy without the Member States, Parliament or the social partners. But does that necessarily mean that they should have to take part in one big meeting? I think not.

The guarantees which I should like to give to Parliament today are that, on my and Mr Vredeling's initiative, we have set up a tripartite committee so that we can consult on all matters the social partners, that is producers and unions, who will also help us draw up an analysis of the situation. They are therefore involved in formulating our policy. We have set up 9 committees of producers and ship-owners to try and reconcile their usually conflicting interests I undertake on my own and the Commission's behalf to continue investigating this matter — and taking account of the experience gained as we go along — with the Committee on Budgets and the Committee on Economic and Monetary Affairs; since both aspects will be so closely associated, perhaps we could even devise procedures for coordinating our work as effectively as possible, but that is a matter for the committee chairman to decide. But I don't feel that we should combine the task of monitoring the Member States with that of general discussion and reflection, although that can all be done at the same time and everyone will have the possibility of contributing to the formation of a policy.

That is what I mean by consultation; it means talking about things before taking a decision but not providing information before the decision is made public. I want to be quite clear about what I mean by consultation, and that is why I feel that, if all the procedures are set up, it is better to have a clear definition of the Committee's role than a general forum.

Although I understand and fully share Parliament's concern, I still prefer the procedure I have just explained to that which Parliament seems to prefer, for the simple reasons just explained.

Having said that, what should our next step be? On what is our policy to be based? Europe does of course have certain rights in this matter, but it also has rights

Davignon

at international level. However, some people have said that they don't believe in an international agreement, on rather, to quote Mr Prescott, they don't believe that the international agreement will necessarily include all those countries which have some influence on the situation.

That's true, but it is also true that there is no single measure which will enable us to carry out, positively and dynamically, the necessary readaptation. In other words, we need a series of measures and instruments. I am sure that if we make an effort within the Community we will obtain positive results at international level, in terms of sharing and solidarity. If we make an effort to reduce capacity, it is not for the benefit of others but as part of an overall effort to adapt supply to demand. You can imagine, ladies and gentlemen, that that is the first assurance which other countries require.

When the Japanese and the Koreans, who are willing to participate in the agreement, and the Brazilians ask us 'if we agree to make this effort, what will you do? Are you going to take advantage of it to make less effort?' This places us in a virtually impossible negotiating position.

The second vital aspect is the question of prices. Given the fundamental deterioration within this sector, one cannot at present speak of a world price since the system of price formation no longer follows the normal market rules. I am full of admiration for the Japanese who said to Mr Normanton that Japan does not grant aid to shipyards; if the aids granted by Japan were also granted by the Community, there would not be a 25% difference between Japanese prices and ours. Since the Japanese don't consider these measures as aids, then everything would be idyllic! In fact, they do grant substantial aids which I won't enumerate now as that is not a realistic approach. Nevertheless, we must restore a certain amount of common sense on the market. Even those who sell their vessels at the lowest price and who are therefore in a competitive position, are selling below the cost price. We know of no pricing contract which could form the basis for a price system reflecting a realistic and reasonable economic approach. I am not referring to profits, but simply to the aim of covering part of the investment.

It is a situation against which we can and should react strongly, since otherwise we will be unable to establish a basis for the policy we need. Is this enough? I don't think so. But it is vital — and this is where I am not fully in agreement with Mr Prescott — since our aim is to stimulate the market in order to overcome our difficulties and improve the situation.

This can be clearly seen from the Commission's position with regard to aids, now approved by the Council. We are now in control of the situation, aids are no

longer causing havoc and destroying the system; on the contrary, they are helping the process of readaptation in three ways. The first and most important way is the adaptation of the industry to the requirements of the most competitive enterprises, which should enable us to take advantage of any future upswing. Hence the first aspect is investment. Secondly, we fully understand that, during the transitional period, Member States might receive certain production aids, on extremely strict terms and under our control.

That we accept. Although the Commission prefers the system of investment aids, that is, intended mainly for restructuring, it does not reject the granting of production aids during this transitional period. I would add that we have also accepted that, in the absence of an additional or job replacement policy, cases which are particularly serious from the employment point of view should be eligible for so-called 'rescue' aids.

That is the contribution we are prepared to make, and I should like to point out to the Communist Group spokesman that it represents the very opposite of a destructive policy of resignation and is on the contrary a policy which rejects current pessimism.

Then there is the extremely important matter of reconversion and the social aspect. We must realize that here can be no effective reconversion policy unless joint economic measures are taken within the Community to try and alter the present situation. It is argued wrongly that if, in a given sector, you cannot indicate the specific reconversion project, then that means there is no reconversion at all. If the Commission doesn't indicate a specific project, it means that nothing can be done. On the contrary, we must begin with this global measure which has formed the basis for the Commission's efforts over the last year to receive economic and monetary union; it forms the basis for the joint measures to be discussed in Bremen tomorrow and the day after and of the Community's contribution towards reconversion. There are other aspects: our profit-sharing scheme, interest rebates and the instigation and promotion of investment. But unless we make a joint effort to correct existing trends, then the difficulties will persist. I believe that one of the principles of all our policies should be that a sectoral policy should, always be accompanied by policies of a more general nature. That is the first point.

The second point is the social aspect. As Mr Hughes said — and I regret being unable to tell him I agree with him, perhaps this could be conveyed to him — the loss of 1 000 jobs in a region faced by difficulties is much more serious than in a region where additional measures can be taken. This justifies Community solidarity and the use of certain procedures to maintain jobs during a transitional period, until the global measures I referred to have borne fruit.

Davignon

I am sure you are aware how difficult that is. It may be legitimate to intervene in some cases but not in others. Although it may be justifiable to help some shipyards to recover from the crisis, that doesn't mean we will provide aid to those who do not need it because they are already on the road to recovery. These are matters which we must discuss together, but they cannot be dealt with from one day to the next without appearing superficial and giving the impression that we have found consistent and logical solutions, which do not in fact take account of the actual situation.

That, Mr President, is what I wish to say on a number of specific points. I apologize for having spoken for longer than I should have done, but this is an important matter which concerns the future of a large number of people and the scope of Community action. It also shows that, by its very existence, the Community offers the people of Europe, who will be voting on the very *raison d'être* of Europe, a number of solutions which are not perhaps those they would like but are better than those which would be offered if Europe did not exist. That is why I wished to speak at length on these matters and to describe the procedures we intend to follow, that is, to draw up together the actual measures we should like to take. That will be our responsibility, if we obtain the Council's agreement to begin tackling these matters between now and the end of the year.

Mr President, I have already spoken for a long time so I will not mention certain Commission opinions on the amendments; I think we shall see how to proceed on the basis of Parliament's decisions on the conduct of our discussions.

(Applause)

President. — I call Mr Prescott.

Mr Prescott, rapporteur. — Mr President, it is late in the morning for everyone and therefore I do not intend to reiterate answers the Commission has given to questions posed in the debate. I think it is always satisfactory to a rapporteur listening to a debate to hear contributions that have taken account of what has been said in the report and show a level of knowledge such as has, I think, been reflected in this debate. This to my mind, has contributed to making a very good debate about a very serious problem which has done credit to the House.

I think the debate has not just been about economics: it has been about political economy. My analysis of political life has always led me to believe that you cannot distinguish between politics and economics, and this debate very much brings out that particular point. The decisions are very much political, and to that extent we all seem to be agreed on the analysis. Where we disagree to a certain extent, as was the case

in committee, is about the nature of the solutions that should be adopted. Indeed there is also Mr Müller-Hermann's suggestion that perhaps this is only a temporary problem and that we will see a return to the good times. I do not hold that view, but it is a point of view that can be put forward, and Mr Müller-Hermann has done so. However, he will have to accept, as other speakers must, that there will be a crisis over the next two or three years. There will be a lot of people made unemployed. There are no other jobs that they are automatically going to be put into, and I am bound to tell you that when Europe takes it upon itself to say, in institutions like this, that international problems must be dealt with in an international context, or a Community context, and then the first time it attempts to deal with a major structural problem of this kind it just says to the people, 'I am sorry, the circumstances of the world are such that we are no longer competitive and you are out of work and that is that,' this is not a very convincing electoral message. I must point out to Mr Müller-Hermann that even in Germany a considerable amount of subsidies has gone into the yards.

It is not solely the British experience that I am reflecting: it is the nature of the problem in each of the nations of the Community. After this debate, we are going to talk about subsidies for coal, and is not this exactly the same thing of maintaining a European price for a European coal for European industries? It is not just a matter of shipbuilding and textiles — coal, too, is on the horizon. All sorts of industries are involved in the same way, so I do not very much believe in the idea that you can just sweat it out during this period. But even if you could, I would not be able to accept the logic of the argument that the only variable factor you can get rid of in the short term is labour. Because that is what is implied. You keep your yards, you keep your investment and when things improve you use the yards, and all you have got rid of in the meantime is labour. But, Mr Müller-Hermann, that still represents a cost to the State, because you still have to pay social benefits, quite apart from the political and social consequences of high levels of unemployment.

Mr President, I think words have arisen in the argument which have created certain dilemmas for Mr Normanton such as 'intervention', 'planning' and 'regulation'. He did not use 'planning', no, but that is the terminology of the concept he was talking about, and at the same time he was honest enough to see that the free solution, the price mechanism, is not a satisfactory way to deal with this problem. We are all, I think, agreed on that particular point. Indeed, as one of those people who opposed my country's entry into the Community, I think the one argument put forward in favour of it which has some substance is that, as a larger group, you are in a stronger negotiating position when dealing with problems that arise

Prescott

in an international context. If you now tell me you cannot deal with them any differently from the nation state, then you take away one of the main strengths of your argument in favour of belonging to the Community. So I think we should think very very seriously about that.

On what the Commissioner himself said about the ducks, I think he accepted that he shot his own duck really. I accept that 2.4 million cgrt was only an indication. The other side of that coin is that it could be worse than 2.4. You could get considerably less than that. My argument is that international agreement will not necessarily achieve that. On consultation, which the Commissioner made much of — well, you know, it is typical of many aspects of the developing influence of bureaucracies, of which the Commissioner represents one of the largest that we are aware of, that in tripartite committees trade unions have four minutes to make a point about some general problem. All you are doing in that case is giving them some responsibility, in that they were consulted, with no effective power of decision over anything, and so I cannot accept that argument.

The last point perhaps I should make is that it is clear, as the Commissioner said, that a host of measures has to be considered here, and that is why this report is called an interim report. We still have not finalized it, and we are in the process of doing so. The Commissioner did not say anything about the Intervention Fund on which the Commission has to make a decision. It may have made a decision — I don't know — but clearly it needs to do so, and I understand the sensitivities which perhaps lie behind the fact that we are not discussing it.

Mr President, I presume, since the Commissioner did not mention the amendments because of time, the procedure after the debate will be for the rapporteur to be asked solely to say whether he is for or against. We cannot encroach on further debating time and, therefore, if I may use shorthand with so many amendments before us, let me say that I shall as a general principle be against adoption where I feel the amendment does not add anything to the report or is at variance with what the resolution is actually saying. If I can give you an example of things I should oppose, which have been proposed for the best of reasons, Mr Nyborg in Amendment 6 says that he wants to make sure that all subsidies are abolished. Well, we say that basically in the report, but he wants to say also that what has to be done in the Community would have to be done internationally if it is to be effective. I would point out to him that in America, VAT is considered as a subsidy, so it is not as simple a prospect as he would suggest. He also wants to delete 'and mix'. I think his knowledge of shipyards is somewhat limited, because shipyards depend on a mix of different types of ships and it is the mix within that balance which is

important to many shipyards. Some amendments were actually ones by the Committee on Regional Policy, Regional Planning and Transport, and we have accepted them. The last two amendments are the ones put down in the name of the Socialist Group and this House will not be surprised to know that I agree with them. On paragraphs 23, the group's amendment refers to the possibility of Community preference. I have accepted the idea that this possibility should be studied, although it has not yet been presented as a recommendation. I wish it had frankly, but I accept the reference to a study of the possibility. There is one amendment which refers to the Intervention Fund. All that we are asking for is a decision from the Commission on an Intervention Fund, because it does affect shipbuilding policy in one or two countries. I note that the Commissioner did say that he knows that aids will continue as under the Fourth Directive anyway and, whatever form they make take, are a subject of consultation with the Commission.

My final point: I think the House would have to have some sympathy with my point about whether only the resolution should be forwarded. I was not in the committee when this was discussed: I was in Brussels to deal with the shipbuilding question on Monday, then had to fly immediately to Copenhagen to give my Argentine report on Tuesday and then fly immediately to Paris on Wednesday to give evidence on the Amoco Cadiz. Under those circumstances, it is impossible to meet every kind of commitment. But I would say this: it has always been the practice in this House, as I understood it, that the report is the rapporteur's responsibility. The resolution is the opinion of this House. Now, if we have a new principle enunciated, that the rapporteur's ideas cannot be passed on, it is almost a kind of 'burn the books' principle — that certain ideas should not be seen by the Commission or the Council. Frankly, I do hope this House will keep to its proper purpose and include everything in this report, which means also the other committees' opinions, and allow people to make their own judgments, even if the House arrives at different conclusions from those reached in the process of drawing up the report. We did exactly that with the Klepsch report. I am very much against Mr Klepsch's report, but we still sent all those ideas that I violently opposed to the various bodies as constituting a rapporteur's thinking. I hope we will continue that.

I am sorry I took so long, Mr President. I think it has been a very good debate. I congratulate the Commission on making its contribution to it too, and I hope that it has led to people outside who study our debates knowing that at least we are aware of the many problems, however divided we are about the solutions.
(Applause)

President. — I call Mr Davignon.

Mr Davignon, Member of the Commission. — (F) Mr President, in the light of the previous speeches, I should like to say a word about the intervention fund.

Davignon

I haven't really understood the point of amendment No. 2: does it seek to set up an additional fund at Community level? If it refers to the Community fund, I would say to Lord Bessborough that we are going to use existing budgetary resources, increased where appropriate by the amount needed to implement our policy, and the existing system, that is a budgetary line rather than a fund for industrial affairs. If, on the other hand, this amendment refers to a number of states setting up an intervention fund to implement their aid policy, we would ask that this fund should be compatible with the criteria I mentioned clearly a little while ago: firstly, restructuring and investment to improve equipment without increasing capacity; secondly, transitional measures during the difficult periods, which may necessitate production aid, provided it is on a sliding scale and for a limited period and that it is clear that the success of the restructuring policy depends on maintaining production levels; finally, 'rescue' measures in the event of an unexpected disastrous situation which must be dealt with in view of its employment implications. Our opinion would therefore depend on these criteria.

On the same subject, I should like to thank Mr Prescott for acknowledging that, when we refer to Community preferences, it is as a possibility not as an established fact. That will help us during our discussions with shipowners, to make them understand that we are united on this matter without, however, giving them the impression that it is they who will have to pay for restructuring.

That is how I see this intervention fund and the two interpretations which can be placed on it.

President. — Does anyone else wish to speak?

The motion for a resolution will be put to the vote, together with the amendments that have been tabled to it, at voting time this afternoon.

The debate is closed.

The sitting will now be suspended until 3 p.m.

The sitting is suspended.

(The sitting was suspended at 1.30 p.m. and resumed at 3 p.m.)

IN THE CHAIR: MR BERKHOUWER

Vice-President

President. — The sitting is resumed.

6. Question time

President. — The next item is the second part of Question Time (Doc. 196/78), with questions to the Commission of the European Communities.

The competent representative of the Commission is asked to reply to these and to any supplementary questions.

Question No 21 by Mr Noè on the Commission's information office in Milan will receive a written reply as the author is absent and has not appointed a deputy.¹

Question No 22, by Mr L'Estrange:

Does the Commission consider that the use of alcohol of agricultural origin as an additive to petrol would constitute a good method of disposing of large quantities of this alcohol and can the Commission state whether there are major technical obstacles to this use of alcohol and what the effects would be on the Community alcohol, petrol and motor vehicle markets?

Mr Gundelach, Vice-President of the Commission.

— The answer to the first part of the question of whether it is technically feasible to use alcohol of agricultural origin in petrol is this: it is technically feasible, but the obstacle does not lie there; the obstacle lies in the cost. Investment in the industries which transform alcohol based either on potatoes or grain products or wine, into a substance which can be used in petrol, is quite expensive. The transformation of certain basic commodities into alcohol itself is expensive, particularly when it is a question of wine grapes. Therefore, I must say that whilst the Commission continues to keep this particular possibility of using surpluses of alcohol under steady review, at the present time we are afraid that the costs in the future, may be too high to warrant production of this kind. I would like to add that it would not be feasible unless one were to calculate any excess production of alcohol of a permanent nature over the years, based either on arable products or on wine, the former being cheaper than the latter. So, in conclusion, Mr President, yes it is technically feasible, it would save some importation of petroleum, but even with the fairly high production of alcohol in the Community, not all that much. It would be rather expensive but it is a possibility which must be kept continuously under review.

Mr L'Estrange. — Would Mr Gundelach not agree that, as we have six million people unemployed here in the EEC and the raw material is available, it might be worthwhile to produce petrol here from those substances?

Mr Gundelach. — As I said, it is reasonable to examine this possibility but, as in all other economic operations, you have to calculate the cost of the operation and compare it with what you could get for the same amount of money in other ways of creating employment. The cost of using alcohol for the purpose of producing petrol is extremely high and what we have to decide before we give a definitive answer to your question is whether that money could not be used in a more productive manner in creating employment in another way. I am not giving a definitive answer today; I am just indicating the factors which have to be taken into account in arriving at the final conclusion.

¹ See Annex.

President. — I call Mr Scott-Hopkins, for a *brief* supplementary question.*

Mr Scott-Hopkins. — The Americans, in point of fact, have done an experiment and are using up to 15 % of alcohol in this way in petrol and it is perfectly successful. Is this not an infinite resource as opposed to anything carboniferous which is finite, and therefore should not the Community actively pursue a policy of encouraging this type of use of surpluses of agricultural products, including sugar, which is probably the cheapest of all?

Mr Gundelach. — The Americans have carried out certain experiments on this and we are following and are making our own studies, but the Americans have not put this into production except on a trial basis because they have been held back by the fact I have just referred to, namely that the cost relationship with other types of energy, including coal, is too high. So they keep it on the books like we do, as a possibility for providing alternative energy but one which is not yet close enough to the threshold price for alternative energies. Therefore I still maintain that further studies are needed before committing money, which hypothetically could be committed in other ways, either to agriculture or to energy, in a manner which was more productive.

Mr Fröh. — (D) Could you confirm, on similar lines to what Mr Scott-Hopkins was talking about, that large-scale experiments are being carried out in Brazil, and do you see in this, ultimately, a possibility that, if agricultural alcohol itself was too expensive for blending for this kind of purpose, then we might be able to use synthetic ethyl alcohol for blending with petrol, thus opening up other, new areas for the potential use of alcohol of agricultural origin?

Mr Gundelach. — Yes, apart from the trials which have been made in the United States, a certain limited production of this kind has been undertaken on a trial basis in Brazil, and it is these two trial productions which led me to give the answer which I first gave, namely that it is technically feasible and there are no technical difficulties involved in this process. It is a matter of economics. It is a matter of whether the money involved in the investment to transform alcohol into petrol or an additive for petrol is well used when compared with what the money can be used for in other measures, either to develop alternative energy or to deal with agricultural surpluses in another manner. I am not willing to give a definitive answer today except to indicate that it is very expensive to use alcohol produced out of potatoes or barley or even more expensive out of grapes, more expensive than any known other alternative for energy. I am not ruling it out, but I am just laying the facts on the table

of the House. It is undoubtedly a subject to which we are going to come back, when we discuss in the not too distant future the combined proposals of the Commission in regard to wine, starch and alcohol.

Mr Edwards. — Would not the Commissioner agree that these experiments at this stage are just laboratory freaks and are not practical alternatives?

Mr Gundelach. — That is a concrete possibility but it is a matter of whether it is economically a good investment and to that we have to give an answer later when we have made all our investigations. My stand today is that it seems to me to be a very expensive way of providing energy.

President. — Question No 23, by Mr Schmidt :

What is the Commission's assessment of the progress made at the last session of the UN Conference on the Law of the Sea, and of the collaboration at it of the Commission and the delegations of the Member States?

Mr Ortoli, Vice-President of the Commission. — (F) The discussions at the last session of the UN Conference on the Law of the Sea were both important and constructive. The Member States were able to work a joint position on several important points and a number of joint statements were made, in particular with regard to fisheries and the exploitation of the seas' resources. Of particular importance was a joint statement made at the Conference's plenary sitting calling for the inclusion in any future convention of a special clause which would enable the Community to become a contracting party to the Convention, which is now necessary because of the extra responsibilities that have devolved on the Community in several areas, notably as regards fisheries and the fight against pollution.

Mr Schmidt. — (D) Could you not tell us how the other delegations reacted to the joint statement by the Member States? Are there any signs that it has met with approval, or is the Community in an isolated position?

Mr Ortoli. — As far as I know, there were no negative reactions.

Mr Spicer. — May I ask the Commissioner whether we really can wait always for the law of the Sea Conferences in these matters. Is it not time, particularly in cases where we are dealing with oil pollution, that we within the Community should take our own action that would then have repercussions outside the Community and might influence the world at large?

Mr Ortoli. — I note with particular interest the suggestion made by the Honourable Member.

* There followed numerous exhortations for brevity by the President, which are not reproduced here.

Lord Bruce of Donington. — Would not the Commissioner agree that there is no point in Member States signing conventions, unless they are prepared to ratify them and to legislate on the basis of the conventions which they originally undertook to honour; and will he say what action the Commission proposes to take in view of the apparent refusal of the Council to endorse the recent draft directive concerned with the requirement of Member States to ratify MARPOL and SOLAS and Article 147 of the ILO agreement?

Mr Ortoli. — I am conversant with these matters and in particular with the recent discussions, which have still to lead to any agreement. Consequently, I do not see how anyone could have refused to ratify the text; furthermore, I am not at all sure which convention Lord Bruce was referring to.

President. — Question No 24 by Mr Osborn:

What steps is the Commission taking to protect the flatware and cutlery industry from dumping and from imports of low price and low quality specification?

Mr Davignon, Member of the Commission. — (F) If a Community industry is in difficulties and it believes these difficulties to be attributable to unfair import arrangements, it may ask the Commission to institute anti-dumping procedures, on the basis of a Commission regulation. Mr Osborn has already put questions to us on this matter, and we are therefore fully aware of the difficulties experienced by certain branches of the industry in question. We have also made it clear that we would be prepared to hold consultations with the industry, but their representatives have yet to contact us.

Mr Osborn. — Is the Commissioner aware that there has been a conference of the industry in Helsinki and that the industry in Europe, as well as within the Community, is not suffering so much from the results of dumping but from cheap imports and will be seeking his advice as to how to keep the industry in operation both in and outside the Community?

Mr Davignon. — I am glad to hear that the industry will be contacting us. As I have just said, we will welcome the opportunity of holding consultations.

President. — Question No 25 by Mr Scott-Hopkins:

Does the Commission believe that the effectiveness of agricultural structural policy has been hindered by the need for Member States to pay a substantial share of the costs of implementing the various Directives and does it feel that structural development would be enhanced if these costs were borne entirely by the Community?

Mr Gundelach, Vice-President of the Commission. — Yes the Commission does believe that the effectiveness of the agricultural structural policy has been hindered by the need for Member States to pay sometimes a very substantial share of the cost of imple-

menting various structural measures, and it consequently feels that a higher contribution by the Community, may be in certain cases, as the question indicates, of as much as 100 %, would enhance the effectiveness of a structural policy in the Community. That is not my real problem. My real problem is the purpose of such a structural policy. Is that structural policy going to be oriented towards increasing productivity in areas like dairy production where we already get structural surpluses or towards finding alternative valid ways of employing economic resources in agriculture. If the purpose of that structural policy, contrary to the prevailing view among the agricultural ministers, is to develop forms of agricultural production in which we are not in surplus and in which we can produce a product at reasonable prices which is to the taste of the consumer and which is valid economically, then I would fight for a Community contribution verging on 100 %. But the less that is the case, the more I will be against that sort of Community contribution.

Mr Scott-Hopkins. — Would not the Commissioner agree after that fairly helpful reply that it is absolutely essential to rationalize production and that it is through the structural directives that this will be done, and would he not agree that the best way of doing this is a comprehensive policy for rural areas, for he will be keeping some people within agriculture, producing what is needed, and taking some of them out, and would he bend his mind towards instituting and coordinating a rural fund in order to administer that? For this we shall need to have the 100 % contribution from the Community. That is surely the right way, would he not agree?

Mr Gundelach. — I would most certainly agree with the spirit and the main line of the question of the honourable Member. I do believe that structural policy in the Community has to be merged with a marketing policy and not run on separate lines, separated from the market policy. Secondly, I do believe that the various instruments of structural policy have to be seen as forming part of the market policy as a whole, taking into account the market policy problems which we are confronted with and taking into account the social problems existing in certain regions.

Mrs Dunwoody. — Is the Commissioner aware that unfortunately his very welcome realism is not shared by the Ministers for Agriculture, and would he make a tremendous effort to explain to them that the consumer will not continue to support a policy which leads to gross overproduction of certain products simply in order to earn money for the farming community and that this policy will not be generally welcomed throughout the Community? If he is not prepared to do that, will we not get into this silly situation where we have mountains and lakes, while the

Dunwoody

response from the people who have to buy the goods is one of sheer disbelief that any Community could get into such a nonsensical situation ?

Mr Gundelach. — I think the honourable Member is perfectly well aware from the many debates in this House and in the Committee on Agriculture, as well as from reports of the discussions in the Agricultural Council, that I am willing and ready to stand and fight out this battle, and I am sure that in the end we shall overcome with the help of the honourable Member amongst others.

(Laughter)

Mr Fröh. — *(D)* Can Mr Gundelach say what specific products he has in mind, does he think the Community can offer the right conditions for producing them, and to what extent will it be possible, at the present low level of economic activity, to take people off the land and retrain them for other occupations ?

Mr Gundelach. — It is easy to ask for a short answer, when the whole problem of the Common Agricultural Policy has been put on the table in one go. I was not advocating trying to take people from the land at this particular point of time. I was advocating trying to find solutions to social problems which did not have an impact on consumer prices at the level of production. I do not want to take people off the land at this particular time, but rather to find a solution which would keep people on the land under socially acceptable circumstances, but without increasing our market difficulties.

Secondly, it is evident to everybody that we have a structural surplus production of dairy products, sugar, olive oil and temporarily of meat as well. It is equally evident that we are big importers of a lot of fodder. Consequently there are sectors where we could, provided we are efficient enough, increase our own production in an economic manner and thereby create alternatives to the productions which are in surplus.

President. — Question No 26 by Mr Dalyell :

Following the decision of the Court of Justice in case number 75/77 (Mollet v. the Commission) does the Commission plan to continue the practice of submitting candidates for certain Commission posts to psychological examinations ?

Mr Tugendhat, Member of the Commission. — The Staff Regulations require that the Commission must be satisfied that all successful applicants are fully acceptable on medical grounds. It is therefore necessary, I believe, for doctors to be able to seek whatever specialist advice they may feel to be necessary, including the advice of psychiatrists. The Court of Justice questioned the way in which a particular candidate was informed of the results of these exami-

nations. That has been the point at issue. We in the Commission are, of course, taking full note of what has been said and we will do our best to avoid a repetition of those circumstances in the future.

Mr Dalyell. — Why are questions asked about social, religious, personal and sexual lives ? These questions are often very detailed and seemingly irrelevant. Is it true that these special consultations cost the Commission 5 000 Bfrs a time ? Why do they take place mostly in French, even when the candidate has a relatively limited knowledge of the French language ? Why do the tests cause long delays in recruiting officials and on occasions block recruitment, since in almost all cases these candidates have taken external competitions ? Is it not true that in some fifteen cases these delays have been in excess of two months ? Is it not true that most of the candidates have been somewhat traumatized, even intimidated, by these completely unexpected tests and rightly wonder what might be discovered to delay or prevent their nomination ?

Mr Tugendhat. — I do not think that the situation is quite as dramatic as the honourable Member has made it appear, but we are aware that the conduct of these tests has been a cause for concern and we are certainly doing our best to make sure that they are as well-conducted as possible. However, these are medical matters, and I think it is very difficult indeed to call into question a doctor's right to decide how matters within his professional competence should be conducted.

Mr Hoffmann. — *(D)* Mr Tugendhat, could you please say whether the examining psychiatrists may be chosen by the candidates themselves ?

(Laughter)

Mr Tugendhat. — I think it must be for the Commission, which is the body that is going to take somebody on, to be responsible for the conduct of its own examinations. I do not think the honourable Members would suggest that candidates can nominate their own doctor to provide their own medical certificates. The Commission must, I think, be responsible for its own hiring practices.

Mrs Dunwoody. — If in fact it is as reasonable as Mr Tugendhat makes it sound, why is it necessary to question the religious beliefs of candidates, because frankly that has very little to do with anybody's psychiatric health ? Furthermore, I have been married to a doctor for 20 years and I have four of them in my family, and I question their judgement very frequently.

(Loud laughter)

Mr Tugendhat. — I can well believe that the honourable Member does indeed do that, Mr President, but

Tugendhat

as I said at the outset in answer to Mr Dalyell, we are examining these procedures, and we will take fully into account all that has been said in this House both on this occasion and on other occasions as well.

Mr Dondelinger. — (*F*) Having already put a written question on this matter to the Commission, I would now ask Commissioner Tugendhat to tell us what are the rights of candidates who are rejected after failing a psychological examination.

Mr Tugendhat. — It is very difficult indeed to answer general questions which apply to specific cases. We have had a case in front of the Court of Justice which has certainly led us to reconsider the way in which our procedures work. And we are taking this into account. But if the honourable Member would care to write to me about a specific case, I will do my best to provide him with an answer.

President. — Question No 27, by Mr Brosnan :

Will the Commission state what progress has been made in preparing a programme of studies in the Irish border region for which an additional 160 000 EUA has been set aside in Article 266 of the 1978 Budget ?

Mr Brunner, Member of the Commission. — (*D*) The House will recall making appropriations available for a study in the Irish border area. We have now prepared a two-point programme for a study of the Erne fishing grounds and the development of herring fishing north-west of the Irish sea. That programme was adopted by the Commission this morning. We shall keep Parliament informed of progress with the study.

Mr Brosnan. — I did not quite understand which programme the Commissioner stated was approved by the Commission. There are two in question, I understand, one of which is approved. The one that I am concerned about is the Erne study, and I would be grateful if the Commissioner would inform me what progress that has made, whether it has been approved or not by the Commission, and if not, if he would assure me that the approval will be expedited with all due haste.

Mr Brunner. — (*D*) This study forms part of the two projects adopted by the Commission today.

Mr Fitch. — Would the Commissioner look into the possibility of a similar programme to examine the contraction in the coalmining, textiles and footwear industry in the north-west of the United Kingdom ?

Mr Brunner. — (*D*) At the moment we are concerned with the Irish border area. There are of course other possibilities that we could also look into.

Mr Scott-Hopkins. — What does the Commission expect to get out of these studies ?

Lord Bruce of Donington. — Mr President, on a point of order. Throughout this Question Time, you have prefaced your remarks from the chair by a request — almost a demand — to the questioner to be brief. This is quite unnecessary in view of the fact that the purpose of Question Time is to protect the liberties of Parliament, and that the questions from the floor ought to be conducted without harassment.

(*Laughter*)

Mr Brunner. — (*D*) The objective is to look into the development possibilities. This will therefore be a kind of feasibility study ; we shall consider specific development possibilities on the basis of the results.

Mr Albers. — (*NL*) In view of the state of progress of this study, is it possible to increase aid from the Social and Regional Funds for these regions of Ireland ?

Mr Brunner. — (*D*) We must await the outcome of the studies before we can make any such specific decision.

President. — Question No 28 by Mr Brugha :

Is the Commission in favour of encouraging the establishment of building societies throughout the Community so that a greater number of people can purchase their own homes ?

Mr Tugendhat, Member of the Commission. — The answer is yes. The Commission is indeed studying measures which would facilitate people buying their own homes by liberalizing access to the various specialist housing credit institutions such as the British and Irish building societies and for instance, the Bausparkassen in Germany. But we are not only concerned with specialist bodies of this sort, we are equally concerned to open up opportunities for other financial institutions which grant credit for housing in addition to the other activities in which they engage.

Mr Brugha. — Is the Commissioner aware that in the Irish experience building societies, properly legislated for, fulfil a very useful role in providing credit facilities for young people in permitting them to have a home at the beginning of their lives and in the starting of family life. And therefore will the Commission consider introducing a Community policy in this area ?

Mr Tugendhat. — Building societies are an institution common to both our countries, and I am very much aware of the enormous contribution which they have made in the Irish economy as well as in the British. We are extremely anxious indeed to have a Community policy which would facilitate access by institutions of this sort to countries other than their country of origin. We believe this would be of great benefit to prospective house buyers and would create more opportunities for people to own their own homes.

Mr Edwards. — I was rather surprised that the Commissioner did not mention a very important development in home ownership, namely the cooperative society building organizations, which are highly successful in Britain and successful in the Scandinavian countries. These cooperative building societies do enable the poorer workers to obtain their home ownership in cooperation with their fellows.

Mr Tugendhat. — The honourable Member had not of course asked me about these institutions, but I know that they fulfil a very useful and important purpose.

Mrs Kellelt-Bowman. — Since the Commissioner has so wisely pointed out that the building societies can be of great benefit to prospective home owners, does he consider it right that national governments such as that of the United Kingdom should pressurize building societies into cutting down on home loans, thus throwing the whole housing market into chaos and penalizing especially first-time house buyers?

Mr Tugendhat. — I think I would be very unwise to get involved in that particular argument.

(Loud laughter)

Mr Christensen. — *(DK)* Would the Commissioner be good enough to indicate the Treaty provisions providing the basis for the action which the Commission intends to take in this field?

Mr Tugendhat. — The basis for what we are trying to do — and I will have to write to the honourable gentleman and give him the precise article — arises from our Treaty obligation to create a common market in services as well as in goods. Since the Treaty of Rome was signed, I think everybody would agree that great progress has been made in the creation of a common market in goods, rather less in the common market in services. It is time to get the common market in services catching up a bit with the common market in goods.

President. — Question No 29, by Mr Seefeld:

Does the Commission intend, when introducing new legislation on duty-free allowances, to discontinue the duty-free allowance of petrol carried in reserve containers in passenger cars?

Mr Davignon, Member of the Commission. — *(F)* It certainly seems that some motorists believe that reserve petrol containers may be considered as personal luggage. But it is difficult to accept that transporting petrol in reserve containers is the same as carrying personal luggage. It would be wrong to say that such action is in line with a policy designed to provide exemptions and to develop the customs union. In this type of situation we are forced to abandon our usual objectives and add additional provisions to regulations instead of abolishing them. The reason for this is that the existing regulations are being deflected from their

original purpose. Thus, in the first instance — and the Member States have already agreed to this — we shall be obliged to make this distinction when we amend the regulation, much as it goes against the grain.

Mr Seefeld. — *(D)* Is the Commissioner aware that the Belgian minister, Mr Geens, has stated that the Commission intends to draft a proposal regulating duty-free allowances in such a way that no more duty-free petrol may be carried in a reserve tank, and might not people in the Community get the impression that the intention is to create serious obstacles to travel, even if all that is at issue is the small amount of petrol that can be carried in a reserve tank?

Mr Davignon. — The Commission prefers to explain its measures itself: we have certain reservations as regards the explanation which might be given by a Minister of a Member State. Having said that, there can be no possibility of confusion with regard to what we discussed yesterday during the debate on the development of the customs union and the extension of the customs franchise privileges, and a refusal to allow something that obviously does not come within the ambit of the customs union regulations. However, I would agree with the Honourable Member that it is essential to avoid creating confusion and giving the impression that we are trying to hinder freedom of movement and diminish the advantage enjoyed by our citizens of belonging to one and the same Community.

Mr Spicer. — Would the Commissioner not agree that in fact the main aim and purpose of our Community in this particular area should be to encourage travel within the Community, and would he not further agree that there can be no question of anyone travelling in a passenger car taking petrol in order to sell it at the other end? Therefore is this not an area where he would give very low priority indeed to introducing new legislation that would stop people from carrying a reserve supply of petrol in their passenger vehicles?

Mr Davignon. — Unfortunately, things are never quite as simple as that, and we can never be entirely sure what people's motives are likely to be. It is true that there are variations in the price of petrol and that people living close to frontiers may find ways of taking advantage of loopholes in our customs union regulations. If I had to answer only the first part of the question, I would say that there could be no objection to anybody carrying a reserve container to guard against the possibility of running out of petrol. However, it is clear that the legislation was not designed to allow this practice to become a means of circumventing a situation in which excise duties and indirect taxation have not yet been harmonized. We must therefore continue to move towards the harmonization of excise duties, which is another of the Commission's objectives.

President. — Question No 30, by Mrs Dahlerup :

Does the Commission intend to make any proposals in the near future relating to the education, professional training and retraining of women, and, if so, what legal instrument will it propose ?

Mr Natali, Vice-President of the Commission. — (I)

The Commission has for some years now been giving careful consideration to the problems of the education, professional training and retraining of women. As the Honourable Member will be aware, the Commission organized in Paris at the end of 1975 a seminar on the vocational guidance and training of female workers. On the basis of the conclusions of that seminar the Commission is now examining, in collaboration with government representatives and representatives of the social services sector, the detail of a number of possible proposals. We are also examining the legal form that might be given to those proposals.

On the question of education, the Commission proposes to forward to the Council next autumn a communication on equal training opportunities for girls and young women at the general and secondary levels of education. The communication will also examine the contribution that might be made in this sector by the education authorities of the Member States. Finally, the communication will be based on an analytical study of the projects that have already been put in hand pursuant to the decision of the Education Ministers Council meeting of February 1976.

Mrs Dahlerup. — (DK) Mr President, I shall try to be brief, although I rather feel that you are placing greater emphasis on brevity than has ever been done before at Question Time in this Parliament, and that this is not really necessary. I would ask the Commissioner, who drew attention to everything the Commission has considered and contemplated doing for young women since 1975, the following questions with regard to training and, in particular, professional training: does the Commission believe that young girls and women can be satisfied with its stated intentions, and does it have any recollection at all of the discussion held here in Parliament on 16 November in the course of which Parliament called on the Commission to speed up, at long last, the adoption of decisions ?

I would now ask the Commission to provide some information on when it intends to submit the proposals for a training programme, and, in particular, some intimation of the likely form of these proposals.

Mr Natali. — Since I have been obliged to give a brief answer, I may well have neglected to mention a number of matters. I would like to reassure the Honourable Member that the Commission intends to submit definite proposals before the end of the year.

Mrs Dunwoody. — Is the Commissioner aware that some people would not exactly regard that as being too active if the Commission has actually been looking for means of helping since 1975 ? We know that you will try and do something by the end of the year, but when are you actually going to put that into practice ?

Mr Natali. — A few minutes ago I heard Mrs Dunwoody make a very fair comment on religious matters in connection with another question. I might perhaps say that in this world it is very difficult to be happy ; but we shall try, by expediting matters, to ensure that people are less unhappy.

(Laughter)

President. — The second part of question time is closed. I call Mr Spicer on a point of order.

Mr Spicer. — Mr President, I rise only to offer my congratulations, and those of most people in the House today, for the excellent way in which you have chaired Question Time and the number of questions we have managed to get through.

(Laughter)

IN THE CHAIR : MR DESCHAMPS

Vice-President

President. — I call Mrs Dunwoody.

Mrs Dunwoody. — Could I ask the President if in future he will ensure that in order to continue at that speed Members will be encouraged not to read questions ?

(Laughter)

President. — I think that is a good suggestion and henceforth it will have my support.

7. Votes

President. — The next item is votes on motions for resolutions on which the debate has closed.

We shall begin with the motion for a resolution tabled by Mr Hansen and others (Doc. 218/78) : *Relations between Turkey and the European Community*.

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 Rivierez, calling for this paragraph to be deleted.

I put Amendment No 1 to the vote.

Amendment No 1 is rejected.

I put paragraph 6 to the vote.

Paragraph 6 is adopted.

President

I put paragraph 7 to the vote.

Paragraph 7 is adopted.

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

The resolution is adopted.

I now put to the vote the motion for a resolution contained in the report by Mr Schwörer (Doc. 223/78): *Customs union and the internal market*.

The resolution is adopted.

We shall now consider the motion for a resolution contained in the Prescott interim report (Doc. 182/78): *Reorganization of the shipbuilding industry*.

I put the preamble and paragraph 1 to the vote.

The preamble and paragraph 1 are adopted.

On paragraph 2, I have Amendment No 4, tabled by Mr Nyborg, calling for the addition of the following new sub-paragraph:

'(f) The lack of a shipbuilding policy, or a misguided policy, in all countries as well as the Community';.

What is Mr Prescott's opinion?

Mr Prescott, rapporteur. — Mr President, I am against, for reasons explained in the debate this morning.

President. — I put paragraph 2, subparagraphs (a) to (e), to the vote.

Paragraph 2, subparagraphs (a) to (e), are adopted.

I put Amendment No 4 to the vote.

Amendment No 4 is adopted.

I put paragraph 2 thus amended to the vote.

Paragraph 2 thus amended is adopted.

I put paragraphs 3 to 7 to the vote.

I call Mr Prescott.

Mr Prescott, rapporteur. — Mr President, one of the difficulties in a procedure like this is that it is not always possible to meet the requests for amendments coming in at the last minute because of the lateness of the report. In his reply the Commissioner made a comment about the figure of 2.4 m cgrt in paragraph 5 and I do not suppose you will rule me out of order if I suggest certain words should be changed. It is not a controversial point. The Commission do not feel that the figure of 2.4 is their policy and I agree with them and so did all those in debates. We could at least be correct about the Commission's position if you allowed me to make this change in paragraph 5.

President. — Exactly what change do you wish to make to the wording of paragraph 5?

Mr Prescott, rapporteur. — Mr President, in paragraph 5 I wish to make the following changes:

stresses moreover that the figure of 2.4 m cgrt mentioned by the Commission as a likely level of tonnage to be built in Community shipyards in 1980 should not be considered, as the Commission has emphasized, a target figure for the following reasons ...

There are good reasons for these changes and I think we should all unanimously support them. I know the Commission would very much like to have them included.

President. — Are there any objections to this amendment of paragraph 5?

That is decided.

I put paragraphs 3 and 4, paragraph 5 thus amended and paragraphs 6 to 7 to the vote.

Paragraphs 3 to 7 are adopted.

On paragraph 8, I have Amendment No 5, tabled by Mr Nyborg, calling for the beginning of this paragraph to read as follows:

'8. points out that such a reduction cannot take the form of an across the board cutback for all yards, there being a certain size (two words deleted) of production necessary for optimum efficiency and regrets ...'

What is Mr Prescott's opinion?

Mr Prescott, rapporteur. — Unfortunately Mr Nyborg was not here when I replied to this amendment. I would ask him to understand that if he was to take the word 'mix' out it would cause great difficulties in the shipbuilding yards that have to mix their production and therefore have different labour demands at different times. I would hope that perhaps he would consider that and withdraw his amendment. If he does not, I shall have to oppose it.

President. — Mr Nyborg, do you stand by your amendment?

Mr Nyborg. — (DK) Mr President, I will willingly withdraw this amendment, not for the reasons stated by Mr Prescott, but to provide shipyards with the opportunity of entering other fields of production.

President. — Amendment No 5 is withdrawn.

I put paragraph 8 to the vote.

Paragraph 8 is adopted.

After paragraph 8, I have Amendment No 6 tabled by Mr Nyborg, calling for the insertion of a new paragraph:

'8a. feels in principle that aid systems are undesirable and that existing aid systems should therefore be progressively abolished as soon as possible at both Community and international level, subject to reciprocity';.

What is the opinion of the rapporteur?

Mr Prescott, rapporteur. — I understand the intention behind Mr Nyborg's amendment but the Americans, for example, are appealing to their courts that Value-Added Tax is a subsidy and this amendment could be interpreted to have implications in that connection. I hope he may consider withdrawing it, otherwise I think I have to argue for reasons that I gave before that we would have to oppose it.

President. — Mr Nyborg, do you stand by our amendment?

Mr Nyborg. — (DK) Mr President, I cannot accept that statement, and I maintain the amendment.

President. — I put Amendment No 6 to the vote.

Since the result of the show of hands is doubtful, I call for a vote by sitting and standing.

Amendment No 6 is rejected.

(Applause from certain seats on the left)

I put the first part and subparagraphs (a) and (b) of paragraph 9 to the vote.

The first part and subparagraphs (a) and (b) of paragraph 9 are adopted.

On subparagraph (c), I have Amendment No 7, tabled by Mr Nyborg, seeking to replace this subparagraph by the following text:

'(c) shipping and shipbuilding policy is coordinated at European level to avoid unnecessary and destructive competition among the Member States;'

I call Mr Müller-Hermann.

Mr Müller-Hermann. — (D) I should like to ask Mr Nyborg, as the mover of the amendment, if he will agree to maintaining the original subparagraph (c) and adding his new subparagraph as (d).

President. — What is the opinion of the rapporteur?

Mr Prescott, rapporteur. — Mr Nyborg's amendment, I am bound to say, does not convince me that it adds anything at all, particularly in regard to 'destructive competition' which seems something of a tautology. Therefore I do not think it adds much of value to the report and it was not explained in any way in the debate so I would recommend rejection.

In regard to Mr Müller-Hermann's amendment, I suppose all that it is really doing is amplifying what 9 (c) already says, that is that this House has decided that it would harmonize the subsidies in the Fourth Directive and presumably all this is doing is saying that the Fourth Directive came out on 4 April 1978. So, I do not know whether Mr Müller-Hermann feels he needs to press that, because after all that is what the report is saying.

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

Amendment No 7 is rejected.

I put subparagraph (c) of paragraph 9 to the vote.

Subparagraph (c) of paragraph 9 is adopted.

After subparagraph (c) of paragraph 9, I have Amendment No 11, tabled by Mr Müller-Hermann, Mr Vandewiele and Mr Deschamps, seeking to add a new subparagraph:

'emphasizes in this connection the importance of the Council Directive of 4 April 1978 concerning the conditions governing national subsidies;'

What is the opinion of Mr Prescott?

Mr Prescott, rapporteur. — I expressed the view that I thought sub-paragraph (c) which is now being retained already says that, but I do not know whether Mr Müller-Hermann really wants to press this to include the date on which the directive came out. I was hoping that I might have had a response from the proposer. If that is not the case I suggest you leave the paragraph exactly as it is and therefore do not accept the amendment.

President. — I put Amendment No 11 to the vote.

Amendment No 11 is adopted.

I paragraph 10 to the vote.

Paragraph 10 is adopted.

On paragraph 11 I have Amendment No 12, tabled by Mr Vandewiele, Mr Deschamps and Mr Müller-Hermann seeking to replace this paragraph by the following new text:

'11. calls the Commission's attention in particular to the major challenge which the disastrous effects on employment represent, and considers that positive proposals should provide both for the creation of new jobs and for measures to attenuate the social effects of restructuring;'

What is the opinion of Mr Prescott?

Mr Prescott, rapporteur. — Again this is another of those amendments where we seem to be just playing around with words and the rapporteur feels obliged to defend what his committee had recommended in the first place, because it came from recommendations from the Committee on Regional Policy, Regional Planning and Transport and the Committee on Social Affairs, Education and Employment. As there is no real distinctive difference between the original and the amendment I think, as rapporteur, that I have to recommend leaving the words as the committee put them to the House, and therefore I propose you vote against the amendment.

President. — I put amendment 12 to the vote.

Amendment No 12 is adopted.

I put paragraphs 12 and 13 to the vote.

Paragraphs 12 and 13 are adopted.

On paragraph 14, I have amendment No 8, tabled by Mr Nyborg, seeking to delete this paragraph.

What is the opinion of Mr Prescott?

Mr Prescott, rapporteur. — I am faced with the same difficulty here and I am sorry to put the House in this position. This paragraph was a recommendation of the Committee on Regional Policy, Regional Planning and Transport which I adopted in my report and therefore, since that and my own committee support it, I would like to recommend that the paragraph should stay as it is.

President. — I put amendment No 8 to the vote.

Amendment No 8 is rejected.

I put paragraph 14 to the vote.

Paragraph 14 is adopted.

On paragraph 15, I have amendment No 13, tabled by Mr Müller-Hermann, Mr Vandewiele and Mr Deschamps, seeking to replace this paragraph by the following new text :

'15. calls on the Commission to investigate, with the Member States, the effects of the programme being implemented at national level, since otherwise any harmonization of shipbuilding policy would be pointless ;'

What is the opinion of Mr Prescott?

Mr Prescott, rapporteur. — Mr President, I think this is another of these cases where we are using different words to deal with what the report is actually saying. I might just say for the House's information that what is called for here is actually contained in that of proposal of the Commission regarding subsidies, for which we have just voted. Secondly paragraph 15 is the one that came from Lord Bessborough and the Committee on Budgets pointing out this defect in the approach of the Commission. The amendment calls for an investigation in which member countries have to assist the Commission in line with the requirements of the Fourth Directive. The amendment adds nothing at all to the report, and therefore I must regretfully advise you to withdraw it. If it is not withdrawn, I recommend that it be rejected.

President. — I put amendment No 13 to the vote. Since the result of the show of hands is doubtful, I call for a vote by sitting and standing.

Amendment No 13 is rejected.

I put paragraph 15 to the vote.

Paragraph 15 is adopted.

On paragraph 16, I have amendment No 14, tabled by Mr Deschamps, Mr Müller-Hermann and Mr Vandewiele,

seeking to replace this paragraph by the following new text :

'16. cannot make any meaningful assessment of the financial consequences of the proposals, as only the most general information has been provided ; regrets that the Commission's *work with the Member States and the professional associations* has not made sufficient progress to provide an initial breakdown between capital and current expenditure or between the Community budget, national budgets and private investment ;'

What is the opinion of Mr Prescott?

Mr Prescott, rapporteur. — Hallelujah ! All this amendment is doing is saying that when the Commission comes to work on a proposal, it must be careful to discuss it with the Member States and professional associations and make sufficient progress to provide an initial breakdown. Well, I assume the Commission gets its information from all these people, even if it does not spell this out at every turn. However, I am going to be on the winning side. I will recommend this time that you accept the amendment.

(Laughter)

President. — I put amendment No 14 to the vote.

Amendment No 14 is adopted.

I put paragraph 17 to the vote.

Paragraph 17 is adopted.

On paragraph 18, I have amendment No 9, tabled by Mr Nyborg, seeking to delete this paragraph.

What is the opinion of Mr Prescott?

Mr Prescott, rapporteur. — Mr President, this is a point of more substance. Again it came from the Committee on Regional Policy, Regional Planning and Transport, and the principle involved is that monies used for retraining or reorganization should not automatically come out of the allocation available in the Regional Fund for other objectives. The *hors-quota* section of the Fund means that money may be taken from a special account rather than from the monies available for the normal objectives of the Regional Fund. Therefore I suggest that you oppose this particular amendment to delete the paragraph, as the *hors-quota* principle is a good one.

President. — I put amendment No 9 to the vote.

Amendment No 9 is rejected.

I put paragraph 18 to the vote.

Paragraph 18 is adopted.

On paragraph 19, I have amendment No 10, tabled by Mr Nyborg, seeking to delete this paragraph.

What is the opinion of Mr Prescott?

Mr Prescott, rapporteur. — Mr President, the proposal to delete this paragraph runs counter to the whole trend of the debate this morning, which was that the amount of information given to Parliament is inadequate for a proper assessment of an industrial policy. The Commission would argue that it had not put forward an industrial policy, but it did agree that more information was needed. Really therefore the amendment would be against the general consensus, and I can only recommend that you reject it.

President. — I put Amendment No 10 to the vote. Amendment No 10 is rejected.

I put paragraph 19 to the vote.

Paragraph 19 is adopted.

I put paragraphs 20 to 22 to the vote.

Paragraphs 20 to 22 are adopted.

On paragraph 23, I have two amendments, which, since they are mutually exclusive, must be taken together.

Amendment No 1, tabled by Lord Ardwick and Mr Patijn on behalf of the Socialist Group, calls for the addition of the following text to the end of this paragraph :

*'... its whole shipbuilding policy, including the possibility of orders based on exercising 'Community preference' as outlined in Parliament's resolution of 10 February 1977;'*¹

Amendment No 15, tabled by Mr Vandewiele on behalf of the Christian-Democratic Group (EPP), calls for the addition of the following text to this paragraph :

*'... and calls on the Commission to investigate the possibility and desirability of exercising 'Community preference' by requiring Community shipowners to purchase a certain proportion of their ships in Community shipyards;'*¹

What is the opinion of Mr Prescott ?

Mr Prescott, rapporteur. — Mr President, amendment No 15 came quite late. However, looking at amendments Nos 1 and 15 I think we can agree that what they seek to add to the resolution is that if international agreement were to fail and the Commission had to review its shipbuilding policy, it should consider the possibility of orders based on exercising 'Community preference' as agreed by this Parliament on 10 February 1977 in the context of my first report. Let me make this absolutely clear, however, that there is no commitment to the principle. We are speaking only of the study of a possibility, as Japan and other countries are doing with their orders. We are only seeking that the Commission consider this as one of

the possibilities if international agreement cannot be reached. Therefore I would add the words 'study of the possibility' to the amendment, because I think that would reassure some people. I think Mr Vandewiele's amendment No 15 is seeking to achieve the same thing, and if Mr Vandewiele will agree to accept Amendment No 1 by Lord Ardwick and Mr Patijn with the addition of the words 'study of the possibility', I think it will reassure those who are concerned about this particular point.

President. — I call Mr Vandewiele.

Mr Vandewiele. — (NL) Mr President, I thank the rapporteur for the addition which he proposes. There is some hesitation in Parliament concerning the text proposed by Mr Patijn and others. However, if we add to that amendment the words 'study of the possibility', I believe that Parliament will be able to agree to it. Since this question was discussed at length at the time. I would in that case withdraw my amendment and recommend adoption of the text as expanded by Mr Prescott.

President. — Amendment No 15 is therefore withdrawn.

I put Amendment No 1 as amended to the vote.

Amendment No 1 as amended is adopted.

I put paragraph 23 thus amended to the vote.

Paragraph 23 thus amended is adopted.

After paragraph 23, I have Amendment No 2, tabled by Lord Ardwick and Mr Patijn, seeking to insert the following new paragraph :

'23a emphasizes the crucial importance of establishing a strong shipbuilding industry within the Community which in the short term will involve use of financial aids as recommended by the Commission and therefore calls for a decision on the application of the 'Intervention Fund';'

What is the opinion of Mr Prescott ?

Mr Prescott. — Mr President, Amendment No 2 inserting a new paragraph 23a does not entail any commitment in principle one way or the other on the question of an Intervention Fund. This point was asked in the debate, and I want to make it clear before the Vote. The use of an Intervention Fund is called for by two countries of the Community, and the Commission has before it proposals from those countries, Britain included. All this amendment does is to ask the Commission to come to a decision, because the delay is causing problems one way or another. There is no commitment to the principle of an Intervention Fund towards which frankly, for reasons given in the debate, I am not favourably disposed. I would ask Parliament therefore to support this amendment.

¹ Resolution of the European Parliament of 10 February 1977; OJ C 57 of 7. 3. 1977, PE 57.

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

Amendment No 2 is adopted.

I put paragraph 24 to the vote.

Paragraph 24 is adopted.

On paragraph 25, I have Amendment No 3, tabled by Lord Ardwick and Mr Patijn on behalf of the Socialist Group, seeking to replace this paragraph by the following new text :

'25. instructs its President to forward this resolution *and the report of its committee* to the Council and Commission and the governments and parliaments of the Member States';

What is the opinion of Mr Prescott?

Mr Prescott, rapporteur — On Amendment No 3, Mr President, I do think that what this resolution is asking for as it stands at the moment is for only the resolution to be sent to the Commission and the Council. Now I fully understand that my views are not always acceptable to this House, but it has always adopted the procedure whereby the report of the rapporteur and the ideas contained in it are still sent with the resolution. I would remind you of the case of the Klepsch report, when our group certainly disagreed on the arms procurement agency, but all Mr Klepsch's arguments were in the document, and that was forwarded with the resolution. I think the House at least, whatever it might be feeling about individuals involved — and I can only imagine some such reason to explain the different treatment in this case — should accept this amendment, and send the report with the resolution to the Commission, the Council and the governments.

President. — I call Mr Vandewiele.

Mr Vandewiele. — (NL) Mr President, in support of what the rapporteur has said, I would ask for the report to be taken as such. There is also an opinion by Lord Bessborough, on behalf of the Committee on Budgets, a Vandewiele opinion, on behalf of the Committee on Social Affairs, Employment and Education, and an opinion by Mr Damseaux, on behalf of the Committee on Regional Policy, Regional Planning and Transport. Therefore, speaking from a personal point of view, I shall support the rapporteur in his request that the whole document be forwarded.

President. — I call Mr Prescott.

Mr Prescott, rapporteur. — Mr President, I certainly meant that; I meant the total document that is with the resolution and before the House at the moment: the replies from the organizations, the opinions and some of the speeches that are included at the back.

President. — The amendment should therefore read :

'25. instructs its President to forward this resolution, the report of its committee and the opinions to the Council' etc'

I put Amendment No 3 thus amended to the vote.

Amendment No 3 thus amended is adopted.

I put to the vote the motion for a resolution as a whole, incorporating all the amendments that have been adopted. The resolution is adopted.

8. *Decision on aids for the iron and steel industry*

President. — The next item is the debate on the report (Doc. 180/78) drawn up by Mr Ansquer, on behalf of the Committee on Economic and Monetary Affairs, on a draft Commission decision establishing Community rules for aids and interventions by Member States in favour of the iron and steel industry.

I call Mr Ansquer.

Mr Ansquer, rapporteur. — (F) Mr President, ladies and gentlemen, the iron and steel industry is faced by serious difficulties, and the situation has been deteriorating for some years now.

The problems created by the crisis have already been discussed by this House, and in 1977 . . .

President. — I regret to have to interrupt you. I call Mr Schyns on a point of order.

Mr Schyns. — (F) Mr President, I have the impression that most Members of Parliament, including the rapporteur, would like this report to be referred back to committee. It would be better for the rapporteur to request this straightaway and for the debate to be adjourned. I would submit this proposal to the House.

President. — Mr Schyns, after hearing what you have to say, the rapporteur will be able to state immediately if such is his intention.

Mr Ansquer, rapporteur. — Mr President, if the House agrees, I personally am in favour of the report being referred back to committee, as this would enable us to save time.

President. — Mr Ansquer, are you or are you not asking for referral back to committee?

Mr Ansquer, rapporteur. — Since the subject of my report, which is of essential importance for the Community, has been discussed only briefly by my committee, I would indeed request that it be referred back to committee.

President. — Once requested by the rapporteur, referral back is of right in virtue of Rule 26 of the Rules of Procedure.

I call Mr Porcu on a point of order.

Mr Porcu. — (F) Mr President, on behalf of the Communist and Allies Group I wish to protest against the decision to refer this report back to committee, bearing in mind the importance and the seriousness of the problem with which it deals. As we know, the Commission has prepared a plan which involves the lay-off 100 000 workers in the iron and steel industry. We also know that the Council must deliver its opinion on 23 July. Parliament should have debated the report today. I must therefore register a strong protest against these procedural manoeuvres.

President. We note the position you have taken, Mr Porcu.

I call Mr Osborn on a point of order.

Mr Osborn. — Mr President, I have been in close touch with the British Steel Corporation and I have been in touch with the independent sector of the industry. We have heard perhaps the most deplorable results of any steel company announced yesterday. For the rapporteur not to debate the issue, for the Commission not to reply, I think is a failure of this Assembly, and I do insist that we have a vote on this issue.

President. — Mr Osborn, I regret that there is a formal regulation on this point: once requested by the rapporteur, referral back to committee is of right.

9. Urgent debate

President. — I have received from Mr Albers, Mrs Dunwoody and Mr Lezzi, on behalf of the Socialist Group, a motion for resolution with request for urgent debate pursuant to Rule 14 of the Rules of Procedure, on the Council's failure to agree on measures to promote youth employment. (Doc. 230/78).

I shall consult Parliament on this request at the beginning of tomorrow's sitting.

10. Uranium fuel

President. — The next item is the oral question with debate (Doc. 187/87) by Lord Bessborough, Mr Osborn, Mr Fuchs, Mr Noè, Mr Cointat, Mr Rivierez, Mr Veronesi and Mr De Clerq, to the Commission:

Subject: Uranium fuel

What progress has been made by the two Community firms, EURODIF and URENCO, in the development of

the two methods for enriching uranium with a view to the Community becoming self-sufficient in this field?

I call Lord Bessborough.

Lord Bessborough — I do not want to filibuster Mr President, but I do feel that those who wanted to take part in this debate should be warned that it has been advanced by probably two hours. I see very few of the speakers, like Madame Walz and Mr Patijn and several others who were going to speak, so I hope that they will be told that this debate has been advanced.

Mr President, it concerns the Community's ability to prepare uranium fuel for use in the nuclear electricity generating plant of Member States. The first speech I ever made in this House, in March 1973, over five years ago, concerned this very matter, and I may say that I would stand by every word that I then delivered on the merits and demerits of the two systems — diffusion and the centrifuge — and of course I still prefer the latter. Now, five years later, not only is the Community's uranium — ore supplied from Canada and the geopolitically sensitive areas in Africa, but the enrichment of 99 % of it is still undertaken under contract by the United States and the Soviet Union. If we in the Community can only produce 1 % of our enrichment needs, it is a sad result after all this work.

Members will recall that in 1973, the United States Atomic Energy Commission agreed new contractual arrangements with Community electricity undertakings, committing the United States to supply enriched uranium for 10 years. And then President Carter decided that the supplies to the Community would be suspended while the conditions under which United States enriched uranium is supplied to the Community are renegotiated. Happily, supplies have been resumed, but for how long have they been resumed? At the time that the Non-Proliferation Treaty was signed the United States gave firm assurances about supplies of this enriched uranium for several nuclear power plants in the free world, and based on American surplus capacity. Now, lest anyone should think that such an assurance is unchanging in the case of other customers, as recently as April this year, the United States Nuclear Regulatory Commission suspended supplies of enriched uranium to India. If there is any consistency in American policy, it is that India and the Community have suffered similar treatment.

As clients for enriched uranium fuel, we must apply the lesson. For how long can we be sure of the reliability of the other supply from the Soviet Union? It is worth noting that the Soviet Union was not slow, Mr President, to apply the Arab oil cartel pricing policy to its allies, for oil and for raw materials. Community dependence on Soviet or American supplies should not be allowed to reach such proportions that those countries can threaten the suspension of supplies as a political weapon. This is as much a question of the Community's political independence as of energy independence. This House must therefore

Lord Bessborough

examine the progress the Community is making to establish an indigenous Community enrichment capacity.

Let us just identify the investment needs of the two undertakings, EURODIF-COREDIF and URENCO, and determine whether there is a case for Community support. Now while URENCO is already in production and working satisfactorily, at EURODIF, the Belgian, French, Italian and Spanish consortium established in 1973 with 25 % Iranian investment, pilot production at Tricastin is only expected to begin next year, producing possibly 500 tonnes initially and reaching full production only in 1982. The diffusion process, this process, is said to have the advantage that customers can be offered a choice of what is called tails assay of uranium. That is to say, a physical quality of the uranium affecting the economy of fuel usage. A disadvantage is the high consumption of electricity required for the diffusion process. Four pressure water nuclear reactors are required, and according to US experience the investment required for one Separative Work Unit (SWU) in a diffusion plant is 457 dollars. This statistic can be compared with the investment required for one unit of the centrifuge facility, the enrichment technique used by URENCO, of 300 dollars. It is said that the centrifuge does not attain the low tails assay figures of the diffusion process, a difference that can mean an economy of 30 % in uranium fuel consumption. On the other hand I have always claimed that the centrifuge process is more economical than the diffusion process in its power consumption requirements, requiring 10 % of the energy consumed in diffusion enrichment.

However because of the considerable investment required — the US administration is investing 4 000 million dollars in additional diffusion capacity between now and 1984 — I agree it is important that both techniques should be given a fair trial. Perhaps let us give them four or five years working experience. This experience can only be obtained if the EURODIF and URENCO plants are brought to the stage of large-scale operations as early as possible. In 1978 the world requirement for enriched fuel is of the order of 14 000 tonnes, and the available capacity, principally American, is 17 000 tonnes. If the United States Government funded enrichment capacity is installed, then the United States may have a yield of 34 000 tonnes by 1985, and the proportion of this yield available to non-American customers will be directly related to United States investment in additional generating capacity. The OECD in its report on 'Nuclear Fuel Cycle Requirements', published in February this year, estimates that the enrichment requirements for OECD countries in 1985 will be in the range of 35 000-46 000 tonnes. The Community's enrichment needs in 1985, including those of the accession States, based on Members' present plans, is of the order of 7 000 tonnes in 1985. And if the Council's target for nuclear generating capacity in 1985 is

used as a criterion, then the Community enrichment needs would be approximately 10 000 tonnes in 1985.

It has been reported, Mr President, that President Carter's energy plan implies an additional 600 nuclear generating plants to the 62 plants already in operation by the end of the century. Well, the biggest joker in the pack is President Carter himself, or rather his success or failure in implementing the energy policy, which he announced with such a fanfare. Furthermore there are other countries in the non-Soviet world which may bring forward their nuclear investments, thus compensating for any slippage in nuclear building programmes in the United States and elsewhere. And let us note that so far the Community has not examined the potential nuclear energy needs of our friends in the Lomé countries, and therefore their uranium needs. It is worth recalling that President Kaunda of Zambia has already called for Africa uranium enrichment facilities to be established. If therefore in 1985 the OECD countries must rely on the USA for enriched uranium from that vast government facility at Oak Ridge, which I have seen, and Paducah and Portsmouth, and on the Community for enriched uranium from Pierrelatte and Tricastin, that is EURODIF, or Almelo and Capenhurst, which is URENCO, then I question whether the Community will have sufficient enrichment capacity to meet the balance of demand. It is therefore essential to the nuclear industry and to energy-dependent industries to know that the level of Community enrichment capacity will be sufficient for their needs.

What will that capacity be? What are the lead times in the Community for the expansion of the diffusion and centrifuge processes, each to yield say an additional 1 000 tonnes annually? What is the corresponding investment? Within the meaning of Article 41 of the Euratom Treaty this House must have access to this information so that appropriate action on joint undertakings may be considered according to Articles 45 and 46 of the Treaty.

Mr President, the world finds itself in an energy hiatus. For those who have the work, there is no urgency — for those who do not have the work there is little enough hope. The recent OPEC meeting in Geneva has warned that oil will be priced according to the level that the market can bear. When I visited Saudi Arabia in March this year, this view was confirmed to me, and I was also warned that oil could well be priced at 25 dollars per barrel by 1980. Our response must be urgent — an investment in alternative energy sources today, and not delayed until tomorrow. Before 1985 there could be another energy crisis. We must respond to the evidence before our eyes and invest in additional nuclear generating plant and the enrichment capacity to fuel it. I beg, therefore, Mr President, with great regret that this debate has been advanced so fast and that I see my colleagues who were going to speak in it are still not in this nonetheless none the less to ask the question.

IN THE CHAIR : MR MEINTZ

Vice-President

President. — I must point out to Lord Bessborough that the item being debated is announced on the television screens.

Everyone can therefore know that we are in the process of debating your oral question.

I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, Parliament and the Commission have always agreed on two things. Firstly, we must ensure that the Community always has a stable supply of uranium. Secondly, as we expand our sources of energy, we must give reasonable scope to nuclear energy. Otherwise we will not be in a position to meet our energy needs at the end of the 80s.

As you all know, there have been long delays in expanding nuclear energy in Europe. We have had to revise our objectives. Only in 1975 we were saying: by 1985 we will need a nuclear capacity of 160 gigawatts. Now we know it cannot be done. A more realistic figure is 85 gigawatts. This means that we are falling behind other major energy-producing countries such as the United States. Today we have a nuclear energy capacity of some 23-24 gigawatts. The United States, notwithstanding an official policy highly critical of nuclear energy, already has a capacity of 45 gigawatts. So, on present calculations we will still be well behind the United States in 1985.

This will have very specific effects. It will have a specific effect on the demand for natural and enriched uranium. But we must not deceive ourselves. Last week I was in Iran. Iran is already anticipating developments in oil production twenty years from now, and it is making a major effort to develop its nuclear capacity. We will be able to cover only about 20 % of our petroleum requirements from our own resources, so we have every reason to take reasonable and safe steps to expand our nuclear energy capacity.

But we must be realistic about what we can expect. It is quite possible that by the mid 80s we will not have as great a demand for enriched uranium as we expected. The situation at present, as Lord Bessborough has already indicated, is as follows: we are using two processes in Europe, the gas diffusion process and the ultracentrifuge process. The URENCO centrifuge process will produce about 2 000 tonnes of enriched uranium in Europe by 1980. By 1985 URENCO's capacity will have increased to about 5 000 tonnes.

Moreover, by 1980 the EURODIF gas diffusion process will be producing about 7 000 tonnes. This could rise to about 11 000 tonnes by 1985. We can

therefore expect to be in a much easier situation by then. The position now is that we are importing 80 % of our natural uranium and 99 % of our enriched uranium. Some of it comes from the United States and some from the Soviet Union. But if things turn out as we expect, we will eventually be producing about three-quarters of our enriched uranium ourselves.

To that extent I believe that if these developments go ahead as planned and if, in addition, our new EURODIF separation plant is constructed as planned, we can look forward to a much easier situation. We will then have a stable source of supply if we consider that we have a series of supply agreements with third countries and that the amounts supplied under these treaties will, of course, be in addition to what is available for our own needs. So I believe there is no cause for concern and that we will secure stable supplies in the foreseeable future. We may even find ourselves in a buyers' market with modest over-production. There will of course be no harm in that because the effect on prices would be most welcome.

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

Mr Flämig. — (D) Mr President, ladies and gentlemen. In view of the very reassuring answer Mr Brunner has just given, we see no need to initiate a major and long debate on this matter since Lord Bessborough's question referred principally to progress with the two European undertakings EURODIF and URENCO. It would not get us very far to keep raising the question at every part-session of whether or not we need to expand our nuclear energy capacity. We have already indicated where we stand on this matter several times, and we take it for granted that the House shares the same view.

What we have just heard from Mr Brunner, namely that we can look forward to a much easier enriched uranium supply situation in Europe, is extremely reassuring, because the present situation is anything but reassuring. Lord Bessborough has already spelled out the enormous difficulties we will be in if the measures President Carter and his government have announced are actually carried out. Mr Brunner himself has just said that we now have to import 99 % of our enriched uranium.

So for the moment I simply wish to thank Mr Brunner and the Commission for this farsighted policy. Nor will we be sorry if there is a buyers' market, for that is certainly preferable to the opposite. Uranium prices have in fact been rising at an alarming rate. We know it does not make much difference to the final price of electricity, but it is not as unimportant as we are sometimes told either.

Flämig

A final point: it is not enough just for the Community to be certain of securing supplies of enriched uranium for its reactors — predominantly light water and high-temperature reactors; we also wish to see every effort made to ensure that in the next ten years or so European nuclear reactors can be built for export. Mr Brunner is absolutely right to say that it is not enough just to export reactors; we must be in a position to export the fuel as well. So we believe that the Commission has acted correctly in helping to secure adequate supplies of enriched uranium for the Community until 1985.

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

Mrs Walz. — (*D*) Mr President, Lord Bessborough's question about progress with EURODIF and URENCO is timely; the Non-Proliferation Act adopted in February 1978 by the American Congress should already have made it clear to us that, where deliveries of their uranium for peaceful purposes are concerned, the United States will not be content with Article 4 of the Non-Proliferation Treaty, but will want to impose further conditions. Assuming they go ahead with their demands, they will subject our entire atomic energy industry to extensive American supervision possibly in coordination with Australia and Canada. Moreover, America is seeking to forbid the export of sensitive technology, and this of course includes the enrichment process. Carter has suggested that America should take over the whole enrichment process for its partners, and, as Lord Bessborough has said, 4 000 million dollars have been allocated for this purpose for the period up to 1984.

Can Europe really hold its own on the atomic energy market — where it is fully competitive with America — if it denied the most advanced technology, as has already happened in data processing, in the aerospace industry, in applications satellites, where we are also trailing behind? Have we not developed the technically more advanced process with the ultracentrifuge, which gives a separation factor a hundred times more favourable than the diffusion process? America is now looking at this very process, and will almost certainly adopt it sooner or later. Europe cannot therefore afford not to enlarge its uranium enrichment capacity if it is to avoid getting into a further state of energy dependency — this time on enriched uranium.

However regrettable it may be that the Commission's Euratom project was not implemented at the time, so that a single Community undertaking could be created, the important thing now is to ensure that both processes are made to deliver their full capacity — in stiff competition with each other unfortunately. There were uranium enrichment contracts for 22 000 tonnes of separation processing in 1977. I don't know

if that figure has risen in the meantime, I was unable to get the latest figures. It should therefore be all the more appreciated that the Netherlands Parliament has remained a loyal partner to the Treaty, the safety conditions previously concluded with Brazil having been fulfilled by the Treaty. Europe's weakness in raw materials means that it must rely on its technological capacities if it is to maintain employment.

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

Mr Croze. — (*F*) Mr President, ladies and gentlemen, the enrichment of uranium occupies a particularly important place in the processing cycle of this fuel, since nuclear energy is produced by means of light-water reactors fired by enriched uranium. It is therefore absolutely necessary for the Community, which has opted for nuclear energy, to use every means at its disposal to obtain enrichment plants. It must not be forgotten that one of the reasons why, the United States has cut back its nuclear programme lies in the absence of new enrichment sources. As has been pointed out by previous speakers, the Community continues to depend on American supplies of enriched uranium. This is why, since the beginning of May, the Petten experimental reactor has not been supplied with enriched uranium as the United States has suspended supplies. But perhaps the Commission can tell us what is actually happening in this precise sector. According to estimates, a gap in the supply of this enriched uranium will appear in 1985. We should therefore double our separation production capacity and build four new plants for this purpose. Two European companies have been set up to supply these needs: EURODIF, which specializes in enriching by means of gas diffusion, a technically proven process, has decided to build the Tricastin plant in France. This plant should become operational in January, 1979 and reach full productivity, that is, 10 800 000 separation work units a year, by the end of 1981. EURODIF has already received 110 000 000 units' worth of orders to be supplied from 1976 to 1990. EURODIF has also decided to set up a second plant capable of producing enriched uranium in 1985. It looks as if these two plants will be able to supply the needs of the Member countries, France, Italy and Belgium. I paid due attention to Commissioner Brunner's reply just now on URENCO and ultracentrifugation technology and I would like to ask the Commission if it considers those figures, the time-limits foreseen and announced by me and given us by Commissioner Brunner as realistic. At present, it seems that we are supplied with accumulating surpluses of enriched uranium owing to the slowing down of nuclear facility programmes; but, as I have said, this situation will evolve and it is important that the

Croze

Community should be able immediately to provide itself with the necessary enrichment capacity to realize its nuclear programmes. Lastly, I would like to ask the Commission — as Lord Bessborough did a short time ago and I did not hear the reply — if it does not think it timely to develop other processes. In May, 1977, before the International Atomic Energy Agency conference France proposed a new enrichment process by means of chemical treatment. The chief interest of this process lies in the fact that it would help prevent the proliferation of nuclear weapons. If we can be assured of the efficiency and safety of this process, this could well be a subject for international cooperation and I think that the Commission would do well to examine this dossier.

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

Mr Bouquerel. — (F) Mr President, first of all I would like to thank the authors of the oral question which is the subject of the present debate, for uranium enrichment is one of the key problems of Community energy strategy. The problem is, at bottom, that of the Community's energy supply. Our group would like to reaffirm its strong conviction of the absolute necessity of using nuclear fission for a certain period while waiting for the development of thermo-nuclear fission which will solve many of the problems we are facing and, in particular, that of the storage of radioactive waste. For the years 1980-85, only a coherent and continuous thermo-nuclear energy production programme will be able to assure the Community of a sufficient energy supply. This debate, then, leads us first of all to pose the problem of the progress to date of nuclear power-station building programmes, natural uranium supplies and, lastly, those of enriched uranium. As for the power-station programmes, we take a pessimistic view. Over the years we have seen the various national objectives shrink under pressure from a certain section of public opinion. Now more than ever it is indispensable that we arrive at a reasonable compromise between the necessary observance of regulations protecting the environment and the building of reactors, for this is the only way to continue the energy policy of the Community. The enrichment of uranium also poses the problem of natural uranium supplies. The countries supplying uranium in the world are relatively few. Our needs will grow over the next few years. Accordingly, we must not only try to spread our natural uranium supply sources, but also build up considerable reserves on a Community scale, as Commissioner Brunner suggested earlier. This need is all the more pressing because the uranium-producing countries, like the oil-producing countries, which are increasingly eager to market refined products, could

well express a wish to enrich their uranium themselves. In the fields of nuclear physics and nuclear-produced electricity, we would thus be in a position of dependence similar to that with regard to the OPEC countries. Thus we see the vital importance of the Community providing itself with enough uranium enrichment capacity to be self-sufficient and to allow it to get over any foreseeable difficulties in obtaining enriched uranium supplies.

And this is precisely the object of this question. We are aware of the quarrel which in 1974 divided advocates of gaseous diffusion and those of EURODIF and those of the URENCO ultracentrifugation, process. Each had its merits.

Gaseous diffusion had the advantage of being a reliable process, quickly set up, but with the drawback of using up large quantities of energy and needing extensive equipment. Ultracentrifugation was the model technique of the future, using less energy and being easier to use, but it was only at the stage of a rather unreliable prototype. What has happened to it since then? Experience should now enable the Commission to answer some of the questions put at the time. Does the EURODIF process still need such extensive equipment? Is the URENCO process operational by now? Has the coexistence of these two processes been of benefit to the Community, or will it be in the future? Lastly, one step on from gaseous diffusion and ultracentrifugation, what have been the results of research into enrichment by laser, which would have the advantage of enriching uranium in one go and not in stages? These are all questions which play a key part in the immediate energy future of the Community and we shall be very interested to hear Commissioner Brunner's answers to these questions.

President. — I call Mr Dalyell.

Mr Dalyell. — Mr President, I think I should explain before starting that a fortnight ago I lent my advance copy of the book by Davenport, Eddy & Gillman *The Plumbat Affair* to Dr Schuster, and last week from the Socialist Group in Grenoble we warned the Commission that this subject would be raised.

Mr President, if we are talking about enriched uranium, what very many of our people want to know in several of the Member States is precisely what conclusions are to be drawn from the so-called Plumbat affair, a subject that has been raised from time to time, notably on 10 May 1977, as the Commissioner will remember, and which now has not only occupied columns of the *Sunday Times* and a whole 'Panorama' programme but is the subject of two books. Mr President, I think that the Commissioner has some responsibility to comment on certain matters that have been raised. It may be that he has a complete answer, but what I am clear about is that an

Dalyell

answer has to be given in his own interest, in the Commission's interest and in the interest of all of us. I quote from page 167 of *The Plumbat Affair*:

By now the European Parliament, to which the Commission is supposed to be responsible, was in a state of high dudgeon. Many members believed that the Parliament should have been told about 'the loss'. Guido Brunner, the EEC Commissioner for Energy was summoned to the next session to explain why it was not.

When he appeared before Parliament, Brunner, a West German, was labouring under the handicap that he had not been Energy Commissioner during the affair and so had no first-hand knowledge of the events. That did not inhibit him from defending the Commission and Euratom. It did, however, lead to some rather curious statements. He studiously ignored the fact that most of those in the know have believed for years that the uranium had gone to Israel where it was perfectly suited for use in Dimona's reactor. Brunner said that the Plumbat uranium 'cannot be used as easily as some people think to manufacture bombs'. Indeed, warming to his theme, he added that it was impossible to use the Plumbat uranium for military purposes. Smartly switching tack, he explained that Euratom's regulations had since been tightened to prevent any more of this perfectly harmless uranium from going astray. Commissioner Brunner gave the impression that the whole business had been very unimportant and that Euratom should actually be congratulated for even discovering that the heist had taken place. He was, as one member of Parliament later remarked, like a bank president claiming a reward for the discovery that his bank had been robbed.

Brunner's performance raised more questions than it had answered, and, two days later, another EEC Commissioner stepped up to the rostrum in an attempt to sort out the mess. Wilhelm Haferkamp, also a West German, had been Commissioner for Energy in 1968 and 1969, and was therefore directly involved in the Plumbat affair. His more intimate knowledge, however, did not make him any more enlightened or reassuring.

At a press conference in Brussels he blandly announced that little could be done to counter any organized plot to divert nuclear materials from the EEC. He apparently thought little of the new regulations which, he said, he had personally proposed in 1970: they had not been adopted until 1976, Haferkamp said, and then only in a 'toned-down form'.

Now, it goes on, and there are other issues, just one of which, for time reasons, I propose to refer to and I am glad that I do so in front of some of my German colleagues, and particularly the chairman of the Committee, because I do think that there are issues that are raised on Energy and Research here not only for the Commission but for the Government of the Federal Republic. Doubtless they have a reply, but, in my opinion, reply they must and not least because it so happens that they have the Presidency and these questions should be put to the Council because, and I quote:

There is, moreover, no doubt that the West German Government was acutely embarrassed by the involvement of Asmara Chemie, a German company and a defence

contractor at that. Very conscious of Germany's dependence on Arab oil, the Bonn Government naturally wanted the whole messy business to go away as quickly as possible. When German socialist representatives attempted to raise the matter in the Reichstag they were told that the episode was like the 'snows of yesteryear' and should be forgotten.

I think that the issues that are raised really do affect us all, because there is the double issue of what the Commission is now going to do to respond — and it is under an obligation to say something — and there is an obligation, in my humble opinion, for the German Government to make comments on the charges that have been made. Doubtless there is an answer, but an answer they must give.

President. — Mr Dalyell, in allowing you, out of my democratic spirit, to overrun your speaking time, I feel I have stretched the Rules of Procedure, because what you have said was foreign to the subject of the debate. You are sufficiently aware of the procedure of this Parliament to know that you could have certainly raised this question on another occasion.

I call Mr Ellis.

Mr Ellis. — Mr President, I am grateful to Lord Bessborough for raising his timely question and I am grateful to Mr Brunner for answering it and for the reassurance he has given the House. I, like my good friend and colleague, Mr Flämig, am very happy indeed to accept those reassurances absolutely. But having said that, I think I would like to take the question just that little bit further than simply the question of our supplies of enriched uranium in three years' and eight years' time, because there are some very very profound issues involved, as I am sure the House knows. The big fundamental problem behind the whole of the nuclear issue is, of course, the question of proliferation. All the other problems, problems of waste disposal, accidental leakage of waste and so on, become almost marginal in the face of this one central issue of proliferation — proliferation, I might add, not into the hands of terrorists, but proliferation into the hands of established governments. I think I certainly accept that the issue that lies behind the attitudes of some of the governments which supply uranium — ore to the rest of the world, countries like America, Canada and Australia, the fundamental issue in their minds is clearly this issue of non-proliferation. I accept that absolutely. It has nothing at all to do, as I see it, with any commercial advantage at all. Therefore the issue of non-proliferation does become a very important one and I, myself, feel that in recent years we have gone a little bit off the rails about non-proliferation. At least one or two important governments, so it seems, have reverted to a position that they originally adopted at the end of the war and which then was demonstrated to be a quite fallacious position in respect of preventing proliferation.

Ellis

If I may illustrate my point by looking at the history of non-proliferation regimes since the war, what is significant is that the very first attempt to establish such a regime was the American Baruch plan. At the heart of that plan lay the maintenance of an American monopoly of nuclear capability. That is to say, the policy essentially was a policy of denial. Well that policy, if I can express it this way, was blown skyhigh when the USSR announced two years later, that it had in fact exploded a nuclear device. So, quite clearly, policies of denial, technological restraint, manifestly even at that time, way back in 1947, were not really satisfactory. If you trace the history since then of attempts at non-proliferation, what in fact has developed has been the slow politicizing of efforts resulting in 1973 in the Non-Proliferation Treaty. Now that treaty does suffer from at least one major defect and the defect is that the treaty is an asymmetric treaty; it is a highly discriminatory treaty. It discriminates in favour of the nuclear weapon States and against the non-nuclear weapon States. And the improvements that have taken place in the last 3 or 4 or 5 years in respect of the treaty have been gradually to lessen this discriminatory content, to lessen the asymmetry. A good example, I think, is the fact that within the boundary of the Community, within the Euratom regime, there has been the voluntary acceptance by two of the Member States which are nuclear weapon powers of inspection by Euratom. That is a step towards this 'levelling out' of the burdens, the principle of the equality of misery, I believe it is called.

Well now, quite clearly it seems to me, when a major government adopts a new kind of policy and the policy comes from the heart of the American administration — it comes, I suspect, from the President himself, leaving aside for the moment his problems with the American Congress — when this policy becomes a new kind of policy, essentially one of denial, that is to say of political restraint, then one does become very very concerned indeed that it might well be leading us in the wrong direction. Because as Dr Eckland, the Secretary-General of the International Atomic Energy Agency, pointed out in a speech last December, the very secrecy concerning not only enrichment but also reprocessing, the whole secrecy surrounding isotopic separation, has resulted in considerable research activity to devise new and better processes for isotopic separation, resulting in the laser enrichment process, that one honourable gentleman mentioned, and a JET process and other processes. We read in the press only two months ago that an American company in Seattle has already established a pilot plant to build a laser enrichment process resulting in much more readily and much more cheaply available enriched uranium. If these new processes become successful, then in a sense we are defeating the object.

I am going to finish, Mr President, fairly quickly, simply by saying that it does seem to me that the paradox — and we all know that politics is full of paradoxes — the paradox in this particular problem is in a sense that, in order to prevent the bomb, one has to make available the technology. This is the very interesting paradox here and this question of whether or not we in Europe have our own enrichment process and indeed, for that matter, our reprocessing processes, does become extremely important for a much more important reason than that of simply supplying the Community with its fuel. I hope that what I have now said will be listened to by anyone who is so disposed to listen to it, particularly in the United States of America.

President. — I call Mr Patijn.

Mr Patijn.— (NL) Mr President, although I am no expert on energy, I should just like to say a few words concerning URENCO, because it has been in the forefront of Dutch politics for the last six months. I wish to thank Lord Bessborough for giving me this opportunity by allowing me to study his speech, which I was unfortunately unable to hear due to the unexpected change in the agenda.

Mr President, what has actually happened regarding the URENCO plant in Almelo? The discussions in Holland were not about whether the Dutch Parliament was in favour of or against enriched uranium. That was not the question. The question was, as my friend Mr Ellis put it, was whether to pursue the policy of denial or a policy of safeguards. But I do not agree with Mr Ellis when he says that it is wrong to pursue a policy of denial. In my view, a policy of denial is not a policy at all if the alternative is a policy of supplying without guarantees.

The main question at issue during the last six months was what exactly we intend to do with our enriched uranium. We have the capacity, and we are exploiting it. To what end? For our own energy supplies? That is all right if we do this in cooperation with countries which have signed the Non-Proliferation Treaty, accept inspection by Euratom and are members of the IAEA. We would then supply one another. But that is not the question. The question is whether, with our enriched uranium capacity, we shall be contributing to the spread of atomic weapons. The basic issue was of course the Brazil contract, the contract between the Federal Republic and Brazil. This did not involve supplying the traditional type of nuclear power-station, but a reprocessing plant. What would happen to the plutonium produced by this plant? Would it be stored? Under whose supervision and why? And who would be responsible for it? The Brazilian Government perhaps? Not exactly the most democratic regime in the world! And what if it decides to use it

Patijn

to make atom bombs? The first atom bomb in South America. Why not?

These were the questions raised in our Parliament. You might say that this is nothing to do with URENCO, but you must not forget, that with our processes, we can contribute substantially towards cutting down the spread of atomic weapons by dictating conditions to those whom we supply. That is not a policy of denial, but a policy of safeguards. In the case of the Brazil contract, it should be borne in mind that third country did not sign the Non-Proliferation Treaty and has always refused to give the slightest guarantee with regard to storage. The only concession Brazil was prepared to make, and that only after extensive negotiations, was to agree to discuss the possibility of a safeguard. And this is what the Dutch Parliament has been discussing in recent weeks.

If we discuss URENCO only from the point of view of our energy supplies, the debate is justifiable, but by no means complete. There are many other issues involved and the Dutch Parliament continues to be concerned about them, and so should the European Parliament. For if we have these techniques, we have also the responsibility for using them in such a way as to prevent the worst happening, namely the spread of atomic weapons. Everyone was surprised when India, which we had all given so much development aid to, exploded its atom bomb. Everyone was angry that insufficient precautions had been taken. We must prevent the recurrence of such a situation, and I wish this debate could include this aspect of things. However, I realize that this is not the right moment, but I do feel that Parliament should include the question of non-proliferation in its discussions with Mr Brunner and Mr Haferkamp, our external relations Commissioner, in the whole problem of our enriched uranium process. We must not be irresponsible and decide, since we have something which will sell well, to sell it to anyone at any price.

This would give rise to the greatest difficulties in coming years, as regards Dutch contributions to URENCO.

President. — I call Lord Bessborough.

Lord Bessborough. — Mr President, I just wanted to ask two or three questions of the Commissioner because he did not reply to these points very precisely. We know, Mr President, that by 1985 URENCO should be supplying 7 000 tonnes annually and EURODIF 5 000 tonnes annually. Well, I do think it is important in this to err on the side of excess capacity so that the Community can meet its own and possible Lomé Convention partners' needs, or indeed other overseas needs.

At the present time the Community is, as I said, importing 99 % of its enriched uranium. At what rate would the Commissioner say are indigenous Community supplies being created? Also, do the existing contracts with the Soviet Union and the United States enable dependence to be reduced by, say, half, and if so, by when? When in fact do these contracts with the United States and the Soviet Union expire? Finally, does the Commissioner think there is a case for Community finance here?

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, on Lord Bessborough's question I would say that we shall have to consider at an appropriate time whether Community support for enrichment will be necessary. That will of course depend on the market situation. With existing plant we will need about three years to produce 1 000 additional tonnes. I do not think we can say much more about our expectations for 1985 than I have said already. We can expect by then to be in a position to cover three quarters of our needs ourselves. The agreements which have been concluded between Community undertakings and enrichment centres outside the Community are for the longer term. We will therefore gradually reduce our dependency from 99 %, and my estimation is that we will reach two-thirds own-capacity by 1980, and three-quarters by 1985. I think it would be unreasonable to try to be any more specific about market trends than that. Everything of course depends very intimately on the expansion of nuclear energy capacity as a whole. As I said, we have had to revise our expectations considerably.

Various questions have been asked about new technical processes. I really think the Community must stay with the ball here. The Community should look at every new separation process, especially chemical separation processes and the use of lasers, and see how far they could help to maintain supplies and decide whether they should be supported.

I think we have a fairly consistent policy in this whole area. It has not been a bad thing that there has been this competition between the two processes. We now have a smooth running major installation — EURODIF. At the same time, URENCO has proved itself as a modern and economical process. In relation to rising energy costs, this process is very worth while. So I think that on the whole we need not be ashamed of European technological progress in this area. This of course, also, has an important bearing on supplies to customers in third countries. Moreover, the whole issue will be discussed at the conference on the fuel cycle. Here enrichment techniques will be considered in relation to technical processes.

Brunner

There is no reason for this Community to worry about its record on non-proliferation. That has been fundamental to its whole policy for years. It was the first to come up with a highly developed inspection and control system. It has cooperated with the Atomic Energy Agency in Vienna with a verification agreement on new methods of supervision. It has submitted voluntarily to international inspection of the fuel cycle. It has repeatedly stated that it will support the objectives of non-proliferation by requiring every possible safeguard from customers for its nuclear exports. The main producers of nuclear materials have also agreed on common restrictions on exports through the Club of London.

We are now holding talks with the United States on the new series of discussions on Euratom-USA relations which have been called for under the Non-Proliferation Act. I expect to inform the United States of our response to this in the next few days.

We should not be hiding our light under a bushel. This sector is one of the most strictly controlled there is in the whole world.

I turn now to the matter raised by Mr Dalyell. I must say I enjoyed his reading of the text much more than my own.

(Laughter)

It was a stimulating performance, Mr President, and to that extent I don't mind that you allowed the whole thing to be read out. But I have to say this: we had a full-scale debate on this on 10 May last year. I cannot very well take any further action that will only give the widest possible publicity to this particular book or to any other books that might be published on the matter. I am not going to go along to a bookshop and hand out autographed copies alongside the author. All I can say is: we have told you all we could after consulting the records. I had the records thoroughly examined at the time. I cannot change the fact that I only took up my duties a long time after all this had happened.

I am sorry I have been unable to make it clear to public opinion just what the supervisory function of Euratom is.

I just cannot get that across. You cannot expect us to do more than the job we are there to do. We have a system for determining whether there has been a diversion of materials. We do not have a police force that can check up on movements of materials. This is a responsibility of the Member States. So the comparison with the bank president is simply misplaced. And even if it were fair, if a bank president did discover that some money had disappeared from his bank, he would be entitled to take some credit for it, especially if it was not his responsibility in the first place, because what you must understand is that the system is organized to provide a monitoring service.

We are not in a position to inspect actual installations or movements of materials. Now any writer who so wishes is free to suggest that I gave the impression that the whole business had been very unimportant. But I have never sought to give that impression. All I have tried to do is to explain to you what the Euratom inspection system is and what it is not. That is what matters. If we cannot get this distinction across, it becomes quite impossible to give a fair assessment of Euratom's part in this whole affair in 1968. Without that we will get nowhere; we can devote as many sittings to this affair, as we like, but they will get us no further. So let us please once and for all get a firm grasp of what our inspection system is and what it is not. Once we get that clear, I don't think we need to go into the other aspects any further, because at that point it is clearly a matter for the Member States concerned. These are things that must be looked into by the police. They are things which have nothing further to do with Euratom.

The only thing we could be blamed for would be taking an unreasonably long time to discover the loss. I think if you look back to 1968 and consider that this was natural uranium, not enriched uranium, you must accept that it did not take long until the incident was discovered. It was a matter of a few weeks as far as I remember, certainly not more than a few months. I don't think you can really say that Euratom was negligent. That is all I want to say about this at this stage.

There was a question about Petten and deliveries to Petten. These were deliveries of highly enriched uranium, not the normal enriched uranium produced by EURODIF or URENCO. Now nothing dramatic is happening here either. The point at issue was that we have a working arrangement with our suppliers of highly enriched uranium whereby we constantly inspect the safety systems of our research reactors, and we have inspected the installations in Petten and have devised some new safety precautions. That has now been resolved. There is therefore no reason to anticipate any kind of ban on deliveries or anything else of a sensational nature. We have a normal working relationship here, and I believe that everything has been resolved to the satisfaction of all concerned.

On the whole I believe it must be said that the Community has an interest in the safe and reasonable expansion of nuclear capacity. This will only be possible if we also build up a reasonable supply base. We will not be in a position to increase our supplies of natural uranium in a dramatic way. We shall have to go on importing large quantities for a long time. We are now importing 80 % of our needs. But this does not mean that because we do not have independent supplies in this branch of the energy sector, we should give up all activity. We must make every effort to reduce one-sided dependency on a single

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energy source, such as petroleum. This has been the repeatedly stated policy of this Community. It holds good for supplies of enriched uranium.

Finally may I say that this has been a full and stimulating debate, and I should like to thank everyone very warmly for their contributions.

President. — I regret, Mr Dalyell, that I cannot call you to speak again.

The debate is closed.

11. *Injuries caused by radiation at the JRE*

President. — The next item is the oral question with debate (Doc. 194/78) tabled by Mrs Walz, Mr Flämig, Mr Normanton, Mr Blumenfeld, Mr Ellis and Mr Pintat, to the Commission :

Subject : Injuries and damage caused by radiation at the Ispra Joint Research Establishment

A press report of 12 June 1978 states that, at the Ispra Joint Research Centre,

- an employee has been contaminated through handling plutonium oxide, as was the controller who checked him.
- plutonium dust has escaped into the atmosphere as a result of the inexperienced installation of ventilators in store-rooms,
- radioactive water has escaped into the soil as a result of a pump not being turned off,
- low-active nuclear waste has been buried in a water-bearing earth stratum over a period of years, with possible harmful consequences for both the Italian and the Swiss areas adjoining Lake Maggiore,
- there are no rules of conduct for the staff in case of malfunction or emergency, or internal rules for radiation protection,
- the official responsible for radiation protection devotes a considerable proportion of his time to outside jobs and thus appears not to be performing his duties.

How true are these reports, and what has the Commission done to remedy any shortcomings that in fact exist — and to prevent their recurrence ?

President. — I call Mrs Walz.

Mrs Walz. — (D) Mr President, honourable Members, on 12 June a high-circulation weekly magazine published a report which subsequently found its way into the international press, on a number of incidents at the Commission's Joint Research Centre in Ispra. These incidents, which happened over a period of some time, concern the handling and storage of radioactive materials and are said to have led to the radioactive contamination of workers and the environment. They are described as a series of moderately

severe accidents caused by carelessness, or as the result of unfamiliarity with or even disregard for the relevant safety provisions.

These incidents did, of course, take place, although the circumstances have been distorted and the consequences greatly exaggerated or even quite wrongly described. None of the cases described in this magazine are 'accidents' as defined by the Council Directive of 1976, but are rather incidents without serious consequences such as could be expected to occur from time to time in any atomic research establishment where, after all, people are at work. This is confirmed by a thorough investigation of the facts and by objective assessment of the consequences. It must be stressed that strict international provisions apply to the atomic energy sector and that intensive precautions are taken on the job. Working conditions and the environmental hazards are much less strictly controlled in the chemical industry, in mining and in many other branches of industry than they are in the atomic energy industry.

As we all know, the public only hears about the sensational cases. We don't need to be reminded of the Soweto disaster or the horrifying effects of silicosis or the havoc caused by the *Torrey Canyon* and the *Amoco Cadiz*.

The traditional branches of industry originated in the nineteenth century, and many of the problems associated with them can be traced right back to their origins. The atomic age was ushered in with an inferno that is still a major stumbling-block to peaceful applications of nuclear energy. But at least the risk was appreciated in advance. It was only to be expected that strict safety standards would be required by law and enforced in the installations, both nationally and internationally. The Joint Research Centre is no exception. One of the basic instruments is the Council Directive of 1 July 1976 laying down the revised basic standards for the health protection of the general public and workers against the dangers of ionizing radiation.

For each installation in the Joint Research Centre, an extremely extremely comprehensive handbook is produced which lays down precise instructions for handling dangerous materials and equipment, and which is constantly kept up to date and forwarded to heads of units. There are also general provisions for the entire workforce. Radiation protection services monitor and direct operations, and protection and detection equipment is always available, although it may be that measurements should be taken more frequently and that standards should be stricter.

Trained medical teams are on duty at all times.

Walz

The recent incidents at the Ispra installation should not, therefore, be regarded as accidents as defined in the Council's directives. They did not therefore call for a formal investigation by the authorities responsible. It is worth pointing out, incidentally, that there has been no accident, in that sense, since the Joint Research Centre was set up. The exposure of one person to contamination as reported in this magazine, is, admittedly, the most serious incident of its kind to date, but it should be noted that the dose of radiation was only one-tenth of the permitted amount. These incidents were followed up and treated by the radiation protection and medical services. The management of the Centre was kept constantly informed by detailed reports. The incident was subsequently explained to the entire staff in an internal memorandum which I would personally be interested to see I would be grateful if I could be sent a copy. Every possible measure was taken to avert any direct consequences and to tighten up safety precautions for the future.

To sum up, it may be said that the incidents were not serious and that, if anything, they have shown that the Joint Research Centre is and was capable of reacting quickly and effectively. The publicity given to these incidents in the German and international press is a further indication that the public needs to be kept fully and accurately informed about energy matters and that the press needs to show a greater sense of responsibility than was unfortunately displayed in this article.

IN THE CHAIR : SIR GEOFFREY DE FREITAS

Vice-President

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, I should like to thank Mrs Waltz very warmly for her statement. She has made my task very much easier. It is true that a worker was exposed to a mild dose of radiation in April. It was immediately ascertained that the dose received was only one-tenth of the maximum permitted dose. All traces of radiation had disappeared after 48 hours. This means that the title of this debate, 'Injuries caused by radiation at Ispra' is actually wrong.

It should be 'alleged' or 'so-called' injuries.

Secondly, the allegation that plutonium gases escaped through ventilators is untrue, because there were no ventilators in the room concerned.

Thirdly, it is untrue that there was any significant pollution by overflowing radioactive water. It is true that there was some mild contamination of a sand and gravel filter. The filter was changed although the

contamination was very mild and the whole unit was encased in concrete, not because this was strictly necessary, but because it was felt necessary to demonstrate to the entire staff that the strictest precautions should be taken in such cases.

Fourthly, there has been absolutely no pollution of the water in Lake Maggiore. It must be made quite clear that this waste is stored in double-walled metal containers which are continuously inspected by the Italian and Swiss authorities.

Fifthly, it is not the case that we have no rules of conduct for an emergency. We do in fact have very strict ones and there are frequent drills.

Sixthly, it is not true that the official responsible for radiation protection devotes much of his time to outside jobs. This official is an *ex officio* member of the Italian health protection committee and is therefore required to spend eight to ten days a year attending meetings of that committee in the interests of the service.

That, then, is the situation. It is rather like what happened to a chap called Marius de Provence. One day one of this chap's friends came up to him and said: 'Look, I hear you really have a great way with the girls, they say you make a new conquest every week, really fantastic.' And Marius said: 'Well, no, it's not really like that, it doesn't actually happen every week, it's more like every year. And as a matter of fact, it's not even me, it's my sister. But there is a grain of truth in it.'

(Laughter)

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

Mr Flämig. — (D) Mr President, ladies and gentlemen, we must put first things first. And that means safety first. Protection of workers and local residents and of the environment must come before economic advantage. That is one of the basic points in socialist energy policy. It holds good not just for atomic energy, but for all branches of industry. We were just as upset to hear a report of a recent accident in a West German port where over ten workers were injured by chlorine gas as we are by the news of a major pit disaster or accidents in the chemical industry. Whatever the circumstances, one death or one injury is one too many.

Now, we appreciate — and we have just listened to Mr Brunner's answer — that the atomic energy industry has an impressively low accident record compared with other sectors, and that is as it should be, because we are all aware of the very serious hazards associated with nuclear power and with irradiated materials.

A second point is that the nuclear energy industry is probably the first major technological development

Flämig

ever where prior thought has been given to the risk of accidents and safety precautions have been taken in advance. It must be one of the first cases of locking the stable door *before* the horse has bolted. That is important in itself and undoubtedly also accounts for the fact that hitherto practically no fatal accidents and relatively few non-fatal ones have been associated with the peaceful uses of nuclear energy.

And then *Der Spiegel* comes out with this article which Mrs Walz has brought up. Anyone reading this article and not familiar with the real situation would be astonished, not to say shocked. Now, there is one general thing I want to say about this.

It is not our style to make a point of knocking the press, because it is essential to have free media that can check up on what is happening. At the same time, we have the right to expect the media to research their leads thoroughly. There is an old saying that goes: *auditur et altera pars*: the other side must get a hearing too. It would be worth knowing whether the people responsible in Ispra were asked to comment. After hearing the Commission's answer — and we had raised this matter under urgent procedure in the Committee on Energy and Research — the picture we now get is that this article is either downright wrong or grossly exaggerated, and in fact there is really very little to worry about.

Mr Brunner, we are very relieved to be told that. But — and I make no secret of this, Mr President — it has come to our notice from certain professional quarters that the safety provisions are not being strictly adhered to in every case — not just in Ispra but in the Atomic Energy Community as a whole. It would appear that radioactive materials are occasionally handled very carelessly. Now, as Socialists we don't want to play this up, but we are not going to sweep anything under the carpet either. We therefore call for a specific assurance to come out of this oral question and the answers that have been given. We are asking for an assurance that safety precautions will be scrupulously observed. Safety precautions should not just exist on paper, they must be enforced by random spot checks. A few days ago there was an accident involving a Euratom reactor in Brunsbüttel, an accident that was caused by human error. The machinery functioned normally, but an operator had closed down the safety mechanism. It is because of incidents like that that we are asking for staff to receive continuous training in security measures and for continuous research into the improvement of security standards.

Mr President, if the *Spiegel* article helps to bring this about it will not just have alarmed the public, it will have given an important lead that ought to be followed up, and that is what we hope will happen.

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

Lord Bessborough. — Mr President, I would like to thank Mrs Walz for raising this matter. As we have heard, *Der Spiegel* has made this allegation and referred to the accidental irradiation of an employee some time during May this year. Now whether this report is true or false, this debate does provide an opportunity to establish whether the Treaty establishing the European Atomic Energy Community is being honoured more in the breach than in the letter.

At a time when some sectors of public opinion have been unnerved by Friends of the Earth and other groups of ecologists, the suggestion of lax discipline at the Joint Research Centre might add more ferment to what I might call the antheap of misinformation about the physical safety of nuclear energy. Ispra has, as we know, among its research and development projects, programmes of vital importance to the electricity consumer and the generating industry. Reactor safety is one of its jobs and not only reactor safety but also nuclear waste disposal and the control of fissile materials. If the Community is to retain the best intellects to solve these problems then the electors and this House must be confident that the Community's research centres set the highest possible standards for safety. A model, I would hope, to other establishments involved in nuclear research.

The Treaty calls for the Community to lay down basic standards for the protection of health. Now are those standards, could the Commissioner tell me, being applied and how do they compare for example with the standards set by the United States or maybe other Member States.

Article 34 specifies that any Member State in whose territories particularly dangerous experiments are to take place shall take additional health and safety measures. These experiments undertaken at Ispra are, I think, intrinsically dangerous. But are they considered so by the Commission? What special provisions, if I may also ask this question, has Italy made to anticipate the problems of health checks on workers handling and disposing of radioactive material and waste?

Another question: What information does Italy give, and how often does Italy communicate to the Commission on the checks which it has made, so that that the Commission is informed of the level of radioactivity to which the public in Italy, and, I may say, Switzerland, may be exposed? When the Joint Research Centre provides data on the disposal of radioactive waste or material, is the information communicated simultaneously to the Italian Government and to the Commission or, if not, could I ask what procedure is in fact used?

I am sorry to ask so many questions but there is just one other. Has the Commission at any time been obliged to take action against Italy or any other

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Member State, because that State has infringed the basic standards?

I hope the Commissioner may be able to answer these questions. I pose them because public opinion must be reassured that the best enforceable standards for health and safety are applied. If the Commissioner is unable to provide satisfactory answers, then this House could call upon the Court of Justice to inquire into the application of health and safety standards in accordance with Article 143 of the Treaty. I do feel that it might be prudent to conduct an inquiry, an independent inquiry, into this matter and the European Conservative Group would therefore call upon the Commission to publish an independent report of inquiry into the allegations reported in *Der Spiegel*. I thank Madame Walz for raising the question.

President. — I call Mr Dalyell.

Mr Dalyell. — Mr President, like Lord Bessborough I am another of the British in an interrogative mood. As Mrs Walz will recollect, I was one of her committee who was against this question ever finding its way to the plenary session after we had heard Mr Dinkespieler come and make his statement. In fact I think it would have been much better if there had been a statement from the committee. This should be one of the functions of Parliament: if the committee concerned is convinced they should make a press statement on such occasions, and leave it at that. To elevate this matter to the plenary does give the impression that there is no smoke without fire. On the other hand, Mrs Walz does have some justification for turning round to me and saying I am the first person to think that we ought to respond in a major way to serious press allegations.

I would ask the Commission about this whole issue of replying to press statements. First of all, in these circumstances, if you do not get an apology, why not go to law? This is a question that I asked at the committee and I repeat it. Now, I take the point that the Commissioner made in his delicious story of Marius of Provence and his sister. I am not asking the Commission to get into some sort of Balzacian law case as in the *Cousin Pons*, but nevertheless was going to law considered?

The second thing is this. You have an expensive press set-up in Brussels. Why was it not used? I do not want to refer to the previous debate, but it is all very well to say it was a long time ago, but we have to face up to it. The most serious newspaper in the UK decided to devote its front page and inside page, and so many columns to the story; the BBC 'Panorama' programme devoted 50 minutes of prime time to the story. In Germany on another issue, out comes *Der Spiegel*. I am afraid I must speak here as a day-to-day politician and really we have to do something about it. Now, I want to ask the Commissioner this in relation

to the previous subject, why did he not ask for a right of reply to go on to the BBC, which could hardly have been denied to him? Frankly I may say that I think it is a bit of a lost opportunity, because as we all in this House know, it so happens that the Commissioner is a very brilliant and gifted linguist and he is really quite capable of going on to the BBC and arguing it out. Now, it is not even a matter of going to London to do it. Alan Watson has this new set-up in Brussels. It has cost a great deal of money. Why could the Commissioner not go along to the studio, having gone to the top men of the BBC and say: look, if you are going to devote this kind of time to sensational stories on your major programme, you had better hear our right of reply at some length. I do not think the BBC could have denied it as a matter of policy and I would be interested to know what the Commission's view is on the right of reply, in this kind of instance, either to *Der Spiegel* or to the BBC or *Sunday Times*.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) First, the questions raised by Lord Bessborough. Of course the strictest safety and health care standards are applied. These are exactly the same as in the United States. We have hitherto had no reason to believe that they were not being observed. The mere act of raising the question puts us in an awkward position, like saying: Of course I wouldn't have killed my mother-in-law. And that's what sticks in the public mind.

The next point is that we ourselves carry out the inspections. We have an extensive health service. We have a reputation as experts in this whole area. We work to our own rules, and the Italian Government is not responsible for Ispra. But we do work in close cooperation with the Italian Government. To date we have had no complaints against any Member State in such a matter. Everything has functioned correctly hitherto.

I now turn to the question of whether or not to reply to press allegations. This is a difficult question to answer. I should first like to make the distinction between Germany and other countries. In Germany the right of reply in the press is relatively restricted and not easy to assert. You must confine your reply to factual corrections. At the same time, you must always state specifically what is incorrect in the press allegation. You are therefore obliged to repeat the allegation. That's the first point. You are again forced to say that you would not have murdered your mother-in-law. It is a case where you have to make a careful political assessment of your options and decide whether to react to the incident, to insist on publication, or to do nothing. In this case I decided to do nothing. I still think that was the best course. I have kept to the rule that there are some things that you should neither comment on nor deny.

Brunner

Now the question about the BBC. As we were all aware at the debate in May 1977, this all happened a considerable time ago. I don't know whether it is in the best interests of the Community to explain exactly what the Euratom inspection rules are and what they are not, in connection with an affair of this kind. This could give an uninformed public the impression that the Community was weak because it only has limited responsibilities and the impression might be created that the Community could not be trusted to meet certain of its responsibilities under the Euratom Treaty. I believe that impression should not be created. But it is not easy to draw the line. It is not easy to explain the situation to a public that cannot be expected to know all the details. It is not necessarily a good idea, therefore, to engage in a stand-up debate about incidents that happened a long time ago. That is the position. I believe we must tell people: We do have an inspection system. This inspection system works well within its own limits. But its job is to determine whether materials have been diverted or not. We are not atomic private eyes. The security and investigation aspects are jobs for the Member States. Our job is only to find out quickly if something has gone missing, and to inform the authorities responsible. As far as I can determine from the records, that was what happened in 1968. I can say no more than that. To go any further and become involved in an argument about what is now practically an historical event would, I feel, be inadvisable from the point of view of the Community and from the point of view of Euratom. That is my political assessment of the situation.

Now I owe it to this Parliament to provide information and I owe it to you to come forward in a debate about matters such as the one that you have raised today. But that is as far as it goes. Beyond that point, it is for you to take a decision, just as it is for me to take a decision. If you have the impression that we are making a wrong political judgment here and that these matters must be given more publicity, then I can only say that you as a Parliament are in a position to do precisely that. You are all free to do so. But until there is evidence to the contrary, I feel that in both these specific cases our attitude to publicity was the right one. What we had to say to the public we have said through this Parliament. That is what the debate is about and nothing more.

President. — I call Lord Kennet.

Lord Kennet. — At the risk of repeating something earlier in the debate, not all of which I heard — I hope the Parliament will forgive me if I do — I would like to follow up Commissioner Brunner's extremely thoughtful and full and painstaking answer to my colleague, Mr Dalyell's, strictures. He spoke of the desirability of denying, or not denying, things that just do

not happen. But you see, in the case of the Ispra allegations, this is a perfectly clear statement that certain things did happen. In other words, the statement made by *Der Spiegel* was that the Commission was behaving in a culpably negligent manner about its own safety regulations. This, I think, with all respect to Commissioner Brunner, is either true or not true, and the question of whose job it is to decide whether it was true is one that I would like to return to in a minute, after considering the far more important question of the Pumbat affair, which Mr Dalyell touched on rather lightly. Now it may be that in Germany the right of reply is limited and all you can correct is misstatements of fact, and I fully take into account what he said about the mother-in-law question, or as one would say in English, 'have you stopped beating your wife?' It is the same question.

But if we return to Plumbat, here we are dealing — we are still dealing with it and we shall still be dealing with it for decades yet, until the end of the century and beyond — with a perfectly concrete allegation that owing to the personal negligence or default of a servant or servants of the Commission of the European Atomic Energy Community, Euratom — of the unified Commission — a nation State was able, with impunity, to commit what amounts to an act of piracy, or of hijacking of weapons, and to become thereby a nuclear weapons State, thus making it the sixth or seventh nuclear weapons state in the world. The allegation is perfectly precise: it is stated that that is what happened. Now Commissioner Brunner says that he is only bound to tell us here in Parliament what he can tell about it: it was all before his time, the story ended in 1968 — of course all this is true. And he then went on to say, and I marked his words very carefully, Parliament is in a position to do something about it.

Now I would like to ask him, even towards the end of the debate, could he come back on this? Is it the position of the Commission that if this Parliament feels that these two affairs need a factual investigation to find out who, if anybody, is guilty of wrongdoing or omission, and whether if so they have been punished and how, if they have not been punished, they can be punished, it can do something? If it is the Commission's opinion that that is the job of Parliament, this opens a very interesting prospect which I had not myself thought of. I believe that it may well be the case; if it is the case I would be inclined to think that the Parliament should follow up this clear invitation from the Commission and set up an inquiry to apportion the guilt, if guilt there be, for the hijacking of 200 tonnes of uranium oxide, in the 1960s, by agents of the State of Israel, and to inquire into the much lesser affair of the recent *Spiegel* allegations about neglect of the safety procedures at Ispra.

President. — I call Mrs Walz.

Mrs Walz. — (D) I should like to ask Mr Brunner to clarify a point which I think was not quite clear from his answer. How exactly does the inspection procedure work, Mr Brunner? Suppose something like the alleged incident did actually happen at Ispra — although of course nothing of the kind has in fact happened — would it be investigated by your department alone, or would you also bring in outside specialists, from the IAEA in Vienna, say, or would the investigation be the responsibility of a single organization, if I may put it like that? Because it would take the wind out of a lot of people's sails if it were known that outside investigators would be brought in the event that an incident like the one alleged to have happened had in fact happened, because it is always useful to get an outside opinion.

President. — Commissioner, if you wish to reply of course you can, but I do ask you to address yourself to Ispra only: this is the subject of debate.

I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, I think we are beginning to mix a lot of things together that do not belong together. I shall naturally abide by your decision, but I should have liked to reply to Lord Kennet in connection with the earlier incident. But we have already had a debate on this, and it should be considered closed.

What happened at Ispra is something quite different. It is alleged that someone has been injured by radiation. Now how do we look into that? We have a radiation protection officer and we have a medical team. The radiation protection officer was present when the worker concerned was handling the material. He was therefore able to determine immediately what dose of radiation had been received. It was one-tenth of the permitted level. Forty-eight hours later it had disappeared completely. That was all there was to it.

Now who investigates this? We do so ourselves. Matters such as injuries caused by radiation and so on have nothing to do with the agency in Vienna. That is exactly the way this kind of incident is treated in every Member State, where each installation and each operator is, of course, responsible for health protection within his own operation. That is the situation.

As regards inspection of such incidents, I would have no objections if Parliament wished to inspect our operations in specific cases. I very much doubt whether a majority could be found in this House in favour of looking into this particular incident, which was not really an incident at all. But I would welcome it if this Parliament — to the extent that this was legally permissible, and that I cannot judge — were gradually to assume a supervisory function in specific cases. That would raise the political status of this Parliament, and ultimately that of the Commission also.

President. — The debate is closed.

12. Urgent debate

President. — I have received a motion for a resolution tabled by Mr Porcu and others on behalf of the Communist and Allies Group, together with a request for urgent debate pursuant to Rule 14 of the Rules of Procedure, on the situation in the iron and steel industry (Doc. 233/78).

I shall consult Parliament tomorrow morning on the adoption of urgent procedure for this motion.

13. Intra-Community trade in power-station coal

President. — The next item is the report (Doc. 199/78) drawn up by Mr Ibrügger on behalf of the Committee on Energy and Research on the introduction of a Community aid system for intra-Community trade in power-station coal.

I call Mr Ibrügger.

Mr Ibrügger, rapporteur. — (D) Mr President, honourable Members, the effort to improve intra-Community trade in power-station coal must surely be seen as a last attempt to improve the situation in the market for coal. It must also be seen as a challenge to the Member States of the European Community to maintain, and, indeed, to promote coal as a major energy source in the Community.

This involves the security of long-term energy supplies in Europe and it is surely right to say that security of long-term supplies is absolutely essential if the economic and social development of the European Community is to continue. It has been universally accepted that the high proportion of oil consumed in energy production must be reduced. With that as our basic objective we must also take into account that by the mid 80s and especially in the 90s, there will probably be considerably tension in the oil markets which could lead to bottlenecks in supplies; that in itself should lead the European Community to give serious consideration to reducing its demand for oil. A reduction in the demand for oil is not only required in the European Community, but in all other industrial countries as part of their contribution to Third-World development and as a way of helping Third-World countries to get a fair share of petroleum to support their own development efforts.

The Community has major coal reserves. Using them would mean that we could reduce our dependence on oil and bring about a significant improvement in the security of our energy supplies. Coal will be a fundamental resource in maintaining electricity supplies in a crisis and especially in providing the iron and steel industry with coking coal.

As of 1 January 1978 — according to the latest figures available to me — oil-fired power-stations with a

Ibrügger

capacity on 27 000 megawatts are either planned or under construction. As of the same date, hard coal power-stations with a capacity of 10 000 megawatts were planned or under construction. Oil-fired power stations with a total capacity of 17 000 megawatts are now under construction, but the hard-coal power-stations now under construction will have a capacity of only some 3 000 megawatts. Authorizations for coal-fired power-stations have not come up to anything like expectations, even although the Council of ministers decided on 17 December 1974 to maintain Community coal production levels.

The European Parliament has repeatedly stressed the importance of coal in securing energy supplies, and on 17 December 1977 it passed a resolution calling for coal production to be maintained.

We now observe that coal production in the Community has fallen and that coal imports from third countries have risen and that in the case of power-station coal, which accounts for about 50 % of the entire coal market, in 1976, 86 % of requirements were met from internal sources. By 1977, the figure had fallen to 84 %.

The Commission has stressed — and rightly so — that if production targets are to be maintained, appropriate action must be taken. This refers firstly, to proposals to promote the construction of coal-fired power stations, secondly, to proposals for financing cyclical stocks of coal and coke and thirdly, to the aid system for intra-Community trade in power-station coal which we are discussing today.

Reactions in the committee to these proposals ranged from outright rejection to total acceptance, but the main element was downright scepticism. All the proposals are based on the assumption that some 70 % of the financing can be taken on by the coal producers and/or the producing countries. There were also doubts about the viability of specific proposals announced hitherto. Among other things, the amount and breakdown of the subsidy, the level of aid and its weighting according to production and transport costs within the Community need to be looked into very carefully. But despite reservations on certain difficulties thought likely to arise in implementing the proposal and despite the general scepticism as to the preparedness of coal producers and coal-producing countries to provide the financial contribution suggested, the committee unanimously agreed that this was an important step in maintaining essential targets in the energy sector.

Another important point is that when these proposals are submitted to the House, the basis of calculation, the question of control and, especially, the budgetary implications of Community action must be debated. But on the whole I recommend that you approve this draft scheme, because it is an important step towards

the Community objective of securing long-term energy supplies within the Community. It would also reduce our dependence on imported energy supplies and promote more intensive use of internal energy sources. For this reason I recommend approval of the scheme proposed by the Commission on the condition that, when the proposal is submitted in its final form, a number of points of detail are looked at very carefully.

President. — I call Lord Bessborough, to introduce the opinion of the Committee on Budgets.

Lord Bessborough, draftsman of an opinion. — I am sorry, Mr President, to have to get to my feet again, and so soon, but I will be even briefer this time and of course, as I said earlier today, the opinion of the Committee on Budgets is mandatory. The Committee on Budgets examined the draft opinion which I drew up at several meetings, in order to give the fullest opportunity for discussion on a matter which is of particular political importance for the 1979 budgetary procedure, because the Commission has followed its communication with definite proposals in its preliminary draft budget. In this communication the Commission hints at an overall figure of 120 million EUC as the likely consequence for the Community share of the cost of the scheme. In the preliminary draft budget, at Item 3232, the Commission places an appropriate 100 million EUC on the line and describes briefly the mechanism which it hopes will increase Community production and trade between the Member States.

The Committee on Budgets has always supported the view that action should be taken, financed by the Community, to reduce dependence of Member States on energy imports from third countries, but, and particularly in view of the amounts involved, the Committee on Budgets has had to examine the feasibility of the proposal very carefully. It has not been helped in this by the fact that the Commission has not provided any detailed financial information. I have set out in paragraph 7 of our opinion, that is to say, on page 20, the six points on which fuller information will be required in conformity with the standard financial statement agreed by the institutions. When the Commission comes forward with a proposal for a regulation, we shall expect full details on these points. Therefore, this opinion is to be considered only as an interim one. The Commission tends to introduce communications prior to its presentation of draft regulations. Members of my committee can sometimes see the value of such an approach permitting greater discussion and new information to come to light. In this particular case and in view of the Commission's intention to place appropriations in the 1979 budget, it is to be regretted that the new financial year will practically be upon us before we see a

Lord Bessborough

draft regulation from the Commission. We particularly asked for this in committee and I think it was promised that we would get it after the summer recess. This makes it, in our view, unlikely that the full amount suggested by the Commission for 1979 will be spent. This in turn means that the largest single new activity proposed by the Commission in the 1979 preliminary draft, the largest single new activity, is unlikely to be carried out to anything like its full extent in 1979. This is perhaps one of the disappointing features of that budget, which Members underlined during a very important debate on the preliminary draft budget this last Monday night.

The Committee on Budgets agrees with Mr Ibrügger and the Committee on Energy that the objectives set out in the outlined plan for the aid system should be supported. We welcome the fact that the Committee on Energy shares our concern and doubts about the realism of certain aspects of the working of the system. So, in view of the inadequate information provided at this stage, the Committee on Budgets has had to withhold its definitive opinion, which it will give after examination of the draft regulation which the Commission has promised to lay before us and when also the Committee on Budgets decides on the proposed budget appropriations during the 1979 budgetary procedure.

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

Mr Fitch. — Mr President, the Community's coal policy has been formulated in the context of its energy strategy up to 1985 and is linked particularly with the requirement to develop fully the Community's indigenous resources as a means of reducing dependence on imported energy. In its Resolution of December 1974 setting out its objectives for the different forms of indigenous energy, the Council of Ministers fixed a 1985 objective for Community coal that was based on stabilization of production at a level of at least 250 million tonnes of coal equivalent. The Community's coal producers indicated at the time and still consider that physically and technically this objective was a realistic one for the Community coal industry as a whole, provided that the Community authorities and the member governments were prepared to create the necessary conditions for implementation as a matter of energy policy. This means continuity of public policy in regard to the necessary investment, but also measures to ensure stabilization of disposals of Community coal at a level consistent with the production objective, having regard particularly to the difficulties in which the producers would otherwise be placed in keeping to their production plans during periods of low demand. These points were recognized by the Commission in its medium-term guidelines for coal 1975-85.

The circumstances, Mr President, in which the Community's coal industry has been operating since the Community's energy policy objectives were set have been in sharp contrast to the medium-term prospects on which the objectives were based. The worldwide economic recession, including the considerable reduction in demand for steel, has inevitably had marked effects upon the demand for energy, and the resulting temporary surpluses of oil and gas, with coal also being offered on the world market at low prices, have tended to encourage consumers to believe that there is no risk of an energy shortage in the foreseeable future. For the Community's coal industry this period has been characterized by a decline in overall Community coal consumption, compounded by a steep rise in imports of coal into the Community from third countries. Imports have gone from under 30 million tonnes in 1973 to some 45 million tonnes in 1977, most of the increase being in power-station coal imports, which rose from 7 million tonnes in 1973 to 23 million tonnes in 1977. These adverse factors have been reflected in a drop in Community coal production to well below the 1973 level, to which the minimum objective of 250 million tonnes of coal equivalent was related. By the end of 1977 undistributed stocks of coal and coke had reached 62 million tonnes. As the Commission itself has indicated to the Council, the Community's coal industry is therefore having to bear the entire burden of the consequences of the current period of market weakness.

The Commission's efforts have however so far been largely frustrated by the failure of the Council to reach agreement on any Commission proposal of substance in the coal policy field. Proposals for a Community system of aid towards the financing of stocks of coal and coke and to encourage the construction of additional coal-fired power station capacity, both measures to be financed from general Community funds, have been under consideration by the Council for many months, and now seem to stand little chance of adoption by the Council, certainly in their present form, as already modest proposals for monitoring coal importing with a view to possible action to coordinate them with the Community's supplies have been watered down by the Council into the form of a mere limited arrangement to improve statistical information on import tonnages and prices. A proposal to prolong to 1985 the application of the existing coking coal aid system, which would otherwise end this year, and to improve the aid levels it provides has resulted in an extension to 1981 only, with provision for a review of the matter in 1979.

Now I should like to turn briefly, Mr President, and I shall be brief, to the problem of imports. In the longer term substantial tonnages of imported coal seem likely to be needed to help cover the Community's energy requirements after Community coal has made its maximum contribution, and this to me is an

Fitch

important point. We are not here advocating of course the total cessation of coal imports; that would, of course, be a ridiculous policy. Indeed provision for a complementary tonnage of imports of some 50 million tonnes was made in the Community's energy strategy objectives. During the period of the planned development of the Community's coal industry to the output level set for it for 1985 it is clearly necessary — and the Council recognizes this — for imports to be consistent with the attainment of Community production objectives. To put it another way, there must, I think, be some kind of liaison or integrated policy between imports and production. The development of imports has, of course, gone in the direction contrary to this requirement. This has resulted from the temporary availability of coal, particularly power-station coal, on the world market at exceptionally low prices, the absence from the ECSC Treaty of direct Community powers concerning external trade policy, competence regarding which is specifically reserved for member governments, and the effect of bilateral trade agreements between member governments and the Eastern bloc countries involving commitments to take Eastern bloc coal.

The threat presented by these circumstances to the smooth development of the Community's own coal production capacity is evident. If the Community intends to take its coal policy seriously, solutions must be found to the imports problem. The Community's coal producers have proposed the establishment by the Community of a programme of coordination of imports with Community coal availabilities to be organized by means of concerted action involving the Community authorities, governments, the main consumers and the coal producers, and approaches to the appropriate parties in the third countries concerned, with a view to arriving at an understanding designed to reduce the undue pressure of imports during this current difficult period, which will, we hope, be a short one.

It is also important that the question of Community financial incentives for coal-fired power-station construction should continue to be pursued, even though it appears unlikely that the existing proposal, certainly in its present form, stands much chance of being adopted by the Council. An essential requirement which that proposal does not meet is a substantial preference for projects committed to use Community coal. Further efforts need to be made to secure acceptance of this principle on coal policy grounds. With regard to financing, if there are difficulties about providing the necessary funds in the form of non-returnable Community grants, the possibility should be examined of making available adequate Community loans at preferential rates of interest, or a combination of grants and such loans.

Now finally, Mr President, and I hope I have not overrun my time, whilst the Community has adopted an energy strategy based on sensible principles and envisaging an appropriate role for Community coal, the Council of Ministers has not shown itself prepared to translate into practical measures the implication of its own intentions regarding Community coal. The Community's coal industry is making every effort to fulfil the task assigned to it for the medium term and is prepared to meet the increasing demands likely to be made of it in the longer term future, but it also needs positive Community support to enable it to maintain and develop its productive capacity. Above all it needs help to ensure that the effects of periods of market weakness do not frustrate these efforts.

There are four very short proposals which I think ought to be considered, and I am just going to mention them quickly.

Firstly, a financial aid mechanism to promote disposals of Community coal to power-stations; secondly, arrangements to encourage the construction of the necessary coal-fired power-station capacity; thirdly, measures to ensure the coordination of imports from third countries with Community coal supplies, and lastly, aid to support the cost of stocking of coal and coke.

Finally, Mr President, coal is the most secure form of stable energy we have. It would be folly to sacrifice that for oil, much of which comes from a politically unstable part of the world.

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

Mr Schyns. — (*F*) Mr President, ladies and gentlemen, I think we should set this debate against the background of the general energy policy which the Commission should be following with regard to the Council and in the Community as a whole. Our coal reserves are in fact very valuable and it really does not do for the Council to turn a deaf ear to the proposals made to it by the Commission on the subject.

Suffice it to recall that in the various European countries, we have thousands of tonnes of coal stocks which are deteriorating and depreciating while we are importing other energy sources at great expense to satisfy our needs.

It is my view then, in this field too, that there must be a certain amount of solidarity between the various countries of the Community so that it can be a real community. As for the subsidies (which we still call the ECSC Fund), if they are no longer justified for storing large stocks of coal, they could be used to offer coal to countries which are at present importing supplies from third countries.

Schyns

I think, furthermore, that we should bear in mind the social aspect of the problem. For if we continue with our present policy, we will soon have to redeploy a certain number of mining workers who up till now have been suitably employed in our coal pits, and teach them new skills, which is going to mean more expense for the Community.

Mr President, ladies and gentlemen, the Christian-Democratic Group fully supports the Commission's proposal and insists that the Council take steps to ensure that the coal stocks are used to fire the power-stations of the Community.

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

Mr Croze. — (*F*) Mr President, ladies and gentlemen, the report which we are examining today is particularly important as it is based on a Commission communication on the objectives for 1985.

It was time the Community realized the role that coal could play in electricity production, as well as the thoroughly paradoxical situation of the Community's coal market.

In 1977 coal demand was slightly down on 1976. This recession took place despite an increase in supplies to power-stations. Imports from third countries have continued to increase, going up from 8 million to 23 million tonnes in four years. Coal consumption in electric power-stations for 1978 is expected to be 127 million tonnes (in coal equivalents) in the Community as a whole. France, for example, imported two-thirds of her total coal needs in steam coal; Germany, Denmark, Belgium and the Netherlands are big consumers of steam coal imported from Poland, Australia and South Africa. Australia has, in fact, made no secret of her fears concerning the Commission's plan to cut her exports, and I would be very interested to hear the reply the Commission has given to this country.

The cumulative effects of increased imports from third countries, increased production and low demand have led to increased coal reserves. West Germany is the worst hit, since she owns more than half the Community reserves. Imports of steam coal from third countries continue to rise in spite of the fears voiced by several Member States who have noted that these imports are undercutting Community supplies and thus may well jeopardize the Community mining sector. This may not be a paying proposition at the moment, but in the long term it will be of vital importance in ensuring steady and reliable supplies.

We cannot but welcome, then, the Commission's objective of stimulating inter-community trade in coal

for power-stations by means of a subsidy bringing EEC coal prices into line with those of third countries. It is easy to see why, when you learn that the average price for Community coal is 65 dollars/tonne as compared with 35 dollars/tonne on the world market. The EEC subsidy of 10 EUC/tonne would hardly fill the gap, but the Commission hopes that the Member States will make up the difference. These proposals would allow us to get rid of 8 to 9 million tonnes more a year, which would stop stocks building up still further.

However, in spite of these prospects, there will still remain problems to be solved.

Electricity producers, consumers and governments do not seem to be in a mad rush, except in those countries with mining industries, to share the energy producers' financial burden resulting from the use of Community coal in preference to imported coal.

Neither must we delude ourselves, for we shall continue to depend on oil and gas for electricity. It may be of interest, however, to note the efforts made by France and Denmark to cover their growing needs for imported coal by means of Community coal, mainly from West Germany.

We shall also need extra measures which will enable Community coal to gain 8 to 10 million tonnes a year on imports from third countries. In this regard, coordination of indigenous production programmes becomes a prime necessity.

It is to be hoped, then, that the Commission will take account of the European Parliament's comments in drawing up the regulation on Community coal subsidies, and I can say on this point that the Liberal and Democratic Group fully endorses the amendment presented by Mr Ellis, and gives it its vote.

Other measures must also be envisaged to reach a true Community coal policy which will reduce Europe's dependence on imports from third countries.

Lastly, I would like to call upon the European Council to adopt the resolution on energy tomorrow. I hope it will be able to resolve its differences and understand that Community solidarity on energy strategy is a matter of survival for Europe. If all governments agree to reduce the Community's dependence by half in 1985, they must be logical with themselves and accept the means to achieve this end.

The motion for a resolution which has been submitted to us is such a means; and this is why the Liberal and Democratic Group supports it and will vote for it.

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

Mr Osborn. — Mr President, speaking rather late in the debate one thing has occurred to me: this has been a debate about Community energy policy in so far as it concerns coal, but I regret that perhaps some of the Members of Parliament of our own countries, are not here to talk about the European scene as against the scene facing their own individual countries.

Now firstly, the Conservative Group welcomes the Commission's proposals to introduce a Community aid system to encourage intra-Community trade in coal. There have been proposals concerned with grants for building coal-powered power-stations and an aid system for the financing of cyclical stocks with which Lord Bessborough and I have been very much concerned. We would like the Commissioner to comment on the failure of the Council to reach an agreement in this field and to say what effect a failure in these two fields will have on these latest proposals when presented to the Council. But of course, if coal was in the situation of oil, Member States would be clamouring for access to reliable sources of coal. We are, alas, not in this situation yet. Subsidies of one form or another are unsatisfactory, unless the result is an increase in the Community's efficiency or productivity. The Commission now is asking Parliament and Council to make a political investment today that will enable the Community to retain its indigenous energy-generating capability in the years to come, and it is with this thought uppermost that the Committee on Energy and Research endorses the Commission's proposals and approves Mr Ibrügger's report, and I congratulate him on this. We all know that two Member States are richly endowed with coal, namely Germany and Great Britain, with sufficient reserves to fuel the coal-generating capacity of those Member States for generations to come and to meet the needs of other Member States and the applicant States. Only too frequently in Britain we are reminded that our reserves offer some 300 years to look forward to. The Community's coal industry has developed new techniques for coal-mining, and some Members have seen these systems for themselves. I welcome the visit to the Saar of the committee a few months ago, and I very much hope the Committee on Energy and Research will come to South Yorkshire, where they will see coal-mines and power-stations operating alongside each other. But not only is coal an important energy material, it is the reason for the existence of a sophisticated industry, the coal-mining machinery manufacturing industry. The strides have been in automatic coal-cutting equipment, machinery for conveying coal and perhaps new concepts in drift-mining such as will be applied in Selby. This know-how is sought by other countries — China for instance, which for decades has imported Western manufactured mining equipment. The spin-off in other industries such as these should never be far from our minds when considering the merits of a proposal which is superficially yet another burden on the Community's tax-payers.

Furthermore, the coal industry is so highly capital-intensive that the proposed aid system might enable additional coal to be sold at marginal cost to electricity producers at a price close to the world price. The coal industry is struggling to maintain investment in new mining capacity at a time when it is unable to sell, as speakers have pointed out, all its production, against competition from open-cast, low labour cost mines with thin overburden and thick seams, and, of course, if imports were to exceed the target of 50 million tonnes per annum, then this would have an adverse effect on the Community's balance of payments. If and when the world economy recovers and the demand for energy outstrips available supply, it is commercially and economically prudent to retain and strengthen the Community's capability to mine coal according to strategy so that most Member States which rely on imported coal today can count on Community coal supplies when the need arises. It would be useful to learn from the Commissioner to what extent these rather far-sighted thoughts permeate meetings of the Energy Council. This proposal will, however, Mr President, have little point in those Member States not endowed with coal and not prepared to contract the supplies of coal for the duration of the proposed aid scheme. There have been spokesmen in this Assembly from Denmark, a country which looks for coal from the cheapest source of supply rather than committing itself to more expensive indigenous sources. Indeed, the Commission must publicize details of new coal-fired plant, together with the annual quantity of coal to be consumed by these stations during each year of the triennium for plant which will come on stream in Member States other than, of course, Germany and the United Kingdom. When the Commission, furthermore, sends a draft regulation to Parliament and Council, the Commission should list the extant contracts, the supply of coal from non-Community suppliers and any that are in the process of negotiation.

Could it be that a side-effect of the Commission's aid system for coal will simply drive down the price of non-Community coal, as non-Community coal producers fight to retain their market share. Are there signs that this might even be happening now? Unless these specific questions, and others similar, can be answered, Parliament and Council will have no firm idea of the market for Community-produced coal. Only on this basis can the Committee on Budgets be satisfied, as my colleague, Lord Bessborough, has already outlined, that the method of calculating the proposed aid is reasonable and accurate. There may be conflicts of interest but at the end of the day the funds which the Community allocates to implement its energy strategy are paltry, for instance, compared to the expenditure on implementing Treaty obligations in agriculture. But without energy and the labour-saving machinery used in agriculture, there would be no agricultural policy as we know it. We are debating here the expenditure of a large proportion of the Community's proposed appropriation for energy, as

Osborn

much as total expenditure under energy policy in 1978. However much my colleagues and I approve the principle of an aid system for intra-Community trade in coal, we are yet to be convinced that the expenditure of 120 million EUC annually of Community funds, matched by appropriate subsidy by coal-producing Member States, has greater priority over the coal-fired and nuclear generating capacity. As Mr Ibrugger says in his conclusion, it will be difficult to achieve the targets set for the energy sector without adopting certain measures to aid the coal market. The Conservative Group considers that this proposed system of aid could be one such measure.

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

Mr Power. — Mr President, I am honoured to speak on Mr Ibrugger's report on behalf of my group, and I compliment the rapporteur on the work he has done on his report. It is a very difficult subject and quite complicated, with many serious consequences for the Community. However, I have attended the committee meetings at which he presented his report. I know of his hard work and his attention to detail, and I know he has done his best to show the pro's and con's. This is a Community aid system for intra-Community trade in power-station coal, and I was very interested to hear Lord Bessborough speak on behalf of the Committee on Budgets, and I too share his concern. He mentioned a figure of between 120 million EUC and 100 million EUC and said the details were not really exact as yet and he had reservations about it. He said we would need exact details of how it would be spent, and they are not known yet. This proposal is a little like 'pay now and we will tell you how we spent your money later', and we would have to have reservations on that account.

The safeguarding of our future energy supplies and the reduction of our dependence on imported energy — these are the reasons for the thinking behind this particular proposal, and this means that we utilize the Community resources to the greatest possible extent. I believe that when this problem was first discussed the import of oil was foremost in the minds of the people who discussed it, and in the explanatory statement giving the background to this we get confirmation of my belief in paragraph 1 — on page 7 of the explanatory statement. I quote: 'to reduce the Community's dependence on imported energy, particularly oil'. This, I take it, is the thinking behind this report and is why it was not so concerned with imports of coal from third countries.

I believe that it is essential that we maintain the traditional sources of supply and hope that this proposal will not close the Community door on these traditional imports. Ireland has traditionally imported coal from Poland, and indeed we can understand how we import coal when we see from the facts that are at our

disposal there in the report that other coal-producing countries also import coal. On page 10 we see coal-producing countries are mentioned as being big importers from third countries. Mr Fitch in his contribution has admitted that coal from third countries is available at exceptionally low prices, and it is understandable that people want to buy it at that particular price. We must ensure that no action of ours will lose these third country imports to us, because this proposal can only be considered as a very temporary measure. The Committee on Energy and Research is reported on page 13 as giving an opinion. On the one hand production must be maintained, but on the other the Community must ensure that large supplies of coal can, if necessary, be imported in the future.

The committee's feeling is directly in line with mine, and the right to import must be maintained. When Mr Schyns was speaking, he welcomed this proposal and he mentioned that mountains of Community coal were in stock, but they are not being bought apparently because of low prices of imported coal. Is the real answer to this problem to subsidize Community trade in coal and help to cut out exports, and will the traditional sources from third countries be still available when we wish to go back to them later when we have used up our own coal? These are the questions that we should ask.

And we should also ask ourselves, Mr President, who stands to gain by this particular proposal. In the main, there will be two Member States whose ailing uneconomic mines will get the kiss of life and be enabled to resume or to improve their production, and the 30 % subsidy will give them a temporary lease of life and allow them to compete with those other countries in supplying coal to power-stations. These particular countries have coal in the ground now, but it is too costly to take it out. We could buy coal from outside the Community, from the US or Poland or the USSR or Australia or South Africa, as I mentioned, and should we consider buying this coal when it is available and conserve our own native coal until such time as we need it? Or, as Mr Osborn remarked, until such time as new technology or new ideas will make the utilization of this fuel, which is indigenous to the Community, a viable proposition without any subsidy? In this way we could have our cake now and eat it later.

Some may say to me that we should not be so anxious to import from outside the Community, but other member countries have traditional markets in food-stuffs from outside the Community and hold on to them, and like the third-country coal their imported food is available and it is cheap and it suits them and that is the reason that they import it. I have heard some qualified people at the Committee on Energy and Research express an opinion as to the danger to health to which miners will be subjected in these re-opened mines. They expressed a conviction that

Power

many more people would die from mine accidents or from respiratory ailments as a result of this proposal. I sincerely hope that the conservationists, or obstructionists if you wish to call them that, that oppose the use of nuclear energy will not latch on to this particular proposal as a new windmill at which to tilt their lances.

The question was asked, and I have not heard it answered here today — maybe the rapporteur will be in a position to answer it: is it possible under this directive that a subsidy will be got for English coal that will be sold and brought to Germany, and is it possible that German coal could be subsidized to be brought to England?

Now I would like to come to a subject, Mr President, which is very dear to my heart. It relates to turf and milled peat, which is used in Ireland in power-stations to generate electricity. I have had one near my home for the past 30 years. They have been very successful, and a combination of two semi-State bodies, Bord na Mona, which produces turf, and the Electricity Supply Board, which produces electricity, have joined forces to produce electricity at a very economic price per unit, and the details of this can be obtained. When I raised this particular matter in the Committee on Energy and Research, I felt that the members there had very little knowledge of turf and its potential, and yesterday at Question Time I got confirmation of this when I asked a supplementary question on Mr Osborn's Question No 5 concerning energy objectives for 1985. Mr Genscher and the chairman admitted a lack of knowledge, but they agreed very kindly that they would look into the situation and examine it, and I am sure that an inquiry from them to the Irish Government will help to elicit any information that they require. We have reached a stage where the bogs in the immediate vicinity of some of our turf-fuel power-stations are at the end of their life. A certain amount of peat must be left as a base for growing crops in the cut-away bog, and if the production of electricity from turf is to continue in this area, new virgin bogs will have to be brought into production, and money will have to be expended on railways for transporting the fuel to the power-station or possibly on other types of transport or maybe, as a third alternative, on the erection of a power-station alongside new supplies of fuel. In addition to this, some of the furnaces which have been in action for the past 25 years need renewing, and a subsidy that could keep them in production would be very helpful and would enable turf to be used for many years to come. If we do not use turf the only alternative to us is oil. Is this not a project that must merit equal consideration with Mr Ibrügger's proposal? Every point advanced for the subsidization of coal could also apply to milled peat, with the added bonus that the employees in this particular industry could be working in a healthy outdoor atmosphere and be healthier at the end of their day's

work. A different story from the miners when they come up from the mines. This employment in the bogs of Ireland has helped to transform one of the most depressed regions in my country and is an example of how we made the desert bloom or, should I say, how we made money in the marsh.

Indeed, speaking of money, this has been advanced as a reason for not giving a subsidy to turf production, because I am told that turf production is economic in Ireland. Is it not an unusual stance for Europe and a sad reflection on our prospects for the future that only those industries that are unconscious and ailing can be helped? The rapporteur referred to this as a last-ditch attempt and indeed a healthy industry which needs help to expand or continue its operations apparently cannot be subsidized. If one ran a private business along lines like this one would be doomed to failure. I have a promise, however, from the President-in-Office that he will study this subject and I leave it in his capable hands.

I would invite him to our country as a guest if he would like to see turf production for himself. Perhaps when he is finished with the Yorkshire mines he might come over and have a look at our bogs. I would like to remind the House that because of certain pressures on the earth's crust some years ago, coal was formed in some countries. The same pressures were not in application in Ireland and so we have turf. I sincerely hope that the political pressures being exerted by the big powers here in this House will not exclude us again. We have a small export trade in turf — machine turf and in briquet form — but this would hardly qualify us for intra-Community trade.

Finally, Mr President, I would like to say that our group has great reservations about this communication and many of our reservations have found an echo in the Ibrügger report. It appears to be a very big price to pay for a benefit that will only accrue to a few. It cannot be opposed of course but it does deserve very very careful consideration.

President. — I call Mr Christensen.

Mr Christensen. — (DK) I would assure the peat spokesman from Ireland, by way of consolation, that if the Irish neglect their peat for as long as the EEC has neglected its coal — or even longer — it will eventually be worth gold. I would also say, Mr President, that if Parliament approves this system, it will be playing about with millions of units of account. A matter of 120 million u.a. are involved, although the Conservative spokesman has rightly asked whether these 120 million u.a. will suffice, and the Committee on Budgets has had to withhold its opinion, as the Commission has provided no documentation whatsoever. In short, we have no idea what it costs, and it would therefore be irresponsible of Parliament to give its approval.

Christensen

I should like to cite point 9 of section II of Document 9/78, which has this to say on the outline of a Community aid system and related problems :

'It is difficult to say precisely what additional deliveries will result from the aid, i.e. to predict which undertakings will be delivering to other Community countries and which will be the recipients.'

In other words, no one knows anything about anything.

I would also add that the inevitable consequence of such proposals is, in every case, increased costs. It is thought that trade and consumption will cover 70 % of the increased costs, and I can understand that people want to force prices up by about 30 %, following the bad example set by iron and steel prices. I would warn the House that this will hit the consumer and the taxpayer and will mean increased costs for undertakings.

In addition, the justification for this system is extraordinarily shaky. Admittedly, reference is made to an increase from 8 to 22 million tonnes in the consumption or importation of power-station coal from non-Member States over the period from 1973 to 1977. But if we look at the trend from 1976 to 1977, we see that the percentage of overall imports into the European Community represented by Polish coal, for example, fell from 47 to 41 %, clearly indicating that Poland is not the threat that some would have us believe.

Then we come to the other coal-exporting country — South Africa. There are good political reasons for limiting imports of coal from South Africa. The Danish Government and the Danish Parliament have taken steps in this direction and I hope that other countries in the European Community will follow this example by opposing apartheid.

This system may also cause measures to be taken by the countries which export coal to the EEC. What trade policy reprisals will they exact? Might they limit imports of EEC products? This is the question I raise time and again, whenever Parliament debates protectionist proposals such as this one, as it does several times a day. But I never get an answer, as it is self-evident: of course there will be reprisals which will damage EEC exports. I feel that this proposal is based on an extremely hysterical view. Naturally, the decline in EEC coal production as is clear from the documents, is a consequence of declining steel consumption. Just as there is now a desire to force steel prices above the world market price — that is what has been decided — it is now the turn of coal. The result will be higher inflation and more unemployment, perhaps not in the coal-mines but in other places, and perhaps many more jobs will be lost in other industries than

will be protected in the coal-mines. This Parliament would be well advised to take account of these facts and likely developments.

How has intra-Community trade devolved? Do trends indicate that it requires considerable support? The fact is that intra-Community trade in coal more than doubled from 1976 to 1977, yet we are now presented with a proposal to provide Community subsidies to stimulate that trade, even though it would seem to be doing very nicely without any such aid.

Finally, with regard to other sources of energy, I would point out that the price of oil is increasing, and this will increase the opportunities for producing and selling coal. The growing public opposition to and scepticism of the utilization of nuclear power points to exactly the same conclusion.

Many power-stations, in Denmark among other countries, entirely of their own free will and without any subsidies from the European Community, are changing over from oil to coal; this development is thus well under way. Why on earth must we then sacrifice a vast sum for this same system?

I believe there is no answer to that question. I therefore recommend that we associate ourselves with the scepticism expressed — however moderately — by Mr Power, who spoke of the misuse of resources. Why should we create, by artificial means, over-consumption and over-production of coal in the EEC, neglecting market forces, and then consume reserves, in order that coal can be imported at a later stage at prices which will presumably and probably be much higher. The implications of this proposal are such that I recommend Parliament to reject it forthwith. It smacks of the planned economy and protectionism, and fails in its objectives; its effect can only be damaging.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, most of what I have heard in this debate strengthens us in our intentions. As you all know, one cannot make major changes in the coal sector overnight. If we close coal-mines, we shall only be able to reopen them, if the need arises at some time in the future, at very high cost. That, in its turn, will have an effect on prices.

You have all drawn attention to the situation in Europe. We have stocks of coal amounting to 60 million tonnes. On the other hand, we have an overall upward trend in consumption. But a good part of this upward trend is met by imports. Our proposals are certainly not intended as a protectionist measure. What we want to do is to encourage consumption. If, as anticipated, consumption continues to rise we should like to see Community coal doing a bit better

Brunner

out of it. It is a very modest proposal, and limited to three years' duration. The exact cost will only become apparent over a period of time. This is something we shall still have to discuss with you in detail in the Committee on Budgets and the Committee on Energy.

The question arises again and again as to whether the situation could not be further improved by taking steps *vis-à-vis* third countries. I do not think so, because we should never be able to isolate a discussion of this kind on import restrictions. It would affect our export interests.

Moreover, the scope of this plan is not such as to cause the sort of change that would require such extreme back-up measures. It is a very modest plan. We want to give a subsidy of USD 10 per tonne. We want to reduce by 30 % the gap between the world market price and the internal Community price. The whole proposal is intended to supplement other proposals already submitted to the Council: the proposals on aid for the construction of coal-fired power-stations and aid for coal stocks.

I do not think we can predict at present what the Council's reactions to these proposals will be. It will not be easy to get unanimous agreement. The interests of the Member States vary widely. Some are coal producers, some are coal consumers; there are therefore some countries which, for economic reasons, want to purchase cheap imported coal and others which have to see how they can sell their somewhat expensive domestically produced coal.

We believe, however, that the modest degree of solidarity between consumer and producer that we are proposing can go some way towards invigorating the trade in coal in the Community overall. We may help to get things moving in the right direction. The funds are thus designed to complement national aid measures. We hope we shall be able to appeal to this modest degree of Community solidarity in the Council. It will not be easy, and that is why your support for our proposals is all the more valuable.

President. — Does any one else wish to speak?

The vote on the motion for a resolution will be taken tomorrow during voting time.

The debate is closed.

Directive on bird conservation

President. — The next item is the oral question with debate (Doc. 195/78/rev.) by Mr Jahn on behalf of the Christian-Democratic Group (EPP), to the Commission:

Subject: Imminent prospect of the Commission's proposal for a directive on bird conservation not being adopted.

The failure of the Council of Environment Ministers on 12 December 1977 to reach agreement on the proposal from the Commission for a directive on bird conservation was repeated at its meeting of 30 May 1978. This means that implementation of the urgently needed measures on bird protection provided for in the directive will be further delayed if not jeopardized altogether, even though the European Parliament called on the Council in its resolution of 14 June 1977¹ to adopt the directive and bring it into effect as soon as possible, and at all events, in conformity with the obligation it entered into in the 1973 environmental action programme, within nine months of it having been submitted, i.e. by September 1977 at the latest.

In view of this regrettable state of affairs the Commission is asked to answer the following questions:

1. Is it true that the deliberations in the Council of Environment Ministers of 12 December 1977 closed with only two French reservations, viz.:
 - (a) the demand that the skylark and the corn bunting be included in the list of game species (Annex II),
 - (b) the refusal to authorize trade in more than 10 species of bird (Annex III)?
2. Is there any accuracy in press reports that at the meeting of 30 May eight Member States put to France a far-reaching compromise proposal, the contents of which can be summarized as follows:
 - (a) the lark may be hunted with a rifle in France and Italy;
 - (b) in the case of 26 other species, the Member States may, on certain conditions and providing they observe a monitoring procedure involving the Commission, deviate from the general ban on trade, in respect of their own territory;
 - (d) the Commission will carry out studies into the biological status of 9 of the 26 species concerned and, in the light of the findings, the Council, acting on a proposal from the Commission, will take appropriate measures to prohibit trade in these species?
3. Is the Commission aware that the directive is an important milestone for bird conservation throughout the Community, particularly when it is remembered that it contains major improvements, on which agreement was reached in the Council, viz.:
 - a basis for Community action to protect bird habitats,
 - establishment of common principles for hunting and, in particular, reduction of the number of game species from the present figure of 120 to 72,
 - reduction of the number of species authorized for trade from the present figure of 120 to 33,
 - outright ban on the use of all non-selective methods of killing and capture, i.e. means of large-scale capture and extermination,

¹ OJ C 163 of 11. 7. 1977, p. 28.

President

— the beginnings of coordination of research into bird species?

4. Is it prepared, through a further appropriate compromise proposal, to do all it can to prevent a directive on such important basic issues from being shelved because of secondary considerations or from being held up because of comparatively minor differences of opinion?
5. In view of the serious delays so far, is it ready to bring pressure to bear on the Council to reduce the period for the incorporation of the directive into national law to one year from the date of notification of the directive, it being imperative that swift action be taken to protect those species of bird threatened with extermination or further decimation?
6. If not, can it give valid reasons for retaining the comparatively long period of two years?

I call Mr Jahn.

Mr Jahn. — (D) Mr President, honourable colleagues, the reason for our group's oral question to the Commission is the unhappy fact that the Council has still not succeeded in reaching agreement on the Commission's proposal for a directive on bird conservation submitted to it in December 1976, the matter having been discussed in detail in the two Council meetings of 12 December 1977 and 30 May 1978.

I might point out that we have addressed a similarly worded question to the Council. The latter, however, pursuant to Rule 47 of our Rules of Procedure, is unfortunately not obliged to provide a rapid answer but has up to five weeks to do so, whilst the Commission must answer within one week. Nor was the Council prepared to forego its full time limit in order to make possible a joint answer, with the result that we have only the Commission's answer here today and must wait until September for that of the Council. So it is with all the more interest that we now await the Commission's reply.

As you know, public opinion is deeply disappointed about this latest delay and, indeed, about the threat of failure to reach agreement at Community level on effective bird conservation measures of the kind which have long been proposed and which this House has always firmly supported. Following publicity in the press regarding the failure of the Council of Environment Ministers to reach agreement on 30 March 1978, I received large numbers of letters from all parts of the Community vigorously protecting the Council's inability to reach a decision. I would like to read out a letter, dated 6 June, which the Belgian bird protection organization sent to the French Ambassador. Part of it reads as follows:

All groups in Belgium committed to the preservation of our environment, the protection of our natural wealth and improved protection for migratory birds in Europe

are in unanimous agreement with the French position regarding the restriction of trade in a number of different species commonly regarded as game birds. They decisively reject, however, the French delegation's proposal to include in the list of birds which may be hunted two small species, the skylark and the corn bunting.

The letter goes on:

It is absolutely unacceptable and positively incredible that a country like France, which has an international reputation as a civilized nation, should dare to give Europe such a retrograde and, for the great majority of our citizens, offensive example by allowing some 2 million huntsmen to destroy, legally and for no good reason, songbirds of this size and type.

There is one thing I should like to add in this connection. We have received information that a hunting association in one region has apparently been told that such stringent demands for the protection of further bird species will be made that Italy will then no longer be able to agree and that the bird conservation directive as a whole may thus be defeated.

The allegation that a hunting association has apparently been given this information by a government representative so shocks me that I am certain the House will have to look into the matter more closely. It is a subject which television, radio and the press have, quite correctly, taken up, and it may interest the House to know that a whole series of TV and radio programmes will be broadcast in the coming weeks. One point which has appeared in the papers is that the French Minister of the Environment Mr d'Ornano has justified his Government's opposition on the grounds that there are 2 million people in France who engage in hunting larks, buntings and other songbirds as sport. Reaction in the press was quite clearly that the general public in the Community is justifiably disgusted at the fact that the organized slaughter of birds is described as a sport and given higher priority than the Community's efforts to provide, at long last, protection for birds, on which the survival of many species now depends. Of course, it is the Council that has the prime responsibility in this dilemma, but we have also addressed very precise questions to the Commission which is, after all, present during Council meetings and has the right to speak there.

I have been asked how I came into the possession of information about Council meetings. Well, I did not obtain the information directly myself, but received the entire minutes of the Council's deliberations in the original, from the bird conservation organizations, so you can see that they are very well informed, better indeed than I am myself, and have excellent access to information.

There is no need here for me to go over the individual questions contained in the oral question. Whatever

Jahn

happens, it is my group's view that everything possible must be done to avoid a situation in which a directive laying down important questions of principle should fail to be adopted because minor problems have been raised to halt the directive or to delay it as a result of relatively unimportant and largely irrelevant differences of opinion.

In saying this, particular consideration should be given to the fact that agreement has already been reached on all the important points. Since 1975, during its preparatory work on the proposal for a directive, the Commission called on the advice of governments experts and, as a result, was forced to make a great many deletions from its original plan, which went a great deal further towards providing effective bird protection. The European Parliament, too, showed its readiness to compromise and took a realistic line. We discussed the matter at great length in the Committee on Public Health and the Environment and reached agreement on a unanimous approach; Parliament then gave its unanimous approval to the directive, so that there can be no question here than one particular political group can try to make political capital out of this issue. May I repeat here what I said on 14 June 1977 when I introduced my report on the Commission's proposal for a directive to the House:

I personally must frankly admit that I should have liked to have taken a step further, as intended in my draft report. In its concern to see the directive introduced at an early date and the protection measures it contains implemented with all due speed, the Committee on the Environment has made a painstaking effort to find a fair and balanced compromise between the frequently conflicting interests of the hunting associations and the bird protection societies. In view of our clearly demonstrated readiness to compromise, I feel that we are rightly and properly entitled to look to the Council of Environment Ministers to give final approval to the directive tomorrow, 15 June, after many rounds of talks at Council level.

More than a year has gone by since then and nothing has happened. Our attitude on this point remains the same today. I would again like to draw attention to the major progress which the directive involves, about which the Council has long been in full agreement:

- establishment of a basis for Community action in the protection of bird habitats,
- creation of common principles for hunting and, above all reduction of species which may be hunted from 120 at present to 72; this House unanimously agreed on this point,
- reduction of the number of species which may be traded from 120 at present to 33,
- general prohibition of the use of all non-selective means for killing and catching birds, i.e. mass trapping or extermination methods,

- initiation of coordination of research into bird species and fixing of hunting seasons for birds, since it has never been our intention to protect every bird and we accept hunting during specified seasons.

We are particularly interested, of course, in the reply to Question 4, which asks whether the Commission has since come up with a further compromise proposal in a effort to solve the remaining minor differences of opinion, what this proposal contains and whether there has already been any success as regards eliminating the remaining doubts of the French delegation towards the bird conservation directive. We should also like to know in this connection whether the Commission can confirm that the adoption of the bird conservation directive is on the agenda for the European Council meeting in Bremen.

I should also like to stress that Questions 5 and 6 on the period for the incorporation of the directive into national law are of major significance and would continue to apply even if — and that is something we would very much welcome — the directive was to be adopted in the meanwhile or an assurance given of its adoption in the near future. It will be recalled that the European Parliament, in its resolution of 14 June 1977, stated that, *inter alia*, swift action was imperative to protect those species of birds threatened with extermination or further decimation, and asked that the period for incorporating the directive into national law be reduced to one year from the date of notification.

Finally, it only remains for me to thank the Commission for its untiring activity and to appeal to it to give a comprehensive and full answer to the questions now being put to it, so that not only this House but also the general public in the Community, which is a great deal more interested in this issue than some people believe or are willing to accept, may be brought fully up to date.

President. — I call Mr Natali.

Mr Natali, Vice-President of the Commission. — (I) The Commission is in full agreement with what Mr Jahn has said; I might point out that the European Parliament, both in its Committee on the Environment and in plenary session, has frequently dealt with this matter and has always shown a particular concern for the protection of bird life. The Commission, which has itself also sought to make progress in this connection, can at present only agree with Mr Jahn that adoption of this directive is vitally important, particularly for the reasons which he gave at the end of his speech and which appear in point 3 of the oral question.

Natali

We have followed a long and difficult road and have tried to find solutions which would represent honest compromises because, as is well known, legislation on hunting differs from country to country. Now, as Mr Jahn has pointed out, there is the risk that this road will come to a dead end as a result of disagreements of a secondary nature. The entire disagreement, as regards the compromise mentioned in point 2 of the question, does in fact come down merely to the problem of trade in certain game species. We feel that the compromise proposal that we have made is entirely satisfactory, particularly if one takes account of the fact that of the 120 species in which trade is authorized we are considering less than a quarter. Mr President, I think I can assure Mr Jahn and the entire House that we shall do all possible to get agreement and we shall make a further effort to achieve our basic objective, which is to get approval for the directive and the valid issue of principle on which it is based. With this in view, the Commission hopes to be able to take steps, in the very near future, which may prove decisive.

Lastly, I should like to say to Mr Jahn that, *rebus sic stantibus*, I think it will be difficult to get the period of incorporation of the directive into national law reduced, even if I take account of the fact that the considerable delay in its entry into force may have an adverse effect. In my view, since many Member States have expressed the intention of making a number of changes — which certainly cannot all be effected in the course of a year — this two-year period may well prove to be a positive factor as regards getting the directive itself approved.

Mr President, I should like to conclude this short reply by pointing out that the Commission is aware of the public desire to get discussion on bird protection out of the consideration stage, and that is why we took this first step of drawing up the directive in question. We should like to thank Parliament for its help and support.

President. — I call Mr Lagorce.

Mr Lagorce. — (F) Mr President, ladies and gentlemen, I am aware that my contribution to this debate will not be rapturously received as it goes against the opinion of the majority of this House. Nevertheless I shall speak all the same off my own bat. The wording of Mr Jahn's oral question seems to me to be particularly significant. He is saying that the Council of Environment Ministers has failed to reach an agreement on the proposal for a directive under discussion, that the session of 30 May 1978 did not make any headway and the implementation of the measures taken has been postponed, even shelved. And he has just repeated this in his speech. What can this mean, other than that the above-mentioned prop-

osal for a directive hardly claims unanimous support, especially from hunters who were not consulted at all on a question which particularly concerns them and to whom this directive which limits their hunting activities in what they see as an excessive way seems like a pure and simple slap in the face. And here I am speaking for two and a half million French hunters. Though I am not a hunting man myself I have lived amongst hunting people since I was a child. I am afraid their point of view is rather different from that of Mr Jahn and I must beg to differ.

Mr Jahn asks the Commission to explain why the adoption of this directive has come up against what he calls secondary problems and marginal divergences of opinions. The explanation is simple: the French are reluctant precisely because our hunters consider these to be essential problems, for what is at stake is the right to hunt, a right which workers are particularly attached to, for in earlier times this was the privilege of a certain élite — a privilege which was abolished in the Revolution and put within everyone's reach.

French hunters, especially in the Aquitaine where I come from, see the application of this directive as a serious threat to their traditional hunting methods which are net and hide hunting and the use of decoys which go to make up the traditional way of life which our country people are deeply attached to; indeed it is only this pleasure which keeps them from migrating towards the towns. They are also protesting about the vastly exaggerated figures given for game killed. I would like to rectify these. As for wood pigeons, for example, which are hunted especially in the south-west of France, the proportion of the total migrant bird population killed by hunters each year is only 1 to 2 %. As for skylarks, whose hunting popularity is going down by 2 to 3 % per year, only 1.5 to 2 % of the migrant population is affected. Obviously these figures do not correspond to those which have been quoted here. However, they come from an official scientific source and I can place them at the Parliament's disposal. There has also been much exaggeration about the lack of selectivity in catching game. The nets for wood pigeons catch wood pigeons only as one cannot take into account a tiny minority of rock pigeons; as for skylarks, since the mesh of the nets has been considerably enlarged in the last five or six years, these nets too have caught mainly skylarks. What we must understand is that hunters are more interested than anybody else in game conservation. We can see this everywhere in France where hunters are sparing no efforts to repopulate the woods and fields by means of game-eating farms run by hunting clubs and, in the interests of improved hunting discipline and the protection of the environment, natural game reserves especially in humid zones: in a word, they are trying to be ecologists, not ecologists sitting

Lagorce

in a laboratory but in practice, that is in perfect harmony with the nature they love.

Lastly, hunters do not understand how all the blame is put on them for the destruction of birds when this is also caused by the often irresponsible use of pesticides, weedkillers and other fungicides. Studies have been carried out on this subject in France and I have their conclusions. Studies have been carried out elsewhere, and I would like to quote Dr Bern Conrad of the Zoological Institute in Freiburg, the author of a study on the poisoning of birds in the Federal Republic of Germany by pesticides. In particular he found that 97 % of eggs from 19 bird species were found to contain up to five kinds of pesticide, which would have made them unfit for human consumption. Another German specialist, Karl von Frisch, has spoken out against the extermination of field birds by chemicals. What we must understand, and here I come back to Mr Jahn's question, is that hunting is above all a sport, and not a commercial activity for profit. The true hunter hunts for himself and not to sell his bag. This is why — and this is, I think, what Mr Jahn is asking to have explained — the French want birds such as skylarks, thrushes, turtle-doves, woodcocks and wood-pigeons to be considered fair game, while also wanting the number of marketable species to be reduced to a minimum. Their attitude is logical; what seems paradoxical is to want to limit hunting while being able to sell a wide range of birds species. I hope that as men of good faith who love birds — including Mr Jahn to whom I pay due homage — be we hunting or not, we can come to an acceptable agreement on this directive.

President. — I call Mr Soury.

Mr Soury. — (*F*) Mr President, ladies and gentlemen, the European directive which we are debating today was examined in this House on 14 June 1977.

In spite of the French Communists' interest in the problem of bird conservation and hunting none of my fellow party members was present on that day as that was the day that the law on direct elections to our Parliament was being debated in the national parliament and they had to be present.

That is why I would like briefly to give you our thoughts on this proposal for a directive. First of all, it seems to be based on the dangerously false premise that hunting is the main cause of the danger of the extinction of certain species. Is this really so? It is true that today that many species are in danger and some are in danger of becoming extinct. But who is responsible? A discreet veil is drawn over the destruction of our flora and fauna by large-scale industrial pollution. As for migratory birds, their decline can be largely explained by the pollution of our rivers, lakes and seas.

The oil slicks which have devastated the Breton coast and destroyed tens of thousands of birds who find their migratory patterns disturbed have done infinitely more harm than hunting.

In my country there are whole regions where animals fall sick and even die from atmospheric pollution from chemical factories: this is what has happened, for example, in a part of the Maurienne Valley which was devastated by the Péchiney-Uginé-Kuhlmann, and this is happening all over France and the Community and this kind of pollution kills 24 hours a day — not only during the hunting season. We cannot compare this massive destruction by industrial pollution with hunting activities which seem to be the only subject of this debate. Let me give one telling example: among the disappearing species we find the majority of our birds of prey; we cannot accuse hunters here because these birds are hardly ever shot as they are not eaten. The same goes for the heron and the stork, and the rapporteur himself has not given us any explanation on this point, and with good reason. Of course, we must protect our fauna, and especially birds, but we must also not shoot at the wrong target. For hunting is not incompatible with nature conservation. First of all it is in the hunters' interest to see the species multiply. They are in fact giving considerable financial aid to this end, repopulating the forests by setting up bird shelters not only for migratory birds but also for other species, and this is why hunting clubs are increasingly spending money on re-forestation, so much so that it can be said that the better organized the hunters the more game there is. They themselves are campaigning for more game protection, and whenever they see a species in danger they lay down their own supplementary club regulations. They are particularly good at this because they are better acquainted than anyone else with the behaviour of the various species. But today they are saying that the essential question of the survival of migratory birds depends on the fight against pollution and the upkeep of the humid zones, habitats and all the migratory paths. Here as elsewhere there are too many interests involved; it is much easier to attack hunters than to ask the big industrial groups to take proper anti-pollution measures. There too, it is always the rule of maximum profit which prevails. If you want to solve this problem you will not do it by attacking the way of life of the small hunter or the right to hunt which in my country, and in Italy, is a popular sport. Your directive will solve nothing, because it is aimed at hunters and not at those who are really responsible for what we should call an ecological massacre. What you are not doing is attacking the problem at its roots, which is large-scale industrial pollution. We must fight to defend the natural balance and hunters will be the first people to participate in this fight for the conservation of species. It is in their interest but it is also, in the long term, in the interest of the whole Community.

President. — I call Mr Dalyell.

Mr Dalyell. — Mr President, I ought to say that I am a council member of the Fauna and Flora Preservation Society in the UK, and my one job outside politics is to work for the *New Scientist*. Having consulted my colleagues, knowing that this was coming up, in both organizations, I asked them about priorities, and in both cases the answer came back the same as what Mr Soury was stressing: above all, to do something about the marshlands and wetlands, particularly for example in Eastern Denmark. So I put it to Mr Natali: is any kind of policy being developed for marshland and wetland conservation? I must say, Mr President, I nearly had apoplexy when I thought that my friend Mr Lagorce was speaking on behalf of the Socialist Group, because he is entitled to talk on behalf of two and a half million huntsmen, but the Socialist Group unfortunately has not exactly thrashed this out.

Now, Mr President, it is said by Mr Lagorce, if I get it right, that there are many countrymen who have few pleasures, but I cannot really believe, and nor can European public opinion — and here I strongly agree with Dr Jahn — that massacring thrushes and skylarks is really a source of pleasure. I mean, honestly. Every effort must be made for conservation, and I represent a country area too and know absolutely full well that we do not do nearly enough in conservation, and that there is a major pesticide problem.

And so I ask Mr Natali the second question. What is going to be done about pesticides? Is there a policy? The Commissioner says that he has had a difficult and trying time on this. I can quite imagine it. It was an honest statement of fact, and we hope, like him, that something decisive, to quote his own words, will emerge in the next few days. I would like to ask him on the basis of the document, one or two particular questions. In paragraph 3, he talks about a basis for Community action to protect bird habitats. What is being done on the habitat problem? Again, at the end of paragraph 3, we talk about the beginnings of coordination of research into bird species. Are there any concrete proposals for this? Are any approaches being made to any organization, because if so, some of us representing fauna and flora organizations would, I think, like to know what the Community is going to do. Item No 4 asks how it feels it can account for the failure, due to secondary problems, to adopt a directive that settles such important basic questions. Could he expand a bit on the precise nature of these secondary problems? And No 5 — is it prepared to give appropriate instructions to the Permanent Representatives' Committee to ensure early adoption of the directive on the basis of a reasonable compromise? Well again, I put it in question form. What is being done in relation to the permanent representatives, and are they doing anything about it? One can imagine

that they might think that they have many more important things to do, but this is important and they should be told that.

Mr President, finally, I think that the problem is that there are more and more people who like to go out of towns into the countryside for sport. It is certainly not just a country problem. These people have more and more accurate and powerful guns. They have better and faster means of getting to hitherto remote areas by motorway, and therefore in our society in the last 5 to 10 years the capacity of humans to destroy vast sections of bird life has increased out of all proportions — has probably increased exponentially. Thus it is that we are landed with the problem.

I agree that there is no easy answer, but finally, to the Commissioner, it may be within the recollection of the Commission, that two sessions ago I made a special plea on a related subject not covered by Dr Jahn, arising from the fact that I represent many people who are concerned as pigeon-fanciers. They let loose their pigeons at Avranches, Beauvais, Nantes, Rennes and elsewhere in France, and my constituents stick to it that they are losing pigeons through shooting. Mr Giolitti and Mr Natali have in fact been kind and looked at the matter, and it may be difficult to know what a Commissioner can do other than, as Mr Giolitti put it, to raise his eyes to the heavens. But I think in this whole discussion, that something might be said about the problems of the pigeon-fanciers and pressure brought to bear. At least you can try, and I was wondering if there was anything to report on this, because it is a serious matter, all joking apart, that affects many of the people that I represent.

President. — I call Mr Jahn.

Mr Jahn. — (D) I turn to the whole House, because it is this House that unanimously approved the bird conservation directive. The Committee on Public Health, the Environment and Consumer Protection spent three years dealing with it and everything that has been said here — wetlands, insecticides, etc. — has been discussed for days on end. All these issues have been taken into account in this compromise, but if the assertion is made here — I regret that Mr Lagorce has left, my own train left at eight minutes past eight — that the information is not made available, then I must point out that the huntsmen have been kept fully informed from the very first by the Commission and the European Parliament. Their representatives came to see me in my hotel in Rome, in Brussels, in Strasbourg, and here in Luxembourg. There were French, German, Italian delegations. They were all kept informed. I find it absolutely unbelievable that assertions should be made here that they were not informed, that they were simply passed over.

That is something that I must make perfectly clear. One cannot make assertions which are quite simply

Jahn

untrue. We really went to a great deal of effort. Your rapporteur often found himself under considerable pressure, for example when not three, eight but twelve or twenty huntsmen arrived and said: we want this like this, and that like that. There is a real need to explain just what did happen during the year before the directive was unanimously approved by this House.

On the question of insecticides: the more birds are killed, the more insecticides must be sprayed and other chemicals used. This is the cycle which is taking place in northern Europe, and the whole of northern Europe, including Scandinavia and northern Russia, are bearing the consequences.

Both the Commission and we ourselves have paid plenty of attention to the ecological aspects. What we have submitted here finds the agreement of eight nations and every nation has had the chance to make its views heard. But there is only one country now which says its huntsmen want to go on hunting and shooting, whilst 2 million German and Italian huntsmen are prepared to stop. That really is a strange attitude to take:

So I come to an end. All these questions, environmental pollution through chemicals, arid areas, have been dealt with and we cannot simply sit back and let people say that we have not taken any of that into account.

Mr President, this House, in several major debates over a period of three years, really has gone into all aspects of the matter and I protest on behalf of this House against false assertions of the kind made here today.

President. — I call Mr Natali.

Mr Natali. — *Vice President of the Commission.* — Mr President, the fates have plainly ordained that you, as president, and I, as speaker, should always come on late.

(Laughter)

I will therefore try to be as quick as I can, not least because I am in agreement with Mr Jahn. The fact that this proposal for a directive has been discussed in committee and in plenary, and has been approved unanimously does not mean that there is not a whole series of other initiatives in train concerning the problem of damp zones, pesticides, toxic substances, etc, which are going forward hand in hand with this proposal for the conservation of birds. I should like to say to Mr Dalyell that there is a proposal for a directive for the harmonization by the Community of pesticides, which will be followed soon afterwards by texts on matters concerning harmlessness to human beings, plants, the environment and wild species. All these documents are being or will be submitted for the consideration of the Council, which is currently examining a proposal for the banning of the most dangerous pesticides. As regards the protection of the

habitat, linked to the proposal for a directive is a resolution which has already been approved and which concerns the safeguarding not merely of the habitat of certain species, but of the habitat in general. We are therefore moving forward with a whole range of measures.

Mr President, as Mr Jahn has recalled, we have heard a number of speeches, we have heard the opinion of the representatives of the hunters' associations from every country, but, perhaps, there is one thing we have forgotten: we have not consulted the birds. Their opinion, perhaps, might have provided a greater inspiration to our activities.

(laughter)

President. — The debate is closed.

15. Documents received

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

- report by Mr De Keersmaecker, on behalf of the Legal Affairs Committee, on the proposal from the Commission of the European Communities to the Council (Doc. 514/76) for a directive to coordinate the laws of the Member States relating to (self-employed) commercial agents (Doc. 222/78);
- report by Mr Howell, on behalf of the Committee on Agriculture, on the proposals from the Commission of the European Communities to the Council for:
 - I. a regulation amending Regulation (EEC) No 804/68 on the common organization of the market in milk and milk products
 - II. a regulation on the sale of butter at reduced prices to persons receiving social assistance (Doc. 225/78);
- report by Mr Howell, on behalf of the Committee on Agriculture, on the proposal from the Commission of the European Communities to the Council (Doc. 212/78) for a decision authorizing the United Kingdom to grant a national aid to milk producers in Northern Ireland (Doc. 226/78);
- report by Mr Hughes, on behalf of the Committee on Agriculture, on the proposal from the Commission of the European Communities to the Council (Doc. 217/78) for a regulation laying down certain conservation and management measures for common fishery resources off the West Greenland coast applicable in 1978 to vessels flying the flag of Canada (Doc. 227/78);
- report by Mr Hughes, on behalf of the Committee on Agriculture, on the proposals from the Commission of the European Communities to the Council for:
 - I. a regulation laying down for 1978 measures for the conservation and management of fishery resources including the establishment of catch quotas for herring stocks (Doc. 211/78)
 - II. a regulation allocating certain catch quotas between Member States for vessels fishing in the Norwegian exclusive economic zone (Doc. 220/78)

- III. a regulation allocating certain catch quotas between Member States for vessels fishing in the waters of the Faroe Islands (Doc. 224/78)
- report by Mr Liogier, on behalf of the Committee on Agriculture, on Article 6 of the proposal from the Commission of the European Communities to the Council (Doc. 564/77) for a regulation amending Regulation (EEC) No 816/70 laying down additional provisions for the common organization of the market in wine (Doc. 229/78);
- report by Mr Lemp on behalf of the Committee on Agriculture, on a proposal from the Commission of the European Communities to the Council (Doc. 213/78) for a regulation on the conclusion of the Agreement on fisheries between the European Economic Community and the Kingdom of Norway (Doc. 231/78),
- report by Mr Hughes, on behalf of the Committee on Agriculture, on the proposals from the Commission of the European Communities to the Council for :
 - I. a regulation concerning the conclusion of the Agreement on fisheries between the European Economic Community and the Government of Sweden (Doc. 174/78)
 - II. a regulation concerning the conclusion of the Agreement on fisheries between the European

Economic Community and the Government of Denmark and the Home Government of the Faroe Islands (Doc. 176/78).

Agenda for next sitting

President. — The next sitting will be held tomorrow, Thursday 6 July 1978 at 10.00 a.m. and 3 p. m. with the following agenda :

- Decision on the urgency of two motions for resolutions.
- Bertrand report on the conviction of Yuri Orlov.
- Prescott report on human rights in Argentina.
- Müller-Hermann report on the EEC-China trade agreement.
- joint debate on four Hughes reports and one Lemp report on fisheries.
- Liogier report on the market in wine
- 3.00 p.m. : Question Time (questions to the Commission)
- 3.45 p. m. : Vote on motions for resolutions on which the debate has closed.

The sitting is closed.

(The sitting closed at 20.30 p.m.)

ANNEX

Question which could not be answered during Question Time, with written answer

Question by Mr Noè

Subject : The Commission's Information Office in Milan

Can the Commission offer any explanation why, having already decided in 1971 to open an additional office in Milan, it has taken no action on that decision, in contrast with the steps taken in other cases ?

Answer

In principle, the Commission had envisaged in 1971 the opening of a branch of the Rome Office at Milan. It not having been possible to make available the necessary resources for the implementation of this project, in particular as regards staff, the experiment has had to be postponed.

Nevertheless, the decentralization of the information services remains one of the priority objectives of the Commission's information policy. This is why its services are currently in the process of examining this dossier, which should permit the definition of an overall decentralization policy in the various countries of the European Community and a decision on means of implementing it.

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IN THE CHAIR : MR HOLST

Vice-President

(The sitting was opened at 10 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. *Referral to committee*

President. — Volume II of the Report of the Audit Board (Doc. 132/78-III), the receipt of which was announced during the sitting of 12 June 1978, has been referred to the Committee on Development and Cooperation for its opinion.

3. *Decision on urgent procedure*

President. — I shall now consult Parliament on the adoption of urgent procedure for the motion for a resolution (Doc. 230/78) tabled by Mr Albers and others on behalf of the Socialist Group on youth employment.

Are there any objections?

The adoption of urgent procedure is agreed.

I propose that this motion for a resolution be placed on the agenda at the end of Friday's sitting.

Are there objections?

That is agreed.

I now consult Parliament on the adoption of urgent procedure for the motion for a resolution (Doc. 233/78) tabled by Mr Porcu and others on behalf of the Communist and Allies Group on the situation in the iron and steel industry.

Are there any objections?

The adoption of urgent procedure is agreed.

I propose that this motion for a resolution be placed on the agenda at the end of Friday's sitting after Mr Albers' motion for a resolution.

Are there any objections?

That is agreed.

4. *Conviction of Yuri Orlov*

President. — The next item is the debate on the report (Doc. 197/78) drawn up by Mr Bertrand on behalf of the Political Affairs Committee on the

conviction of the physicist Yuri Orlov, co-founder of the 'Public Group to assist the Fulfilment of the Helsinki Accords in the Soviet Union' group responsible for monitoring the implementing of the Helsinki Final Act in the Soviet Union.

I call Mr Bertrand.

Mr Bertrand, rapporteur. — (NL) Mr President, when, at its meeting of 25 May, the Political Affairs Committee took note of the conviction of the physicist, Professor Yuri Orlov, to seven years' hard labour followed by five years' exile, a maximum penalty in the Soviet Union, we took the view that this was one of the grossest and most flagrant violations of the Helsinki Final Act by one of the largest countries in the world which put its own signature to it at the Conference on Security and Cooperation in 1975. The Political Affairs Committee therefore felt that, since this involved one of the co-founders of the Helsinki Group which wished to supervise observance by the Soviet authorities of the Helsinki Final Act, we could not let this event pass unnoticed. We therefore took the decision to draw up an own-initiative report so that in the matter of the violation of fundamental human rights in the world, Parliament could not be reproached with looking solely in one direction and restricting its criticism to certain parts of the world. On the contrary, this motion for a resolution and the debate which will follow are a demonstration of Parliament's general concern to provide assistance wherever in the world fundamental human rights are violated.

This was the spirit in which the Political Affairs Committee, at its meeting in Copenhagen, adopted the motion for a resolution now on the agenda together with a motion for a resolution on the violation of human rights in Argentina. We are investigating ways in which we can help to prevent this sort of violation in future. I should like to draw attention to the fact that Parliament adopted a resolution on 18 November 1977 on the ill-treatment of Vladimir Bukovsky, that after that we adopted a resolution on the abuse of psychiatric medicine in the Soviet Union and that on 18 January we adopted a resolution on the provisions of the Helsinki Final Act concerning the reunification of families. We therefore hope that in debating the conviction of Yuri Orlov, we shall clearly express — and I hope that the media will take this up — that the way in which his trial was conducted was truly repugnant! All the more so since the trial attempted to maintain an appearance of democracy and respect for human rights.

I think I should say a word about who Professor Orlov is, and what he has been. Professor Yuri Orlov is 52 years old. He is a Russian Jew and a professor of physics. He was kicked out of the Communist Party in 1956 and removed from his office as Professor at

Bertrand

the Moscow Institute of Natural Sciences because at a party meeting he had spoken in favour of more freedom and more flexibility in the government in Russia. He was kept out of work for a year. He was permitted to restart research in 1957, although not at the Moscow Institute of Natural Sciences, but a long way away at Erevan. He remained there from 1957 to 1972.

In 1972 he returned to Moscow and immediately set up a group with 51 friends including Andrei Sakharov to defend human rights in the Soviet Union. In May 1976 the Helsinki Group was set up by 51 scientists in order to monitor the treatment of prisoners in Soviet prison camps and to give help to the families of those held in prison camps.

Of these 51 people comprising the Helsinki Group, 38 have already been convicted! Simply because they wanted to give help to the families affected by the imprisonment of the breadwinner or other relatives. Yuri Orlov was arrested once again in February 1977 and had to wait until May 1978 before his trial took place.

But that is not all. Next Monday another trial begins in Moscow, that of Professor Ginzburg, who is another member of the Helsinki Group. That trial will be another demonstration of the cynical way in which the Soviet Union disregards its own obligations and its own signature of the Helsinki Final Act.

The accusations against Yuri Orlov are essentially that he systematically spread false rumours against the administrative and social regime of the Soviet Union and that he thereby hindered its normal operation. That was the official charge at the trial of 18 May. However that trial took place behind closed doors. The foreign press was not admitted. The accused conducted his own defence and pleaded not guilty, but no one could follow what the reactions were to this as no observers were present. Only his wife and his two sons were permitted to attend the trial.

Professor Sakharov and his wife were taken into temporary custody as they had attempted to open the door of the court to attend the hearing, but on the strength of a decision based on an article of the constitution which makes it possible to forbid publicity of a trial when affairs of State are concerned, the trial took place behind closed doors.

The conviction of Professor Orlov for an activity which was solely concerned with the application of an Act which his own State had signed reveals in the first place a truly cynical and contemptuous attitude on the part of the Soviet Union towards Western European public opinion. Let us not forget this.

Secondly, it shows that the legal processes in the Soviet Union have not changed since the trial in 1966 of Andrei Sinyavsky and Yuri Daniel, the famous

writers and the first dissidents in the Soviet Union who were sentenced to six years' hard labour in concentration camps.

We must not therefore be surprised that today's reactions across the world to the conviction of Professor Orlov no longer come exclusively from the usual private groups concerned with the defence of human rights. Many governments have officially found the courage to protest to the Soviet authorities about the conviction of Yuri Orlov. The government of the United Kingdom has done this and also the French Minister of Foreign Affairs who publicly declared that he regarded this violation to be a violation of the bilateral agreement between France and the Soviet Union on the subject of human rights. In the United Kingdom, the Prime Minister, Mr Callaghan, stated before Parliament that the sentence was unjust, that the trial had not taken place under proper conditions and that he would discuss the matter with the Soviet Government. The Foreign Ministers of the Nine did, at one time, consider making a joint statement condemning the conviction of Professor Orlov, but, because two ministers were not present when this point was discussed, they did not take a decision to this effect, but merely issued a communiqué, one in which they did nevertheless draw attention to the fact that the conviction of Yuri Orlov constitutes a contravention of the Helsinki Act.

Mr President, it is for these reasons that we feel that our motion for a resolution must also be interpreted in this sense, particularly because we find that one of the most powerful countries of the world, the Soviet Union, does not respect the signature which it gave to the Helsinki Final Act, an act which one cannot interpret any way one likes. The Soviet Union gave a moral commitment to observe and respect certain things, and if it does not live up to this commitment, it means there is a real danger for all the other countries of the world. This is one of the aspects to which close attention must be given following the conviction of Professor Orlov, since we all feel ourselves directly threatened. If one explains away these things as a domestic affair which cannot be discussed by outsiders who do not belong to the Soviet Union, as the Russians said at the time of the invasion of Czechoslovakia, which they regarded as a domestic affair, no one has any assurance that 'in a few months' time, they will not march into Luxembourg and that this too will be interpreted as a domestic affair of the Soviet Union.

I want to draw your attention to the fact that this interpretation contains a very great danger for the future, unless we do react in a sharp, unambiguous way! I agree fully with what Mr Radoux said with regard to the preparations for the next meeting in Madrid in 1980.

Bertrand

I have no hesitation in saying today that the Western countries were too weak at Belgrade and that they have not defended the agreement on human rights stubbornly enough *vis-à-vis* the Soviet Union. If we maintain this weak attitude, this will mean a hopeless situation for the millions of people behind the Iron Curtain because they will then never find the moral support to have the Soviet Union respect the commitments which it voluntarily entered into. These are the principal reasons for this motion for a resolution.

Mr President, there is another matter to which I should like to draw attention in connection with this resolution. Rudolf Bahro, a Marxist intellectual from East Germany, supposedly, 'democratic' East Germany, was recently given a sentence of eight years' hard labour on allegations of spying. His only crime was to have published a book criticizing the regime and that he had seen a Western journalist in West Berlin. That was his only crime! He got eight years' hard labour for that!

Finally, a few months ago, the first free trade union was set up in the Soviet Union. This free trade union was set up in the Soviet Union by 50 or so workers and officials. Well, since that time, all these people have been sent to prison camps or a psychiatric institution! I hope that my Socialist colleagues will corroborate this. From the first moment the Soviet authorities stifled this development at birth. Thus the first attempts to set up a free trade union failed. The older people among us also experienced laws at the beginning of this century which forbade the creation of trade unions. We also had a period in which people who tried to set up a trade union were put into prison. Today, this state of affairs is repeating itself, about 100 years later, in a country which sets itself up as one of the most progressive countries in the world, a country which claims to realize human happiness to the greatest extent with its regime.

Mr President, I therefore hope that Parliament will adopt the resolution unanimously so as to express our true intention of doing everything possible to support those who, in difficult circumstances, are trying to get their government to respect the Helsinki Act. They must know that we are behind them.

(Applause)

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

Mr Radoux. — (F) Mr President, the Political Affairs Committee has considered the resolution on the case of Yuri Orlov, and the whole of my group was able to agree to the draft resolution as submitted to this House.

On several occasions the House has adopted resolutions concerning convictions of individuals in the Soviet Union, but I would like to draw attention to

the fact that, in Mr Orlov's case, the circumstances are unusual, as he was accused as co-founder of the 'Public Group to Assist the Fulfilment of the Helsinki Accords in the Soviet Union'. The Foreign Ministers meeting in political cooperation adopted a decision during May condemning the indictment of Yuri Orlov and declaring, at the end of their communiqué, that such a conviction was incompatible with the provisions of the Final Act of the Helsinki Conference.

I would like to take this opportunity to read out three items from the provisions of this Act which I feel could give rise to argument in the event of a State putting its own internal laws above international law. Principle I states:

The participating states will respect each other's sovereign equality and individuality as well as all the rights inherent in and encompassed by its sovereignty, including in particular the right of every State to juridical equality, to territorial integrity and to freedom and political independence.

This Principle continues:

They will also respect each other's right freely to choose and develop its political, social, economic and cultural systems as well as its right to determine its laws and regulations.

But Principle VI states on the other hand:

The participating States will refrain from any intervention, direct or indirect, individual or collective, in the internal or external affairs falling within the domestic jurisdiction of another participating State, regardless of their mutual relations.

Finally, the last Principle (VII) from which I want to read an extract:

The participating States will respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, for all without distinction as to race, sex, language or religion.

Mr President, I feel I ought to draw the attention of the House to the fact that, independently of the conviction of Mr Orlov — which is one point in the discussion — there is a second point: in view of the Madrid Conference in 1980, should we not decide, in our Parliament, to study the provisions of the three Principles from which I have just read a few paragraphs?

Mr President, in view of what is happening, one wonders first of all if there is not in fact incompatibility between certain provisions of these articles and the interpretation given to them by the participating States. I refer particularly to what we voted on together in 1945 in the United Nations. Did the States which signed the UN charter give the same meaning to the texts they were signing, and have they interpreted them in the same ways? Until we have clarified this point, other provisions of the Final Act

Radoux

of the Helsinki Conference could be in danger. I feel therefore that it would not be a bad thing for us to take steps to look into this.

I put a question on this to the Commission, which, according to certain statements, will be carrying out the work between now and 1980 and will be studying the provisions I have just mentioned. As yet, I have not received a direct answer to my written question to the Commission, but I have received an indirect reply in respect of a written question I put to the Senate in my own country. I was in fact told that the Commission was paying particular attention to this point. I would be glad to hear the Commission representative confirm that to me today.

Mr President, I feel that this study is absolutely vital if we are to clarify matters and to know if, among the States which signed the Act, each one interprets the provisions of the Act in the same way. It is impossible to apply Principles VI and VII correctly if the internal law of a State is given precedence over the provisions of an international agreement which that State has signed. It seems to me that that is the crux of the matter. In Yuri Orlov's case, it is certain that the Soviet Union's internal law has been upheld and that in applying it the provisions concerning human rights in the Final Act of Helsinki have not been applied: the provisions of Principles VI and I have been given precedence over Principle VII.

Mr President, I feel it was necessary to stress this aspect of the question, quite separately from the case of Mr Yuri Orlov himself and the way in which he has been condemned in his own country. I am afraid that in 1980 we will find ourselves in an even more delicate situation than at present if, during the intervening two years, we do not all do everything we can to clarify the situation.

Our group, Mr President, will vote in favour of the resolution tabled by Mr Bertrand on behalf of the Political Affairs Committee, as we have already done on three occasions, in 1975, 1976 and 1977, in similar cases; today, however, I have stressed a particular case, since the first three cases concerned if I may put it this way, only the internal law of the Soviet Union, whereas on this occasion it is also a question of the application or non-application of an international agreement.

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

Mr Jung. — (*D*) Mr President ladies and gentlemen, in accordance with our group's principle of strongly condemning any violations of human rights in whatever part of the world they occur, we support Mr Bertrand's resolution on behalf of the Political Affairs Committee. We do not regard this resolution on the tragic Orlov case as a mere formality, but believe that it concerns our most deep-rooted responsibility for the creation of a free and democratic Europe which

can serve as an example and encourage other nations to follow the path of peaceful cooperation and which will guide our nine countries both in their relations with each other and their relations with other countries.

Yuri Orlov founded his monitoring committee in order to establish whether the provisions of the Final Act of the Helsinki Conference on human rights were being implemented in and by the Soviet Union. All nine EEC States were represented in Helsinki and they cooperated closely and successfully. This cooperation continued in Belgrade. It will have to become even more intensive — and, we believe, take place at an even higher level — in Madrid in 1980 if there is to be any chance of fulfilling the hopes of détente of people on both sides of the iron curtain.

The persecution of Orlov and his colleagues cannot be regarded in isolation from other aspects of the Community's relations with the Soviet Union. We are resolved to continue working towards disarmament. In the interests of détente we are prepared to accept a trade balance and an exchange of technical information which is certainly far more advantageous to the Soviet Union than to us. We are of course forced to acknowledge that the Soviet Union is based on the theory of a one-party dictatorship which rejects almost everything which we regard as an essential element of a modern, civilized, democratic State. But we do not accept, and must not accept, that the Soviet Union should select only those parts of the Helsinki Final Act which serve its purposes and ignore all the rest.

Some people might consider this attitude naïve and say it is nothing but wishful thinking to expect anything else of the Kremlin. If they were right, it would be equally naïve to believe in détente. For détente depends on mutual trusts. If no such trust exists, then the spirit of Helsinki is nothing but a delusion, although it cannot delude the general public in our countries. That is why the Yuri Orlov case is more than just a further example in the long and terrible list of violations of human rights committed by left and right-wing dictatorships in the twentieth century.

The persecution of Yuri Orlov is not just a violation of human rights, it is also a major political mistake, insofar as the Soviet authorities are genuinely working for détente. For not only those present here today, but also the millions of people who are represented in this Parliament — and who certainly account for more than the population of the Soviet Union, as we must not forget — will ask themselves whether there can be any value in the statements made by leading Soviet politicians calling for détente if their treatment of their own citizens shows such contempt for the words and spirit of the Final Act of the Helsinki Conference and for the Soviet obligations under the General Declaration of Human Rights and for Soviet law itself.

Jung

I hope that by adopting this resolution the Parliament will manage to make it clear to Leonid Brezhnev and his colleagues that we are not prepared to let insincerity wherever it becomes apparent, go unnoticed. We continue to be aware of the general persecution of Soviet citizens who are trying to make their government aware of its obligations to protect human rights. But we must draw the attention of this House to some of the painful details of the persecution of Yuri Orlov, whose courageous action has made him into a symbolic figure just as the late Steven Biko has become a symbolic figure in South Africa. I received the information I am about to provide from his lawyer, Mr John McDonald, Queen's Counsel and chairman of the association of liberal lawyers, who is representing Yuri Orlov at his wife's request. I must point out that most of the cases of abuse I will mention are not only abuse of the norms of the Member States of our Community but also abuse under Soviet law.

Firstly, Yuri Orlov was not permitted to call witnesses. Secondly, he was not allowed to cross-examine the witnesses called by the court who were, of course, all witnesses for the prosecution. Thirdly, he was not allowed to finish his defence speech since the judges left the court while he was still speaking. Fourthly, the judges made no attempt at all to call to order the crowd in the court who loudly mocked the prisoner on several occasions and insulted him. Fifthly, Mr McDonald had sent the investigating official separate statements by 18 persons who had themselves experienced violations of human rights or observed them with their own eyes. Most of these were violations that had occurred after the signing of the Final Act of the Helsinki Agreement and at which Mr Orlov had protested. All 18 people were prepared to appear in court and Mr McDonald sent the judge a petition in their names. He obtained no kind of acknowledgement of receipt from the court.

These witnesses have stated that political prisoners in the Soviet Union are tortured by lack of food and by cold, that they are refused medical treatment and that other Soviet citizens are victims of misuse of psychiatric medicine.

I repeat that these statements served as the basis of Yuri Orlov's criticism of the Soviet authorities. The shocking abuses of procedure during this so-called trial can be measured by the fact that under Soviet law a court is compelled to give a hearing to all parties. Article 342 and 343 of the Soviet code of criminal procedure give as grounds for appeal the case where statements by witnesses heard during a procedure are one-sided or incomplete. According to Article 343 incomplete procedures are procedures in which persons are not heard whose statements are of considerable importance to the case or in which evidence of considerable importance is not produced.

Mr President, this evidence existed. As I have said, it related to the very crux of Yuri Orlov's complaints, which led to his criminal prosecution by the Soviet State. The evidence came from earlier political prisoners such as Amalrik, Bukovsky and Leonid Plyuscheh who were imprisoned in psychiatric clinics and from medical witnesses who saw some of the victims of this abuse during their maltreatment or shortly after their release.

This procedure, which is a disgrace for the court in which it occurred, ended with Orlov being condemned to 7 years in a labour camp under extremely severe and harsh conditions, to be followed by 5 years internal exile during which he may also be required to do hard labour.

This severe sentence follows on the constant harassment which Mr and Mrs Orlov suffered since his arrest on 10 February 1977. Since then, i.e., in nearly a year and a half, Mrs Orlov has received two letters from her husband but has not been permitted to communicate with him. As has been said elsewhere, she was present in the court during the trial. When she left the courtroom, she was undressed and searched in the presence of three men. She was not allowed to visit her husband after his sentencing, something which was generally allowed even during the Stalin era.

Mr McDonald has learned from other sources that during his period on remand Mr Orlov wrote two treatises on theoretic physics. These treatises were confiscated. In view of his great intellectual ability, the suppression of these papers may be a loss to science. Furthermore, it is another indication of the Soviet authorities' scant regard for the Final Act of the Helsinki Conference which calls for the free exchange of information and knowledge.

Mr President, this Parliament must protest against the persecution of Yuri Orlov and his colleagues as firmly as possible and as long as necessary in order to put an end to it. As Mr Bertrand has said, the same applies to other cases too, such as the Bahro case. But I shall confine myself to the Orlov case here.

Ladies and gentlemen, we all want peace and good relations with the Soviet Union. But there can be no real peace and no good relations as long as the Soviet Union shows this sort of contempt for the obligations it entered into with all our Member States.

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

Lord Bethell. — The House will be very grateful to Mr Bertrand and to the Political Affairs Committee for raising this important matter at this stage and for giving us a chance to debate it fully.

It is, however, not the first time that the case of Yuri Orlov has come before this house. More than a year

Lord Bethell

ago, shortly after Yuri Orlov's arrest and the arrest of two of his colleagues, Alexander Ginzburg and Anatoly Shcharanski several questions were put to the foreign ministers of the Nine about these men, who were trying to monitor the provisions of the Helsinki agreement and several times Mr Tomlinson and Mr Simonet, speaking for the Nine, were invited to consider this matter within the machinery of political cooperation and to consider what representation should be made at the forthcoming Belgrade conference. On each occasion, they refused to take any action, they refused to give any answer to the questions that were put and a great opportunity was lost to influence the case of these three individuals.

It is true that at the end of last year, some cooperation was worked out by the foreign ministers of the Nine and certain amendments were proposed to the Belgrade conference which would, if accepted, have given certain rights and certain protection to those men in any country, in any signatory State, who were trying to see that this agreement was observed, but I am afraid it was a case of too little and too late. The decision had already been taken to make an example of Mr Orlov and his colleagues and this was what was inexorably done.

The motion for a resolution quite rightly refers to a parody of justice, which took place in Moscow in the case of Mr Orlov. The previous speaker, Mr Jung, mentioned some of the aspects of the trial of Mr Orlov. There were no witnesses called in his defence, he was not allowed to cross-examine prosecution witnesses and the judge made no attempt to control the obviously contrived abuse that was poured on the defendant in the course of the proceedings. A sort of cheering crowd of critics burst into this courtroom to influence the proceedings and to manipulate what passes for public opinion in that country.

Mr Jung might also have mentioned the fact that Mr Orlov was kept incommunicado for more than a year before being allowed to see a lawyer, that he had no visits for more than a year, either from his wife or from his children, or from anyone who was looking after his interests. So he had to appear totally without preparation in a trial which was arranged and announced only a day or two before it actually took place. He received no warning of what was to come.

Therefore, we have sadly to accept the fact that Yuri Orlov and his colleagues have been in prison for more than a year, that they will probably have to pay the price for what they tried to do not only to protect human rights in their country but also to protect an international agreement, which was freely entered into by their country's government and by 35 other countries. And we have to recognize that we, as co-signatories of that agreement have not been able to fully implement the agreement and to protect those individuals who did no more than to do their best to see that

it was implemented and monitor various breaches of it.

I sincerely hope, therefore, that this House and all those who care for the Helsinki agreement will think very carefully about this matter and consider what steps should be taken in the lead-up to the next review conference of the agreement in Madrid in 1980, will keep the Yuri Orlov case constantly under review and will consider what meaning the Helsinki accord has, if an individual, who did no more than to try to observe it and monitor it, is imprisoned for seven years for so doing, and that we will consider to what extent we can implement the other baskets, the other paragraphs of the Helsinki agreement, which are convenient to the Soviet Union, those paragraphs which provide for scientific exchange between East and West, which provide for the exchange of expertise, areas where the Soviet Union derives great advantage as a result of the Helsinki agreement. It may seem to some of us that an agreement is either observed *in toto* or it ceases to have very much meaning. We may have to, I suggest, review the question of how much expertise is given to the Soviet Union as a result of this agreement, how much trade should be provided and how much scientific exchange should take place to the advantage of the Soviet Union.

I must say a brief word about the amendment that has been put forward by Mr Soury. The effect of this amendment would be to reduce the force of the motion for a resolution, to cut out the implication that these repressions are increasing. The words 'more and more' would be taken out of the motion for a resolution. I would like to tell the House that according to my own researches the motion for a resolution, as presently worded, is correct. These persecutions are increasing, more and more of them are happening and I am very glad that Mr Bertrand mentioned the case of the free trade unionists, because this is something which I think this whole House should give great attention to. I have seen the documents provided through various sources and through Amnesty International about a group of more than 200 trade unionists in the Soviet Union who have tried to gain recognition, through the International Labour Organization, to protect the interests of their members and to fight the trade unions of the Soviet Union which are totally dominated by the State and where free elections do not take place...

Mr Prescott. — Hypocrisy!

Lord Bethell. — ... It is not hypocrisy, Mr Prescott, I will defend the rights of all people in this Community and outside it — and in Argentina, I will speak to the motion on Argentina in a few minutes — and I have spoken very many times in the past about Luis Corvolan, member of the Communist Party and I

Lord Bethell

wish that Mr Prescott would withdraw his remark about hypocrisy, an extremely improper remark and I look forward to Mr Prescott justifying it later. He will not be able to. My record stands on the question of human rights in the Communist world and in South Africa and in Argentina and in Chile.

(Applause from the Right and from the Centre)

The House will therefore, I hope, consider very carefully what action should be taken, not only in this motion for a resolution, which I trust will be adopted unanimously — provided Mr Tam Dalyell is not here — and will lead to a careful review of the agreement in the lead-up to the Madrid review conference, in such a way that the repression of human rights that has been imposed from the Soviet Union will become a political problem for them. As Dr Andrei Sakharov says, every violation should be a political problem for the violating country.

(Loud applause from the Right and from the Centre)

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

Mr Soury. — *(F)* Mr President, the day before yesterday, Mr Genscher, the new President of the Council, noted the importance of the commitment of the nine Member States to the defence of human rights.

This is in fact a very important question, and one the Communists approach without any partisan feelings. Our position is perfectly clear, and we do not want there to be any ambiguity here. It can be summed up in one sentence: we defend freedom and human rights everywhere they might be attacked, whatever the country or the political system in operation where such an attack takes place. We are fighting for freedom everywhere, and we are fighting for all the freedoms: freedom to be housed as well as freedom of expression, freedom to do work corresponding to one's training as well as freedom to choose one's country of residence, freedom of religion, freedom of movement and also freedom for people to live independently, and choose for themselves their laws and the people to govern them.

That is why we have no reservations in condemning the heavy sentence inflicted on Yuri Orlov simply for expressing his ideas. In our opinion, such a step is moreover in serious contradiction with the socialist ideal for which we are fighting. We make no bones about what we are saying — indeed we claim some merit for saying it — we are concerned by the situation in the Soviet Union in regard to human rights. Over the past year, things do not seem to have improved; indeed the contrary is true. Everyone knows that we have taken a very firm line in condemning all attempts to limit freedoms in the Soviet Union. Our position is therefore perfectly clear.

I would add that our Parliament and the Community as a whole would have much more credibility if it

really did defend human rights everywhere. We would like to see the Community taking vigorous action to set its own house in order — in France, for example, where the police and the CRS have just made large inroads into trade union activities, and in the country which has provided us with today's President of the Council, the Federal Republic of Germany, where restrictions on the right of legal defence are of concern to every democrat in Europe, and where occupational restrictions are still in operation.

I remember the last meeting of the Political Affairs Committee in Copenhagen, when I questioned the Danish Foreign Minister on the application by the Member States of the economic sanctions decided on by the UN against the regime in South Africa, which as everyone knows is a regime which violates the rights of millions of Africans who are subjected to a scandalous and murderous form of racism. The Minister replied that the Ministers of the Nine had not discussed this as there was no point deciding on sanctions if they could not then be applied. It is this dual attitude which we are condemning. Let the Community defend human rights, and we will be with it, everywhere, and that includes ensuring that the UN sanctions against South Africa are applied. Unfortunately, this does not seem to be the path that you have chosen. You select the things to defend in order to make political issues out of them.

For our part, we will take it as far as possible; our defence of freedoms knows no frontiers, and that is our reason for tabling an amendment which, while unreservedly condemning the Soviet Union's attitude in the Orlov affair, stresses the universality appropriate to this fight for human rights. Contrary to what the previous speaker said, our amendment in no way changes the general scope of the resolution which has been put to us. On the contrary, it is intended to strengthen it, to balance it and to commit the Community as a whole to a much more comprehensive defence of human rights. We hope that the Assembly will not go back on its decision, and that it will follow us and vote in favour of this amendment.

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

Mr Brugha. — Mr President, I am very glad to have an opportunity to say a few words on this motion before the House. I think the motion uses the word 'deplorable'. I think it is not only deplorable but rather extraordinary that this particular individual, Professor Orlov, should be charged and imprisoned for doing what his own government had endorsed by its signature in Helsinki. It is a fairly obvious cynical freedom simply because he happens to be a citizen of the country concerned. The government of my country has protested to the diplomatic representa-

Brugha

tives of the USSR in my country, and I think it fitting that Parliament should register a formal protest and express its view.

I am afraid that this action by the Soviet authorities against one of their own citizens is a pretty clear indication of the very wide gap that exists between our understanding of what is meant by human rights and that of the Soviets. I am pessimistic enough to believe that it will take many years of patient persuasion and the exercise of influence by world public opinion, before some governments, like the Soviets, realize how much their credibility in the eyes of the world can depend on their understanding of, and respect for the rights of the individual, whether a citizen of the country concerned or not, to express their views on infringements of human rights. From what speakers have said here, it would appear that if in Russia the public prosecutor decides to make a political case against you, you are not supposed to defend yourself, despite what may be said in the Soviet constitution. It leads one to wonder whether the prosecutor in this case could be brought before some international court for acting contrary to the Soviet constitution. There is not much, unfortunately, that can be done by any of us for people like Professor Orlov, who merely represent many others. But the least we can do is to demonstrate firmly and peacefully in this Parliament, being representatives of governments and oppositions of nine member countries, our full support for the spirit of the resolution.

President. — I call Mr Christensen.

Mr Christensen. — (DK) Mr President, Parliament has previously discussed human rights in Argentina and is about to do so again shortly; at the moment however, we are concerned with the violation of human rights in the Soviet Union.

I do not intend to speak on the next item on the agenda but would like to say that I severely condemn infringements of human rights wherever they occur — whether in Eastern bloc Communist countries, in African countries or in Latin American countries.

I am therefore fully in agreement with the motion for a resolution now being debated in Parliament, as I feel that it is important that the freer, democratic countries should condemn violations of human rights wherever they occur. However, I believe that the proper place for this, by virtue of the universal declaration of human rights, is the United Nations, and I feel that to discuss and take up a position on violations of human rights in other countries is outside this Parliament's terms of reference. There is no basis in the

Treaties for adopting a resolution such as this. I feel that the proper forum is the United Nations and the separate national parliaments, and not this Assembly.

I would therefore like to state that I intend to abstain from voting both on Argentina and on this item on the agenda. I agree with the views expressed in the motions for resolutions, but I am going to abstain because I consider that Parliament is exceeding its powers by pronouncing on such matters.

IN THE CHAIR : SIR GEOFFREY DE FREITAS

Vice-President

President. — I call Mr Forni.

Mr Forni. — (F) Mr President, I am speaking here on my own behalf, and I would like to pay tribute to the report which has just been presented to us by Mr Bertrand, who I am sure had the best of intentions. He wanted to widen the scope of the debate by preventing the European Parliament's attention being concentrated on the Orlov question alone. In fact, Mr Bertrand has devoted himself, as is usual for us, to an indictment of the Soviet Union.

I feel that, on the occasion of such a debate, all democrats, all those who like myself, condemn attacks on human rights, cannot but ask a certain number of questions, in particular, what is the position in regard to human rights in the world, specifically in those countries where we have interests to defend, whether they be economic, commercial or political. In this respect, I feel that the Parliament would be on the right lines if it asked itself a number of questions on human rights in Chile, Brazil, Uruguay or Argentina, where we are represented commercially because we have privileged links with these countries. It could also ask itself what is the state of human rights in Africa, in the Central African Empire or in Zaire, where we are represented economically through the aid we give to the Third World; what is the position in regard to the problems in the Middle East, the problems of human rights in the Lebanon, where we have a military presence through a number of forces, whether UN or other. The Parliament could finally ask itself about human rights within the European Community, in France, Germany or elsewhere, where every day brings in new reports of serious attacks on freedoms which, admittedly, are not thought of now in the same way as at the beginning of the 20th century, but are seen today as serious attacks on human dignity, whether with regard to employment or living conditions. That is the first question we should be asking ourselves in this kind of debate.

Forni

The second question is whether this is the right moment to be discussing the Orlov case within the European Parliament. Are we sure that in discussing this case, we are not merely adding fuel to the fire of the anti-Soviet campaign which has been building up for some time? Are we sure that in discussing the Orlov case we are not forgetting the real genocide being committed by the Syrians and Lebanese at this very moment? Are we sure that in discussing the Orlov case we are not covering up the difficulties we could come across here or there?

The third question we could ask is whether this kind of debate and this procedure are efficient. Does the proliferation of petitions and resolutions — personally, I have taken part in Council of Europe debates for five years — not damage the credibility of a Parliament such as ours? By multiplying the resolutions, do we not risk appearing to be people who adopt systematically partisan attitudes? Are we sure that, by adopting this procedure, we are not contradicting the attitudes of our national governments? Finally, are we sure that it is possible to dissociate economic connections from the freedoms to which we are all devoted? Are we sure that there is not a contradiction in our attitudes as regards maintaining trade and economic relations and protesting against attacks here or there?

The fourth question which strikes me as obvious is, what are the real objectives of those who today in this House and yesterday elsewhere protested against attacks on human rights in the Soviet Union. I was in fact shocked to hear Lord Bethell speak about the Soviet Union a few moments ago, for it was he who a few weeks ago in the House made use of all the procedural possibilities available to postpone the debate on Argentina, particularly the Parliament's wish to boycott the country in view of the extremely serious events taking place there. And I have the feeling that if we go back into the past and recall the attitude of all these people, we will find them all again today; they were the people who kept quiet while the Salazar regime was rampant in Portugal, while Spain was suffering under Franco, and who now remain quiet while men and women in the Community, in the capitalist world, lose all sense of worth because they are unemployed.

Personally, I refuse to fall in line with these people, and if we are to condemn unanimously what is happening in the Soviet Union, I feel we must not fall into the trap which people are setting for us in trying to make us think that the Left and socialism are definitely incompatible with liberty.

(Applause from some benches on the Left)

President. — I call Mr Natali.

Mr Natali, Vice-President of the Commission. — (I) Mr President, ladies and gentlemen, this debate has echoed the interest which the Community has always shown in the question of human rights. It is scarcely necessary to mention the extremely important debate held in this House on the eve of the Belgrade Conference, or the resolution of 11 May 1977 in which Parliament reaffirmed its determination to protect human rights.

As for the Commission, I must say that the question of human rights is one of the fundamental ideals of the Community itself. It is not by chance that the Commission has presented proposals to the European Council stressing that fundamental freedoms underlie the very concept of democracy.

If we wish to defend a form of society based on freedom and justice we must ensure that our actions match up to these principles. In particular, as regards the trial of Yuri Orlov, the Commission supports the Joint Declaration issued on 24 May 1978 by the Governments of the nine Member States of the Community.

I would like to say, lastly, Mr President, that we are deeply convinced that the protection of human rights involves taking action wherever and whenever these rights are threatened or violated.

President. — I note that no one else wishes to speak.

The motion for a resolution, together with the amendment that has been tabled will be put to the vote this afternoon at voting time.

The debate is closed.

5. Agenda

President. — I wish to inform the House of the following proposals of the enlarged Bureau concerning the agenda for this part-session.

This afternoon, after we have voted, Mr Vredeling could make a statement on the last Council meeting, which was on social questions. We could then debate this statement tomorrow in conjunction with the debate on the resolution by Mr Albers and others.

At the end of this afternoon we could take the oral question with debate on competition in the air transport sector, that is, the question which had originally been placed on tomorrow's agenda. For Friday morning, we could add to the agenda the report by Mr Howell on aid to milk producers in Ireland to be debated jointly with Mr Howell's other report which is already on the agenda.

Are there any objections?

That is agreed.

Prescott

6. Human rights in Argentina

President. — The next item is the report (Doc. 200/78) drawn up by Mr Prescott, on behalf of the Political Affairs Committee,

on violations of human rights in Argentina and on the procedures to be followed in the European Parliament to combat such violations throughout the world.

I call Mr Prescott.

Mr Prescott, rapporteur.— Mr President, it is difficult to present a report in 15 minutes on a matter that is somewhat controversial in its content and deals with a number of points about which one feels extremely strongly. The point of this report for the Assembly is to carry through a resolution arising out of a hearing held by a political group in this House into the matter of abuses of human rights in Argentina, specifically in relation to the World Cup football finals, in which European citizens were involved. This meant that apart from considerations of human rights we had to think about the security of our citizens.

Since these two debates are following on from each other, I want to make the point that when I refer to human rights, particularly in this context, I am taking the more fundamental personal view of human rights. I refer to the fundamental rights, the personal ones, the right to life, the right to security, prohibition of slavery, torture, arbitrary imprisonment, inhuman or degrading punishment or treatment. There are many other kinds of human rights, but I have addressed my attention particularly to those.

I fully accept that there is no country free from some form of abuse of human rights. Northern Ireland is one example which falls within my own domain as a British politician. Thus we are all, to a certain extent, involved in situations which force us to take up what appear to be contradictory positions. I think each individual must make his own decision about these matters and stand by it. I think the difficulty is sometimes that people attempt to maintain political positions because it is felt that this is ideologically necessary. I am concerned with breaches of human rights wherever they may occur. I have mentioned one in my own country and I have spoken on it before in this Chamber. I think that selectivity on matters of human rights throws doubt on the very credibility of politicians when they make speeches or comments about human rights.

We have been taunted with failing to support condemnation of left-wing regimes or left-wing governments, and I have borne this taunt meekly, but I would remind Lord Bethell that I have joined him in condemning violations of human rights in both Chile and Russia. What particularly annoys me about Lord Bethell's position is that when we moved from the realm of individuals to that of the condemnation of States, we condemned Russia for its treatment of a

particular individual, but when we move to the case of Argentina, we are told that investigation is an extremely controversial matter. Parties may be identified with certain positions, but individuals in every party should make their own positions clear quite courageously. I am sure you understand the point I am making.

The public hearing already referred to established not only the fact that judges interfered with trials, but that judges were dismissed and no trials granted to people placed in prison and tortured. These are not the allegations being made here against Russia. I condemn Russia's violations of human rights and will support the resolution debated here earlier this morning.

More serious crimes are being alleged here by Amnesty, the very same people to whom Mr Bethell is referring. The source of the information leading to the condemnation is the same, but the allegations are considerably more serious, and I think Mr Bethell should have been here that day to support this House when it had a roll-call vote on whether an inquiry should be held by this Parliamentary Assembly with a view to condemning what was going on and involving European citizens. Mr Soury is not even here to hear this debate. I cannot help but note that in the Political Affairs Committee Mr Soury abstained on Argentina and says one cannot be selective in one's allegations.

I suggest he talks to Mr Bordu in the human rights committee. He did not accept that there could be political interference in the domestic circumstances of another State, and yet one of his comrades got up and spoke in favour of that very action being taken in South Africa. There is a considerable degree of hypocrisy in many areas. I think that is motivated more by a desire to maintain ideological positions than by the fundamental point of a breach of human rights. Once we get that much clearer in our minds I think we can afford to be courageous enough to condemn violations wherever they take place, even in Europe, and they certainly take place even here in our own Community.

The document that you have before you contains the report of a hearing into allegations made by Amnesty International against Argentina. The House will be aware that the action taken when I was appointed rapporteur was based on a resolution presented by Mr Bertrand and others of different political parties in this House condemning what was happening in Argentina. We, as the Political Affairs Committee, decided to hold a hearing. I do not intend to quote the history of that hearing, for it is well known to all members here. We had an obligation to inquire into the disappearances of people, acts of torture and so on. Since the House did not confirm — it did not actually vote against — the proposal of the Political Affairs Committee, my group, the Socialist Group, decided to hold a hearing and we held it in exactly

Prescott

the way the Political Affairs Committee established that it should be held. The details are embodied in the report to the House today, and I am bound to say that anyone that was in attendance, — and there were representatives of seven political parties in attendance at that meeting, so basically all the major political parties were represented — will confirm that what we heard from witnesses, whose personal experiences were described to the committee, was really appalling. The evidence is reported in the minutes. We heard from people whose character could not be doubted: from Fr Rice, who in October 1976 was stopped in the street, brought to an unknown place, handcuffed, tortured, for instance with electric shocks; from Senator Wilson Ferreira, a Uruguayan politician, who was a candidate for the Presidency of his own country and who is not, as he said, a Marxist or of the political Left, who says on page 12 in the document, that in his opinion

the only complaint that could be made about Amnesty International is that they are screening and checking too much. He knows about many more cases which are not given in the Amnesty International information.

We heard from a representative of the International Commission of Jurists who said that in recent years 43 judges had actually disappeared and 109 were being held in prison at the present time; many of them had been forced to leave the country, all of them without trial. We heard from Professor Ernst Käsemann, a professor in theology at the University of Tübingen, who testified on the death of his daughter, who had been shot in the back. We heard the testimony of a lady, Veronia Handl-Alvarez aged 24, of dual Argentinian-Austrian nationality, who was two months pregnant, who during her detention in prison while pregnant was subject to sexual abuse, beatings and electric shock treatment. These are people who directly experienced the violations which are the subject of the allegations made by Amnesty. There are other people who gave evidence and are referred to in the report. If there is any doubt whatsoever about the evidence, I refer you to what has appeared since the Amnesty Report: another Amnesty Report listing all the names and addresses and evidence relating to cases of repression against intellectuals, journalists, teachers, academics, housewives, workers, scientists, students; the latest report of Amnesty of 1 February this year, which observes that the military junta came to power with a promise to eliminate terrorist activities and to restore the respect for human rights and that it has failed to do that and the abuses are continuing; and the report of February 1978 by the International Commission of Jurists which equally condemns the regime for abuses of human rights involving torture and murder. The evidence is very very clear and does not require me to say any more.

Can I conclude, Mr President, with a reference to the resolution. The resolution from the Political Affairs

Committee makes clear that the hearing was held by the Socialist Group. It requests that the Foreign Ministers act in political cooperation to bring about measures for the improvement of the situation. It calls for all contacts outside the Community, particularly with the Latin-American Parliament and the United States Congress to be used for joint action. I am particularly pleased that Congressman Dodd from America took part in the joint hearing on these human rights matters, and makes recommendations in the report for furthering that particular aspect of our action. The more controversial parts of the resolution, Mr President, I will leave for comment, but just introduce some parts of them here at the moment. The resolution, paragraph 3, says

instructs its Political Affairs Committee to follow closely the question of the violation of human rights.

We intend to do that wherever it may take place, wherever in Europe, outside Europe, to wherever we are referred by members of this House. In paragraph 4 we ask for a

framework to consider the further use of public hearings in order to inform the citizens of the Community and the world about the breaches of fundamental human rights wherever they may occur.

The reason for this is the controversial use of its power by the Bureau of this Parliament whereby, once the Political Affairs Committee had unanimously recommended that a hearing take place and the role of the Bureau was to determine whether the financial resources would be provided for such a hearing, the Bureau took a political decision and not only said that the Political Affairs Committee could not have its hearing, but also suggested that in fact it was in a position if need be to override the decision of the Parliament. We feel this is an unsatisfactory situation and therefore worthy of study. We feel that a recommendation by the Political Affairs Committee to hold a public hearing on human rights can be prevented only by resolution of Parliament. We are saying here that, constitutionally, if a committee decides to hold a hearing, as under our Rules of Procedure, provided that it is not a matter of expense the only way the decision of a committee under our rules should be over-ruled is by a resolution of the Parliament itself and not by obstructions by the enlarged Bureau of the Parliament.

Therefore we request the enlarged Bureau as soon as possible to draw up procedures for financing public hearings which the committees responsible decide to hold. All this resolution does is to say that we should look at this unsatisfactory situation. We ask the enlarged Bureau to give us guidance on what are the financial criteria as to whether hearings should take place and that, I think, would then uphold the rights of the committees of this House to continue to hold hearings on which they have agreed under the Rules of Procedure.

Prescott

I think the hearing was a success. This resolution was unanimously accepted by the Political Affairs Committee and I hope the House can accept it.

(Applause from the Left)

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

Mr Lagorce. — *(F)* Mr President, ladies and gentlemen — I am among those who, with the Socialist Group, on whose behalf I am speaking, deplore the fact that it was possible for the football World Cup, the 'Mundial', to be held in Argentina rather than in any other country and that, on the questionable pretext that sport must be kept separate from politics, we could not follow those who recommended a boycott.

For it is certain that the Argentinian Government, in organizing the World Cup in its country, wanted to carry out a political exercise aimed at selling itself to world public opinion as a democratic and liberal country, favourable to public order, and well run. Has it achieved this? It is doubtful.

Firstly, and this is the first positive result, the Argentinian Government was forced to make certain gestures — as John Prescott says — such as the liberation of certain prisoners and the publication of lists of detained persons. Then, with Argentina continually in the headlines, the whole world began to see the type of 'democracy' practised there, thanks to the thousands of journalists, photographers and cameramen who drew attention to what was going on there. After that, no one can fail to be aware of the real situation in Argentina, with its arbitrary arrests, detentions without trial, torture, disappearances and assassinations. John Prescott's report is particularly instructive on this point, and I have not much to add.

However I would like, to begin by stressing one fact which I find characteristic of Argentina. It is true that there is extremely harsh repression of intellectuals, judges and lawyers. The newspaper *Le Matin* two days ago gave what amounted to lists of martyrs among Argentinian lawyers: 29 assassinations, 69 recorded as missing, a hundred or so in prison. For it is admitted that any lawyer acting on behalf of a political prisoner is regarded as a danger to the security of the State — an attitude, by the way, which is not confined to Argentina, but what I want to bring out is that repression is practised in particular against ordinary workers. The Peron regime had encouraged trade union organizations in Argentina, which was — I use the past tense — the most highly industrialized country in Latin America. According to Edward Kennedy's report to the American Senate, half the people killed under the Videla regime are workers, mainly militant trade

unionists, not that this prevents sporadic strikes from breaking out spontaneously, as life is so difficult because of the crisis the country is going through. Once again, let us note, it is the workers who are setting the example of courage in the fight for freedom and human rights.

My second comment concerns the attitude of the Church of Argentina, where there are 23 million Roman Catholics out of a total population of 25 million. I want to talk about the attitude of the Argentinian episcopate, particularly the upper hierarchy, an attitude which to say the least is ambiguous. Admittedly, repression has much affected priests and ordinary monks and nuns but, according to the French Catholic press, the Argentinian episcopate is divided into four very unequal groups: only the first group, which is progressive and includes 8 % of the episcopate, is in favour of the revolutionary movement which is opposed to the regime, although at the moment it is forced to be rather careful in the way it acts. The second group, the 'Vatican II' group, embracing 50 % of the episcopate, is the official group. While denouncing the violation of human rights, it is violently opposed to anything resembling Marxism or even socialism. The third — conservative group, — made up of 'Vatican I' adherents, representing 30 % of the episcopate, simply denies that human rights are being flouted in Argentina. Finally the fourth group, with 12 % of the episcopate, is pro-military and constitutes unconditional ideological and political support for the Junta. All I have to say about the episcopate is to deplore the fact that the faithful do not always get the support they have a right to expect from the hierarchy, or at any rate not enough, in their more or less open struggle against the regime.

I now want to make a third comment on the particular form of repression in Argentina, compared with what happens in Chile, based on information from Marek Halter, the great painter and writer, who knows both countries well. In Chile, repression is centralized — the Government controls all the means of repression. It is the Government one must call to account, for it alone is responsible. In Argentina, on the other hand, repression takes multiple forms and is particularly complex. For it is practised not only by the State, but also by the various branches of the armed forces and military and paramilitary leaders with their own concentration camps, prisons and torture camps which sometimes vie with each other in terms of cruelty. The State, and General Videla in particular, often has little control over them. And it is the diffuse nature of this repression which makes it so difficult to keep track of the situation in regard to arrests, disappearances and executions. This obviously does not reduce the Junta's responsibility, but it must be realized that the responsibility is not always specifically established, which adds to the confusion.

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Fourthly and lastly, I would like to point out another characteristic, again in comparison with Chile, which strikes me as being particularly ominous for the future of democracy in Argentina, and even in the other countries of Latin America. And that is the particular nature of Argentinian fascism.

In Chile, a fascist government seized power following a *coup d'état* against Allende, although fascism has not — at least in my opinion — penetrated into the population. If General Pinochet were overthrown tomorrow, Chile would fairly quickly and fairly easily revert to a democratic country. In Argentina, on the other hand, fascism has gradually accepted this violence, and the country's move towards fascism seems all the more deep-rooted in that it in some way forms part of the daily life of the population as a whole. It seems to me that this fact — although of course I would like to think I was wrong — makes the political situation in Argentina so important, since it will be more difficult for this country to get rid of fascism when it is more deeply rooted there than elsewhere.

These basic comments take nothing away from John Prescott's excellent report, nor in fact do they add much to it, and all democrats should be grateful to him for having raised this point. I can only concur with his conclusions.

Our primary task, as members of the European Community, should be to inform public opinion objectively and tirelessly by putting forward unimpeachable evidence, as during the public hearing organized by the Socialist Group, in order to unceasingly denounce the extortions of the Argentinian regime. Such undertakings, carried out on a European level, can only have a useful effect on Argentinian officialdom. To prepare for the future, it is also essential to increase contacts with democratic organizations in Argentina, so that the fine words of the publicity slogan which greeted teams and visitors arriving in Argentina for the World Cup — 'Welcome to this country of peace, justice and freedom' — which in the circumstances were a mockery — might become the reality of tomorrow.

(Applause)

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

Mr Lückner. — Mr President, we are having almost the same debate today as we had at our last part-session in June, which is why I would like to begin by stating quite clearly that there has never been any difference of opinion between the democratic parties and groups in this House either in June during the discussion on the motion for a resolution on the violation of human rights in Argentina or during similar debates on similar questions relating to other countries. Mr Prescott, you will allow me to say this — for

I have been in this Parliament some years longer than you, which is no merit on my part or drawback for you but simply means I speak from experience of the procedures in this House — this has been so from the first time we dealt in this House years ago with violations of human rights anywhere in the world, and I hope it will remain so in future too.

As regards the condemnation of violations of human rights, wherever they occur, it is not a question of my taking a different view from that put forward so vehemently by Mr Prescott. And I realize that Mr Prescott wants to drive this Parliament to speed up its procedures — and that is even to his credit — so that we can work out a method of making our politically well-meaning actions rather more practically effective. Here too, I see no reason for differing from him. He took the question of the violation of human rights in Argentina as an occasion to do so. We adopted the resolution dated 8 May in June, worded just as Mr Prescott had proposed, except for paragraph 3. For paragraph 3 did not refer to the question as such but to the best way of achieving our political objectives and expressing our political, human and moral attitude to this question.

Mr President, all of us in this House know and feel strongly that we must do something about this question. Especially since the Final Act of the Helsinki Conference we have been considering how best we can ensure that human rights and the basic rights of citizens throughout the world will be respected more fully and observed everywhere, for we believe that this is a basic condition for the peaceful coexistence of our peoples in a genuine Community.

So the question is to decide what we can do and how we can do it. May I add — and I hope you agree with me here, Mr Prescott — that we should do what we can as soon and as effectively as possible.

It was with this in mind that after the June debate you urged my group to enter into contact with the Committee for the Defence of Human Rights in Argentina, based in Paris, and with the civil rights movement in the Soviet Union. Before we knew that we could be discussing a new report here, we had invited Mr Rodolfo Matterollo, the head of the Argentinian Human Rights Movement based in Paris, and his colleagues — I think the ladies and gentlemen have taken their seats up in the distinguished visitors' gallery — to inform us in practical terms of what could be done, now that the situation has become widely known. This morning Mr Lobarski also provided us with such information. So Mr Prescott, this morning not only did we discuss the matter, but Mr Matterollo was also willing to advise us on what we could do to defend human rights in Argentina from his point of view, and I repeat before everyone here what I replied to him this morning: Mr Matterollo, we are ready and believe we can accept all your recom-

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mendations regarding particular kinds of action. You find our doors open because we are completely agreed in our basic attitudes to this problem. Mr Prescott, may I say to you that we shall do what he said and will also take account of what Mr Lobarski said when we take political action in this direction.

So it is not correct, Mr Prescott, for you to say that there is a considerable degree of hypocrisy in many areas. Mr Prescott, I have come to know and value you in our debates in the past and I am quite sure that you are speaking from a genuine human and political commitment; I beg you once again to believe that we do too.

Since becoming a member of this Parliament, I have spoken up in almost every debate on this subject and quite clearly condemned violations of human rights wherever they occur. So that is not the problem; the problem, Mr Prescott, is the same one we discussed in June, and please accept it if I say that my political friends and I can still not set it aside. We have no basic objections to paragraphs 1 to 3 of your resolution, as we already said in June. But the combination of paragraphs 4, 5 and 6, Mr Prescott, would require changing our Rules of Procedure. The Parliament cannot decide this — not even in plenary session — for this can only be decided on the basis of a report by the Committee on the Rules of Procedure since the questions you raise are clearly set out in Article 40 of the Rules of Procedure. If that is to be changed, the Rules of Procedure will have to be changed. You cannot expect the Bureau or the enlarged Bureau of our House to disregard the obligations and responsibilities vested in it under the Rules of Procedure. That is why it would be more sensible if this matter were not just put forward by the Political Affairs Committee, but if the Rules of Procedure were also changed accordingly. We would have to consider — and we are prepared to do so, Mr Prescott — whether we should perhaps try to improve the Rules of Procedure in such a way as to avoid having to hold the same debates again and again.

I can see that you are looking up the Rules of Procedure now, Mr Prescott. Please look also at the pink pages of the Rules and you will find what I am referring to.

Mr Prescott, this is the first time you have put the same question before us twice running. You are the committee's rapporteur. I know that, so I also know you are not only speaking personally but also as rapporteur of the committee. Nor do I want to attack you or the chairman of the committee. Far from it. But today you are putting before us the same question which we discussed three weeks ago in Strasbourg. May I say that we thought this question would be examined in the enlarged Bureau at a closed meeting in September.

Mr Prescott, I don't want to say any more on this subject for I would only repeat all I said in earlier debates and that is not the point of my speech today. That is why I would suggest, Mr President, that we should refer this motion for a resolution back to the Political Affairs Committee again, since we have already discussed the political aspects of the subject in June. I also request that it should be referred at the same time to the Committee on the Rules of Procedure and Petitions so that they can check on possible changes and perhaps draft proposals and so that no time will be lost. Then we could return to this question at a later date. I make this proposal for referral back to the committee on behalf also of my political friends. Until September or October, Mr Prescott, nothing irrevocable or contrary to our joint intentions will happen. And then we will have the time and opportunity to put our political wishes into orderly and effective form, as we all want.

Mr President, may I add one further point. Last year in Mexico, following the third Inter-Parliamentary Conference between our House and the Parliaments of Latin America, i.e., geographically the countries of South and Central America, we set up a committee to investigate human rights in all the Latin-American countries. This committee is to be made up of representatives of the Latin-American parliaments and also of representatives of the illegally dissolved parliaments of some Latin-American countries, and I think we would be well advised — as was our intention at least — to examine these questions properly, with the participation of political figures from Latin America, and bring them before the public.

A final argument: because of this situation, especially as regards Latin America, we took action at international level two or three years ago. We had asked our Organization of Christian-Democratic Parties and international level to establish contacts with the Socialist and Liberal Parties at the seat of the UN in New York in order to press this question effectively at the UN, jointly with the three large political party organizations represented at international level. For the UN already has a human rights agency; and, Mr Prescott, in this context I am sorry to have to say to you that so far your international party organization has avoided sharing in this common action. Perhaps, Mr Prescott, we should make a joint effort so that the three big international party organizations at the UN can take joint action which can be coordinated with our activities and discussed during the conference between our Parliament and the Latin American Parliament.

I think we should bear this in mind during our discussions about our future activities and I would be most grateful if the House would adopt our motion today and refer this report back to the Political Affairs Committee and at the same time to the Committee

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on the Rules of Procedure and Petitions so that it too could deliver its opinion on it.

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

Mr Jung. — Mr President, The Liberal and Democratic Group supports the motion for a resolution on Argentina. We believe that Mr Prescott's attempts to show up the shocking breaches of human rights in that country are very valid and we are therefore, grateful to him.

In this context, Mr Lücker, I am sorry to say, I must go against your motion for referral back to the committee because it is based on a misapprehension. For this motion for a resolution quite clearly shows that the recommendations are aimed at allowing both the Political Affairs Committee and, if you like, the Committee on the Rules of Procedure and Petitions, to continue discussing the matter. May I remind you that at the last part-session in Strasbourg I proposed as an attempt at mediation that a sub-committee should be set up which would deal with human rights on a continuous basis and thus also be able to pursue each individual case that arose.

Mr Prescott, I would also like to take up what you said earlier when you mentioned that perhaps different criteria were being applied in this House — and I would like to reject this firmly as regards the Liberal and Democratic Group for I think we have always made it clear that we are seriously concerned about civil rights and about combating the suppression of basic rights throughout the world. May I repeat once again: we are not blind, either in the left or the right eye. We are clearly aware of anything that is happening and here too we will always adopt an outspoken attitude to violations of human rights and urge this House to take action against them.

I have already had an opportunity today to discuss the Orlov case at some length. So if I refer rather more briefly to Argentina this is only because, as I have said, we have already stated our position on the matter and because my colleague Mr Russell Johnston has already made our group's position quite clear during earlier debates and at the public hearing in Brussels.

Unfortunately there are so many and such terrible breaches of human rights in the world today that it is impossible for our Parliament to throw light on all of them and denounce them all. But even if we cannot do all this, that does not mean that we can do nothing. And Argentina is certainly a case we cannot disregard, for many citizens from our Member States became victims of the terrorist regime in Argentina.

Moreover, as was said earlier, our goodwill has been seriously strained this year since Argentina used the World Cup football championship in which many Community teams took part as an opportunity to give

itself a semblance of respectability. It was our moral and political duty to show that we were not deceived by such tactics.

We are aware of the vast machinery for suppression in Argentina and condemn the murders, torture, disappearances, imprisonment without trial, illegal procedures by bodies which are responsible for protecting the law, antisemitism and overthrow of democracy. We admit that the criminal acts of terrorism committed by extreme left-wing organizations in Argentina may have contributed to creating an atmosphere in which such horrors could take place; but this is no pretext and no excuse for the ruling Junta's crimes, for the phenomenon has also become familiar in Europe. At least five Community countries have been visited by terrorism. All five, Great Britain, the Netherlands, Ireland, Italy and my own country, the Federal Republic of Germany, have proved that it is possible to deal with this challenge, without compromising and without violating fundamental human rights and, of course, without giving in to the temptation of combating terrorism by terrorist methods.

Lastly, Mr President, may I say that crimes against humanity cannot be excused by the pretext that they were committed, so to speak, for a good cause. Revolutionaries have no right to claim that they are murdering in the name of social progress, no more than, governments have the right to murder in the name of law and order.

Mr President, let us support this motion for a resolution fully and unanimously in order to show that whatever the procedural difficulties in connection with the hearing, in principle we are in agreement in this matter and that we condemn the violations of human rights in Argentina as firmly as we condemn all breaches of basic human rights wherever they may occur.

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

Mr Fletcher-Cooke. — Mr President, I have to say and I say it with great personal pleasure that we in the group support the substance of this motion for a resolution and we support it with complete sincerity, all of us. Now as far as the procedures are concerned, this difficult constitutional position mentioned in paragraphs 5 and 6 of the resolution, I would like to say a few general words because, although I support the substantial and material distinction that the rapporteur draws between the functions of the Political Affairs Committee and of the Bureau, the way of achieving this is something that has not yet been discovered.

It is of course right, and we are in Mr Prescott's debt for emphasizing this, that policy matters are a matter for the committees. Not just the Political Affairs Committee, but all committees. The Bureau is not a

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court of appeal against the Political Affairs Committee's decisions. It has no right to overrule the committees, whether political, legal or whatever they are. All the Bureau can do in these matters is to say, if it is so minded — and this is the present position: we will not find the money. Not a penny, it can say. Not so much as a sou. And of course that is a very powerful veto. In all our national Parliaments we find very often the same sort of veto. Almost all Parliaments have a rule that proposals for the spending, and, indeed, for the raising of money is the prerogative of the government. There is the money resolution, a difficulty Mr Prescott is very well aware of, in the House of Commons. And this in effect, of course, gives the government a veto not only on the money, because the amount of money could be fairly trivial: it gives them a veto on the introduction of policies in the form of draft bills which require a money resolution, if only for £50 expenditure, because only the government can do that. Indeed, there are in this Parliament moves to give a reflection of that role to the Committee on Budgets. There have been suggestions quite recently that committees may not make proposals until they have first got the approval of the Committee on Budgets. This is a sort of democratic version of the money resolution in the House of Commons.

I view these developments with some alarm. I understand that it is no good at all allowing committees to involve Parliament in vast expenditures. I understand that very well, but at the same time it seems to me that in the case of small expenditures, they should be allowed to be masters of these. Small expenditures are quite a different matter. As far as I can gather, the spirit of Mr Prescott's resolution, in paragraphs 5 and 6, is to this end. Namely, that although he recognizes that it would be quite wrong to let the question of public hearings, which can be expensive, get out of hand and it would be quite wrong to let all the committees indulge in mounting these exercises — perhaps all over the world, which would run into very large sums — it is nevertheless right to give the committees power in some way to be able to command small, ordinary expenses for this purpose.

Now that seems to me a good principle both ways. How is it achieved, I do not know. Where do you draw the line? What is a large expenditure? What is a small expenditure? These are matters of great constitutional difficulty and are matters which must be decided by the relevant committees, and the Bureau has got to agree — and it is not going to be easy. All I have to say is that it does raise a most important constitutional principle for Parliament — the power of the committees to be able to decide to hold hearings and not to be vetoed, ostensibly on financial grounds but actually on political grounds, by the Bureau. Of course, if it is for genuine reasons of expenditure this is different and these things, I know, shade off one into another, and it is almost impossible to say

what is a political objection and what is a financial objection in any particular case. But it ought to be a principle, as far as possible, that the function of the Bureau is purely that of a guardian of finance, that its views about the political desirability or undesirability of such hearings is neither here nor there, and that the Political Affairs and other committees ought to have a small amount of money at their disposal so that they can decide to do this.

All this, of course, is subject, as Mr Prescott makes very clear, to a resolution of the plenary session. Of course the plenary session could overrule a committee. Of course the plenary session could overrule the Bureau. We are masters here. We do not want to have to get into disputes in plenary on these matters, as unfortunately we did recently. We want to get a fixed rule, and a firm rule, that the committees may have a limited amount of money for this purpose. If they want more and I think they often will, because the expenses of these things, if they are to be done properly, are very great — then they will have to go to the Bureau, and the Bureau must exercise its powers on purely financial grounds. What it must not do, and what I think we all know it did do on the occasion we are talking about, is, quite frankly, to say: we are overruling the Political Affairs Committee, not because we think this is going to cost an enormous amount of money, but because we are frightened of the precedent — we are frightened that it will go further, all over the shop, and that is something we do not want to see.

It is the old doctrine of the thin end of the wedge, which I always believe is a bad doctrine, because if you cannot stop the thick end when it arrives then you are a very poor decider. You can recognize the shape of a wedge pretty clearly. However, the Bureau could not recognize the shape of the wedge in this case. They were frightened of the thin end of the wedge, and therefore they decided, I think not altogether on the merits, but out of fear of the future — not on the finance aspect this hearing, but on the demands that might be made subsequently. So, Mr President, I conclude by saying that by and large, although I come to no final view on this until we have heard more, I support the suggestion by Mr Lückner that this be further examined by the Political Affairs Committee. I am not saying that is necessarily the best thing. I may be that the chairman of the Political Affairs Committee would rather it went straight to the Committee on the Rules of Procedure and Petitions. Goodness knows, the to-ing and fro-ing between committees in this Assembly is difficult enough for the older hands, and it is almost impossible for a new boy like myself to understand, and I do not propose to go into it. All I am saying is that this is a very important problem, and that I wish Mr Prescott and the Political Affairs Committee, of which I am a member, well with the substance of the resolution that is before us.

President. — I call Mr Soury to speak on behalf of the Communists and Allies Group.

Mr Soury. — (*F*) Mr President, colleagues — I will be very brief, as I set out in my first speech our basic concept of the defence of human rights in the world.

It is now Argentina we are concerned about, a country where a dictatorship is ruthlessly preventing the expression of any form of democracy. For our part, we cannot accept any move which might detract from the force of our Parliament's condemnation of the violation of human rights in Argentina. Our Argentinian friends have always had our support, as have all the peoples of Latin America with whom we today reaffirm our complete solidarity in the difficult fight they are engaged in — I am thinking in particular of the people of Chile, Brazil and Uruguay.

As for Argentina, we were determined to see that the World Cup was not boycotted and that attention was paid to the Argentinian democrats who were in the best position to tell us: 'Come, you can help us by taking part in the World Cup; you will see things on the spot and take evidence back to your own country'.

The struggle for the defence of freedoms in Argentina of course does not stop at the World Cup. Here as elsewhere, it is for us a question of principle and not a political exercise. We want to make a positive contribution to the improvement in the human rights situation in Argentina, as in the world as a whole.

That is what I was saying in my speech in the debate just now. That is what we are saying now in registering this solemn protest against the repression which exists in Argentina. I would like to assure Mr Prescott that, despite my few minutes' absence, we have in no way lost interest in the Argentinian problem and I reaffirm here, as I did in Copenhagen in the Political Affairs Committee, the total solidarity of the Communists with the struggle being fought by the Argentinian democrats in their country.

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

Mr Ansquer. — (*F*) Mr President, I will be brief, in view of the debate which was held on 13 June on the same subject.

I merely want to repeat, on behalf of the Group of European Progressive Democrats, that we condemn any violation of human rights, wherever it takes place. However, I regret, as do some of my colleagues, that the resolution tabled by Mr Prescott mixes politics and procedure. Making a procedural issue the subject of a formal declaration by the European Parliament does not seem to me to be worthy of this House. At the same time, it considerably weakens our condemnation of violations of human rights.

That is why I would also ask for paragraphs 5 and 6 of the draft resolution to be referred back to the

Committee on the Rules of Procedure and Petitions, and if such a referral is decided, we will vote for paragraphs 1 and 2.

President. — I call Mr Cot.

Mr Cot. — (*F*) Mr president, we are being asked to decide on an unusual report on an important subject. Basically, we are being asked to approve a clandestine public hearing, organized by a political group on the instructions of the Political Affairs Committee, after the Bureau refused to finance it and the House for its part was unable to take a decision in a previous vote for lack of a quorum.

Re-reading recent debates devoted to a subject which in its content should unite us all, namely the appalling violation of human rights in Argentina, has quite frankly left me with an uneasy feeling. This attempt to bog down such a subject in procedural intrigue, to try to prevent public hearings on it being held, doesn't fool anybody.

I would here like to make an appeal to all our colleagues, particularly those who are asking for another referral to committee, and point out that their position could be seen as equivocal and does not fool anybody. In France, we say that, when you want to kill your dog, you say it has rabies. When you want to kill a proposal, you refer it back to a committee. I would like to warn you that the public, not understanding the extremely complex nature of our debates, will simply observe that the right wing of this Parliament wanted to prevent a public hearing.

Basically, the subject which unites us all is a difficult one, and I am well aware of this. The question of human rights has been raised in this House on several occasions in the past. The next Parliament, to be elected by universal suffrage, will also have to deal with this topic with the new legitimacy which it will derive from the election itself.

It is in this light that I would for my part like to make two comments, one on the procedure for public hearings, and the other on the subject in question, i.e. State terrorism.

The practice of holding public hearings should be developed. It is a current practice in a number of national parliaments, and can claim some distinction. It corresponds to what I would call today 'the modern control function of a parliament'. It is also a practice which is encouraged by the 1973 memorandum by the late Sir Peter Kirk, and also the Lord Reay report, under debate, on the internal procedures of Parliament.

In my opinion, it is a practice which is particularly suited to a Parliament such as our own, which has no or few powers of decision and, which therefore only has some kind of expository power, a power of political control which it exerts indirectly by setting up the

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machinery of public opinion into motion. This will be all the more true of the Parliament which will take over from us next year, which at one and the same time will have great ambitions and few powers, a new Parliament which from that moment on will have above all the strength which it derives from public opinion for it will not be able to extend its terms of reference — the governments of the Member States will see to that. Moreover, a certain number of Members, the French Socialists who will succeed me, will agree on this point: there can be no question of constituent ambitions, as might have been said on other occasions. In such a context, the procedure of a public hearing seems to me to be a very special means of action for a Parliament such as ours, a very special means of action for a very special matter: the violation of human rights in Argentina.

Our colleague Mr Prescott's report sadly highlights, as others have, the sinister violations of human rights in Argentina and the propaganda campaign the Argentinian Government tried to carry out during the World Cup. For my part, I would say that it is partly due to the public hearing organized by the Socialist Group of this Parliament, and also to a number of similar events in other quarters, that General Videla's operation has misfired and has to some extent turned against the Argentinian Government itself, as the World Cup had shown up the sinister reality of the country.

I would add that General Videla added the finishing touch when journalists and lawyers disappeared during the World Cup. In such circumstances, it is only by international pressure, organized particularly through this technique of public hearings, that we will perhaps be able to get the Argentinian Government to back down and encourage, or at least give hope to, the opposition.

But do such methods involve the reform or amendment of our Rules of Procedure? I was very interested to hear Mr Fletcher-Cooke's comments. For my part, I have the feeling that Article 40 is largely sufficient at the moment and that any request for referral to a committee for the question to be studied, again risks, as I said at the beginning of my speech, casting suspicion on the underlying intention — since the procedure will not hide the underlying facts — a suspicion which could weigh against those very people who, when we are talking about Orlov, do not raise procedural issues, but who continually create procedural obstacles on the subject of Argentina.

Mr Ansquer was saying, concerning procedure, that this House should be above getting involved in such a matter. I agree with him. That is why I would ask him to withdraw his request for referral to the committee. I do not doubt his sincerity, any more than I doubt Mr Lückers', but to both of them I would like to say: beware of the consequences your attitude is likely to provoke!

A few words on the second point I would like to touch on: State terrorism. This is a sinister menace in Argentina and it presents all the characteristics of a very old style of fascism. One of the best-sellers in Argentina, Amnesty International tells us, is *The Protocols of the Elders of Zion*, with its own introduction by Julius Streicher, of unhappy memory! The most modern scientific techniques are being employed for that old despicable ideology.

On this level, it is a matter of a crime against humanity, and we cannot remain detached from it. I heard our colleague Mr Christiansen say just now that this is not the proper place to discuss such matters, and that the United Nations — and I would add that there is also the Council of Europe — are perhaps better placed than the House of the European Parliament, from a certain point of view. That is true, but at the same time these forums have no political powers, in other words, all that can be achieved there is academic discussion and condemnation of violations of human rights.

A new idea has come to light recently: that of adopting an actual policy on human rights, so as to make political and economic resources available for the cause of human rights. This is a difficult idea to put into operation; it is certainly one which must not be allowed to fail: such a policy is a necessity.

Mr President, I would simply like to add that, on this point, we must perhaps make a distinction. There is, on the one hand, State terrorism, which is a violation of the basic rights of humanity by assassination and torture. On this point, we must not compromise; our aim must be to see these rights respected on every occasion, for example in the context of the Lomé Convention or in renewing the agreement with Uruguay. On the other hand, there are the other ways in which human rights are infringed. We must not give up the fight, but the struggle here is more difficult, more beset with traps, and we must realize the complexity of such cases.

President. — I call Lord Bethell.

Lord Bethell. Like other speakers, I should like to give a warm welcome to this report that has been put down in the name of Mr John Prescott, and add my personal welcome to the spirit in which it is tabled.

There can be few of us, if any, Mr President, who can conceive of any possible doubt that the massive violations of human rights enumerated in this report, have in fact taken place. The mass arrest of many thousands of Argentinians, murders by the authorities of that country, and murders not only of citizens of Argentina but of foreigners, citizens of Member States of our Community, seem to me to be proved beyond any doubt. This I have made clear in previous statements before this Assembly, and in articles in the

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press, with respect not only to Argentina but to other right-wing military dictatorships, so I do not feel that I have to elaborate on this, and I hope that no one in this Chamber will on reflection doubt my sincerity and my conviction that we must unite against this violation of one of the main principles on which this Community is based.

Therefore, Mr President, I would like just to raise one important point that was touched on by the last speaker, the question of referral to the committee in the context of hearings. It was, as my colleague Mr Fletcher-Cooke said, a very new phenomenon when this matter was proposed for a public hearing within the bounds of the European Parliament, and I personally wish that it had been discussed before a properly constituted hearing, and I trust that it will be in the future, as will other questions of human rights in other parts of the world. But I feel a very great deal of sympathy with Mr Fletcher-Cooke and with Mr Lückner, when they express worries and fears that we may not get this formula absolutely right. And I suggest that they may have a point when they say that this is something that needs more careful consideration, before we establish the exact procedures for holding hearings on human rights. It is, for instance, a matter for discussion, whether in such hearings representatives of the government which is, so to speak, in the dock should be invited to attend, whether, so to speak, the defence should be allowed to put up a case.

It must also be considered whether we have within the European Parliament, sufficient equipment, sufficient research to carry out such hearings or, if we do not, how we can acquire this research. I believe that Mr Prescott relied to a great extent on material provided by Amnesty International, an excellent organization with whom I have had contact over a number of dictatorships of the right and the left and which I greatly admire. Amnesty International have this equipment, they have trained researchers, they have people in Argentina, who collect information. They have people in the Soviet Union who gather information on violations of human rights. And I wonder to what extent it may be possible for us to find out through our own resources, not only through those of other organizations, the information that we require for these hearings, because, if the precedent is established, and personally I believe it should be, then of course there will be other countries put before the bar of this Parliament and, so to speak, judged.

Of course, the question of participation in the Olympic Games in Moscow has been mentioned several times in this context and it is very very difficult. I would very much hesitate at the moment to give a judgment about whether the European Parliament should recommend a boycott of the Olympic Games in Moscow because of violations of human rights in that country. It is also very difficult, as the speaker from the Communist benches said, to decide

whether or not it would have been better to boycott the World Cup in Argentina. There are those who believe sincerely that the correct procedure in these matters, the most effective procedure in these matters, is to participate, to make clear your views, to investigate and to communicate with the members or representatives of the government which is the violator of human rights the strength of feeling that there is in countries such as ours about what they do.

So these matters require very careful consideration, and I would disagree with the previous speaker when he says that if this matter is referred back to committee, or if part of it is referred back to committee, it will be with the intention of burying it. Now if I believed that that was the case, Mr President, I would not for one moment consider voting for Mr Lückner's amendment. And if I find in the future that that is the case, I will certainly quarrel with it most sincerely. The purpose of sending back certain paragraphs to the committee is in order to improve the procedures, not to bury them, not to destroy them. With that declaration of faith, Mr President, I would like to commend this resolution to the House and express my conviction that human rights have become an important political criterion of our Community, one of the foremost pillars on which our Community is based, and I hope that this will continue to be so and will find suitable bounds within which it can be expressed and checked.

President. — I call Mr Lückner.

Mr Lückner. — Mr President, I am most grateful to you for allowing me to speak again. I asked to do so, Mr President, because I realized I am the only speaker in this debate who is a member of the Bureau and because doubts have been expressed about the intentions and attitude of the Bureau, although in cautious form. May I now state quite clearly that at the time the Bureau took that decision by a majority precisely because of the importance of the question.

Mr Fletcher-Cooke has discussed this question. I listened with great interest to what he had to say as a long-standing member of the British House of Commons. The Bureau certainly did not have any political intent of calling into question any decision by the Parliament or the Parliamentary majority in this matter. It is quite erroneous to speak of any conflict between the committee and the Bureau in this context, for the plenary sitting voted on it during the May part-session and the majority agreed with the Bureau.

So we have held a vote in plenary sitting. The plenary sitting delivered its opinion and yet the present wording of paragraphs 5 and 6 practically involves a correction of the plenary vote in May. I hope and have tried to make it clear that there are no differences of opinion as regards the condemnation of violations of human rights.

Lücker

But on the other hand we should give some thought to the orderly procedure of this Parliament for in the end it is a question of the management of resources. I listened with great interest to Mr Fletcher-Cooke's views on the matter. He thought that one might give the committees command over certain small sums. No doubt this will be a factor to be considered during future deliberations.

At present I merely wanted to note that in this question it was the plenary sitting and not the Bureau which took the decision and that it would be a good idea if we now consulted the relevant committees so that the question could be resolved sensibly together with the Bureau, the Committee on Budgets and the Committee on the Rules of Procedure and Petitions.

In this connection I personally have no reservations about paragraphs 1 to 3. We have already agreed to them and can still agree to them today. Please accept that my main concern is that this Parliament should pursue the lofty aims of this policy in the best way possible, and thus also in the politically most effective way.

President. — I call Mr Radoux.

Mr Radoux. — (F) Mr President, I asked Mr Lücker if he was maintaining his request for referral of this resolution to the Political Affairs Committee since, in the circumstances, I must say that his request surprises me. In fact, since May the members of the Political Affairs Committee belonging to his group have understood the situation and have agreed that the motion for a resolution should be submitted to the House today; the chairman of the Political Affairs Committee is also a member of the same political group as Mr Lücker. I am therefore a little surprised today that there is a divergence of opinion. I understand Mr Lücker when he speaks of respect for the Rules of Procedure, but in connection with the Rules of Procedure I am very much afraid that if we were to refer this motion to the Committee on the Rules of Procedure and Petitions itself, it certainly would not be in September — as Mr Lücker has just said — that the draft resolution would come back before the House, since referring something to the Committee on the Rules of Procedure and Petitions can be synonymous with burying it. Knowing Mr Lücker, I am convinced there is absolutely nothing which for him could constitute a political obstacle to the vote on this resolution. On the other hand, knowing Mr Lücker and Mr Bertrand, I am forced to ask myself what other reason there could be today for not voting in plenary sitting. If it is felt desirable to deal with some aspects separately, this could obviously be proposed, but it is this idea of returning to the May situation and not dealing with the Argentinian question which is surprising, and that is why this referral to a committee strikes me as suspect.

President. — I call Mr Bertrand.

Mr Bertrand, *chairman of the Political Affairs Committee.* — (NL) As chairman of the Political Affairs Committee I should like to do something to resolve the difference of opinion which has arisen.

Mr Radoux, I recall that my group held a discussion back in May on the violation of human rights in Argentina. Mr Lücker dealt with this in some detail. The difficulty is that the resolution refers to two separate matters. I think that paragraphs 1, 2 and 3 present no problems and that we can adopt them without trouble. The difficulty is the question of procedure. My group considers that a procedural question cannot be solved in such a way as to amend Rule 40 of the Rules of Procedure. Personally, I agree — and I defended this position in May — that the Bureau has exceeded its authority in its interpretation of Rule 40. Because Rule 40 gives the committee the full power to decide to hold a hearing, to invite people and to have people speak and if that had cost nothing, we would not have had to ask the Bureau for anything. The difficulties arising from this hearing form a secondary issue, namely that the Bureau has to decide on the financial aspect of the thing. But if no expenditure is involved, we do not have to ask the Bureau for anything. That is the letter and the spirit of Rule 40 of the Rules of Procedure.

I can therefore understand those who assert that if you want to change Rule 40 you have to go through the normal channels and request the Committee on the Rules of Procedure and Petitions to study the problem. Add this to the resolution and then a vote can be taken on the whole thing.

My opinion is this: if the rapporteur, in implementing the decision of the Political Affairs Committee, holds to his decision to submit the whole resolution for adoption, we must declare our position on it. But if the rapporteur can agree to the two things being separated, that is to say that we vote today on the text concerning the violation of human rights in Argentina on the basis of the facts that came out during the hearing, and then discuss the procedural question in connection with the Rules of Procedure to try to find a solution, that is a possible formula — I am not recommending it, but it is a formula which could help us out of our difficulties so as not to create the impression that Parliament is divided on Argentina which would allow some people to claim that a large section of Parliament say they are justified in what they are doing. That is not true. We must avoid this at all costs because that can only lessen the impact of what we say and, in the final analysis, do the people of Argentina more harm than good.

President. — I would like to call the Commissioner now on the general matter, and then we come to the procedure. Would you not agree with that, Mr Lücker?

Mr Lücker. — Mr President, I think it would be better if I spoke before Mr Natali.

(Interruptions)

Mr Radoux has asked me whether I would withdraw my motion and I wanted to explain myself.

Mr President, I made an offer to the rapporteur. When the rapporteur has answered I will be able to say whether I withdraw my motion. I see no difficulties in voting today on paragraphs 1 to 3.

President. — We shall come to that later. I now call Mr Natali.

Mr Natali, Vice-President of the Commission. — *(I)* It is certainly not for me, Mr President, to discuss procedural matters. I have asked to speak only to point out that during the preceding debate I described what the Commission's position was.

The Commission believes, and I would like to confirm this during this debate, that violations of human rights are a vital problem since human rights underlie all our actions and the very fabric of our Community. In view of these considerations, I would like to express the Commission's solidarity with those fighting for the ideals of justice and of democracy and at the same time our support for all those measures which can be undertaken to ensure that these ideals triumph throughout the world.

President. — I call Mr Prescott.

Mr Prescott, rapporteur. — Mr President, before making one or two points about procedure and about agreements arrived at honestly in this House and apparently now rapidly being broken, I would like to make just one or two remarks on the debate. I do not think the debate has shown any doubt whatsoever that on the evidence the decision to hold the hearing was justified, and that is very welcome to myself as rapporteur and to those involved in this matter.

Since the hearing Argentina has won the World Cup. It was a great sporting victory, but I am sure the many thousands who languish in jail and are being tortured at present by the regime did not have that victory foremost in their minds as one of the greatest deeds of Argentina at this point in its history. Certainly since the inquiry there has been evidence that the Argentinian regime is susceptible to pressure. The American President's request that he be given the names of people held in prison was due directly to public pres-

sure, and I think we can claim to have played some part in that also. Only a few days after the hearing the regime acknowledged that 500 people whose names were on the lists of names given at our public hearing were being held in jail. They were not necessarily released, but it was acknowledged that they were in the prisons, probably being subjected to the torture we have been discussing this morning. But more important than that, and of great consolation, I think, to those of us who look for justification of such hearings, is the fact that I mention this at the end of my report: the very day after the hearing in which we referred to the chairman of the Human Rights Movement in Argentina he was released from jail. I think that, whilst it may not be solely due to the hearing, we certainly can claim that the hearing added to the pressure and helped to release yet another unfortunate and courageous individual fighting for the maintenance of human rights, not in the cosy atmosphere of the parliamentary assembly, but in Argentina itself, where a man's courage is really tested.

I wish to remind Mr Lücker particularly of a number of points, since he has proclaimed his sincerity in condemning human rights wherever they may occur. It is true he has had a longer period in this Parliament; that is perhaps why he is more concerned with procedure than with the principle involved in this issue. As a member of the enlarged Bureau, Mr Lücker knows that the enlarged Bureau has the power of delay, which is much more important than financial power. You have only to look at the procedural delays when the enlarged Bureau knew that this hearing had to be held before the World Cup and yet refused time and time again to debate it. If one looks at the obstruction on the part of the enlarged Bureau, I think one detects a much more positive political principle being adopted by it than that of mere delay for its own sake. The evidence is clear. This is not my own view only, but the unanimous view of the Political Affairs Committee; I only repeat what the Political Affairs Committee has recorded in its own documentation to this House.

I must say to him also that if we are to condemn breaches of human rights — and we are all agreed in saying that today — there is some obligation to substantiate the allegations. All a public hearing wants to do is to listen to the allegations. Lord Bethell also made this point, that you can get evidence from various sources.

We cannot automatically accept such allegations; we have a responsibility to inquire into the grounds for them. Apparently Mr Lücker is prepared to support a motion, let's say about Russia, and to condemn that country, as indeed I did myself, but when the House wants to look for more conclusive evidence he is prepared to criticize it. I ask you frankly which is the best procedure. The best procedure is to investigate

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allegations rather than pass resolutions in this House on the basis of hearsay. I do not think there can be any logical doubt that a public hearing is a much more substantial way of dealing with the matter, and I think this has emerged clearly from our arguments on procedure.

As Mr Lücker and Mr Fletcher-Cooke pointed out, the rules are not clear. That is why the whole matter needs to be referred to the Committee on the Rules of Procedure. It is a pity the Bureau did not make that decision some months ago when it had the first request. Mr Lücker is on the Committee on the Rules of Procedure and on the enlarged Bureau, but he did not make that request so that the difficulty could be overcome. I would have been more satisfied if that had happened at the beginning, particularly with Mr Lücker being on both bodies, but it did not happen that way.

I have condemned on the basis of Amnesty data, and even before Amnesty gave its report, actions that are the responsibility of the British Government in Northern Ireland; many of us have done so. We know the terrible conditions and the arguments against terrorism and the difficult problems of Northern Ireland, but they do not justify the torture for which we were condemned. Whatever we may think of the methods used, they were declared by an international court to be torture. Amnesty condemned it and I condemn it.

You know, Mr Lücker, Germany has some dubious laws, which have been condemned by Amnesty International, just as it has condemned British methods in Northern Ireland. I am not trying to equate the circumstances. I am trying to say that the same source of impartial evidence calls for condemnation in both our own countries. While we are condemning ill-treatment, I ask Mr Lücker if he has condemned it in his own case, as I do in Northern Ireland. I will be interested to hear his reply.

The procedural arguments were well answered by Mr Fletcher-Cooke in his speech. I made the point about speed of action being just as important as the money and about condemnation being universal, but I put another point to Mr Lücker and I am addressing a lot of remarks to Mr Lücker, because he has taken the main burden of the case in the debate here, as well as in the enlarged Bureau. He argued there that obstruction was not tantamount to watering down the principle involved in the first parts of the resolution. He is equally prepared to condemn these matters, as he made clear to the House. Whether he did it with intent or whether it was in all sincerity, I maintain the actions that he took actually obstructed the holding of that hearing. I firmly believe myself it was with political intent, but that is a judgment I can hold as a politician. We are all entitled to that view, and I will now

give you some of the reasons why I take it. Mr Lücker talked about the rule itself not being definitive. If the rule was not definitive, I would have preferred that he would have exercised his judgment to support rather than not to support the hearing. I mean, the argument goes both ways, if the rule is not clear. Mr Lücker makes it clear in his speech, and made it clear in the enlarged Bureau, that his judgment was used to obstruct on a procedural matter. And that is where a procedural point becomes a political point, not solely or simply a procedural point. And here I think I must make the political content clear. Mr Lücker referred to the Argentinians who are listening to our debate today. I ask him to go and talk to them again and ask them what gave more assistance to those people in prison in Argentina — the fact that this institution held a public hearing, or the fact that there was a dispute on the floor between the different political parties as to whether they could support such a public hearing. Ask them whether that public hearing helped the chairman of their Human Rights Movement to get out of jail! Ask them, please ask them, do not ask me! I know what my judgment is, and I hope you will hear the answer from the Argentinians who spoke to you this morning.

Now the difficulty in the interpretation of the rules, and I want to make this point very very clear to the House, because it involves personalities not all of whom are here, namely, myself, the leader of my group and the leader of the Christian-Democratic Group. An agreement was arrived at, it may well be that people make agreements and then cannot carry their groups. That is a fact of political life, and I am afraid it is becoming all too common a fact of Christian-Democratic life, which I deplore. It means that I cannot come to an understanding with colleagues in a parliamentary assembly about difficulties that that parliament finds itself in. Not only the European Parliament but any parliament has a system whereby leaders of groups discuss political difficulties to achieve accommodations for different reasons. I want to spell out to this House what happened on this occasion, because I now find myself as rapporteur being faced with the argument Mr Lücker advances that the resolutions about Argentina were passed on the floor of the House and really the other part is the procedure and that you should not get these two things mixed up. Mr Lücker, I cannot answer for your group leader, because he is not here. But I will put the facts as I know them, and I can be corrected before this House if they are not correct. The difficulty this House faced was that it had to have a roll-call vote and we could have maintained the roll-call vote procedure at the next part-session, which was after the public hearing. This created difficulties for the House and, as Mr Fletcher-Cooke said, it is not the best way to deal with it. So we came to an agreement, and the agreement with your leader was this: that it would be referred to the Political Affairs Committee which would draw up a resolution stating the problem

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clearly. I repeat : there was doubt about the enlarged Bureau's decision and the rules are not absolutely explicit, although some of us think they are. We think the committee has the right to have a public hearing and all the enlarged Bureau is allowed to do is to determine whether it will provide the finance. The Political Affairs Committee, please bear in mind, has all the leaders of the political groups on it, all in attendance, all discussing, all agreeing unanimously. Now, as a rapporteur, one must feel that if the group leaders are speaking in that committee, their words must reflect the views of their groups. Or am I foolish to believe that? A resolution was formulated and discussed with the vice-chairman of the Committee on the Rules of Procedure present and the resolution was unanimously agreed and presented to this House. The Committee on Rules and Procedure was to meet last night, I do not think it did meet, did it, because not enough of its members were here. We went back on the agreement not to hold the roll-call vote. One does not normally spell out these agreements between various political group representatives, but I think I have to mention them in order to explain my position. I was asked to compromise on the roll-call vote. I expected that we would be adopting the procedure that had been agreed.

So I am appealing to the House to support the resolution that was jointly agreed at the beginning, the one that is before us now. We are in no disagreement on the point in paragraph 4. The difficulties arise over paragraph 5 :

Notes that a public hearing on human rights recommended by the Political Affairs Committee can be prevented only by a resolution of the Parliament itself.

Well, I do not think anybody would doubt that the Parliament takes precedence over any committee. So the only issue that is really contested is paragraph 6 :

Requests its enlarged Bureau as soon as possible to draw up procedures for financing public hearings which the committees responsible decide to hold.

Mr Lückner, I am sure when you receive that request from this plenary, you will consult the Committee on Rules and Procedure. We will wait on your report. The Political Affairs Committee will wait on your report. You have the power in these circumstances. I beg the House to agree with me that the amendments are obstructive ; they are contrary to an agreement that was reached between the political parties that were involved. I felt obliged to inform the House of that. We know that the rules are not explicitly against the procedure ; they are vague. I appeal to the House to support the resolution as it is and thus establish once and for all what our rules should be with regard to holding hearings on such matters.

I am very sorry that procedural matters have taken as much time in the debate as the human rights material. The motion before us is about procedure. I have had to speak about that and to answer remarks from the House and I had to point out that there had been an agreement in this matter between group representatives which has subsequently been ignored.

(Applause from the Socialist Group)

President. — The vote on the motion for a resolution will be taken this afternoon at Voting Time ; Mr Lückner's and Mr Ansquer's requests will be dealt with then.

(Mixed reactions)

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 p.m.)

IN THE CHAIR : MR SCOTT HOPKINS*Vice-President*

President. — The sitting is resumed.

I call Lord Kennet on a point of order.

Lord Kennet. — Mr President, I throw myself personally on your mercy, and ask your guidance about the following matter. I am not at all sure what is the correct way to proceed, but I submit it is too urgent to be left later than now. During the lunch hour I became aware that the film which is being produced by the Secretariat of this Parliament and for which Parliament has voted money — the film about the direct elections to educate the public on the direct elections — shows photographs of the so-called 'Centre 300' here in Luxembourg and comments on it. That is, of course, the famous 'leaning tower of Luxembourg'. I also understand that the intention is that this film will be published as from Parliament and become available throughout the Community, without having been shown to all the Members of Parliament. Now I know that there is a three-man group whom we all respect, who have seen it. You may feel, Mr President, that this is a matter for the Bureau. Many of us are not members of the Bureau. You may feel it is a matter for the Political Affairs Committee. Many of us are not members of the Political Affairs Committee. You may feel it is a matter for party groups. Some of us have tried to raise it in party groups, and have failed to do so. That is why, Mr President, I cast myself upon your mercy and ask that you and the President of Parliament either arrange for the

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film to be shown to each and every Member of this Parliament, and for their opinion to be taken into account, this session, or arrange that the film should not be published until it can be shown to everybody in September.

President. — I call Mr Yeats.

Mr Yeats. — Mr President, I might say first of all that, contrary to what Lord Kennet believes, the Quaestors have not seen this film. However the Quaestors are meeting in a quarter of an hour, and I would suggest that perhaps they might be asked to look into it.

President. — Thank you, Mr Yeats, for your suggestion. One takes an awful lot of films and pictures of various things, and I believe there is a working party of the Bureau which has been appointed to deal with such matters and will be looking at this one.

If the College of Quaestors is prepared to look at this particular matter, then I think that Lord Kennet should be satisfied that it will be examined at this stage, and of course the Bureau will take cognizance, and the President will be informed exactly of what has happened, and what Lord Kennet's views are, concerning this, and the College of Quaestors will report immediately on the matter.

I call Mr Müller-Hermann on a point of order.

Mr Müller-Hermann. — (*D*) Mr President, I should like to make a comment on my own behalf.

I hear that the Bureau decided at lunch time that following Question Time and the vote, instead of a debate on my report on the trade agreement with the Peoples' Republic of China, there would be a statement by Commissioner Vredeling. I think this House has some right to keep to the agenda it has decided rather than allow agenda to be suddenly altered by the Bureau as has repeatedly happened. It happened on Tuesday when the statement by the President of the Council was discussed during the midday break and now it is happening today. I wish to register a personal protest here.

President. — The Bureau's decision was communicated to Parliament this morning at about 11.30, and the House agreed to the inclusion of Mr Vredeling's statement immediately after the voting this afternoon. Your report will then come on immediately. It was also agreed that there would be a debate on this matter which would take place tomorrow. Therefore the actual statement will only delay your report for a very short space of time, and we shall have the debate on the issue tomorrow morning.

I call Mrs Kellett-Bowman on a point of order.

Mrs Kellett-Bowman. — Does that mean we shall not be allowed to question Mr Vredeling on the statement he is making today? Is he going to be here for the debate tomorrow?

President. — Whatever questions you wish to put to Mr Vredeling you will be able to put tomorrow when the debate will take place. It was agreed that the Commissioner would make his statement now but there would be no debate this afternoon.

I call Lord Bruce.

Lord Bruce of Donington. — Mr President, are we to understand that Mr Vredeling will in fact be present tomorrow? In the last ten part-sessions we have become accustomed on Friday mornings to what is generally known as an all-purposes Commissioner who proceeds to answer questions on the basis of prepared briefs and this may not be satisfactory either from Mrs Kellett-Bowman's point of view or, I suspect, from the point of view of other Members of Parliament.

President. — Mr Vredeling will be here tomorrow morning and therefore the House will be able to cross-question him if they wish.

7. Question Time

President. — The next item is the third part of Question Time, (Doc. 196/78)

We shall continue with the questions put to the Commission.

Question No 31, by Mr Yeats

Can the Commission give an assurance that the implementing of its recent communication on work-sharing will not result in a further accentuation of discrimination against women?

Mr Vredeling, Vice-President of the Commission. — (*NL*) Mr President, the Bureau for questions concerning women's employment, a bureau which comes directly under my directorate-general, is closely following the discussion on work-sharing.

You will know that the Commission has drawn up a number of proposals in preparation for the Tripartite Conference. One of these is work-sharing. An exchange of views has already taken place within the Standing Committee on Employment. On the basis of the Standing Committee's conclusions, further research is taking place in three major areas.

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Firstly, we are seeking a Community framework and Community-wide measures to create the conditions in which the Member States can consider a change in the annual volume of work per person. This must take account of Community standards. We realize, of course, when putting this into practice in all the Member States, account must be taken of the particular conditions in each country.

Secondly, we are preparing for Community action on a number of practical questions which have emerged in the course of studying the problem of work-sharing, such as a limit on overtime, the reduction of shiftwork and an extension of training facilities for young people.

Thirdly, the Commission has been asked, following the discussion within the Standing Committee on Employment, to investigate further a number of matters such as the flexibility of the pensionable age, the role now played by employment agencies and the question of part-time work.

These aspects emerged during discussion of work-sharing. Of course, it is extremely important — I now come to Mr Yeats' question — that two points should be borne in mind with regard to the effect of this on women.

Firstly, I think that women should not be excluded from these work-sharing measures. This type of measure should not be allowed to make access to the labour market more difficult for women.

Secondly, we must see that no individual measure on work-sharing is aimed exclusively or principally at women. On the more general subject of measures to counter discrimination against women on the labour market, I should finally like to draw attention to Directive 76/207 relating to access to employment, vocational training, promotion and working conditions, which formally comes into force on 12 August of this year. The Commission hopes that this directive will be applied in its entirety. It will take all necessary steps in the case of infringements.

Mr Yeats. — While thanking the Commissioner for the varied if miscellaneous information he has provided for us, I would like to ask him to bear in mind that the effect of work-sharing could be that, were there to be a radical revision of the actual hours of working, this could discriminate against women with young families or other family commitments.

Mr Vredeling. — The Commission will keep that in mind. As I said already, we should prevent new discriminations against women arising as a consequence of work-sharing measures.

Mr Albers. — (NL) Will the Commissioner not agree that the increase in part-time work available to young women with children will offer a greater opportunity for partial integration in the working process?

Mr Vredeling. — (NL) That is a difficult point. I have attended meetings where women pointed out the negative side of this because they then have both a day's work to do in paid employment as well as having to care for the family. It is not therefore entirely a good thing.

Mrs Dahlerup. — (DK) Are the Commission and the Commissioner aware that part-time work — as practised hitherto — has been to the detriment of women? I assume the Commission is aware that it is part-time work that has totally prevented women from occupying a reasonable position on the labour market.

I would like to put a couple of questions to the Commission. The Commissioner mentioned that 12 August was the deadline for the entry into force of the directive intended to introduce equality of treatment. I would therefore ask the Commissioner whether he knows how many countries have, at the present time, completed their legislation.

A second question I would like to ask is: does the Commission intend to take steps to ensure that part-time work is offered to men on just as wide a basis as to women so as to avoid one-sided discrimination?

President. — Mrs Dahlerup, you may only put one supplementary question at Question Time. I call Mr Vredeling.

Mr Vredeling. — (NL) In answer to Mrs Dahlerup's specific question, on what progress has been made in the Member States with regard to preparations for the directive on access to work, I would reply that the Member States must have their legislation ready on 12 August. We shall naturally be watching this.

Furthermore, a period has been set of, I think, 30 months, during which the Commission must prepare a report on the implementation of the directive itself. But the directive enters into force on 12 August and when Mrs Dahlerup asks me what progress has been made on these preparations then I can only say that the Member States that are not ready to run the risk of steps being taken against them either by the Commission or by some interested party which, as you know, may themselves apply to the Court of Justice here in Luxembourg.

Mr McDonald. — Arising from the Commissioner's reply, can he say if the Commission has figures from which it can estimate the percentage increase in jobs that could be realized if the national governments were to implement the communication which the Commission has circulated?

Mr Vredeling. — (NL) Mr McDonald is referring to an omission in our communication to those in charge

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of the labour offices of the nine countries of the Community, namely the results of measures which have already been taken in the various Member States with regard to work-sharing. It is difficult to assess the effect of these measures. Studies made by universities and other institutions have yielded contradictory results. I am thus not able to give an exact answer to this question. The fact is that the different types of measure taken on work-sharing have differing effects on employment. For example, if people are pensioned off early, they make room for young people. That is clear; but when weekly or daily working hours are shortened, it is questionable whether this will have an effect on employment. It is thus impossible to give an answer in percentages. It depends on the sort of measure taken.

Mr Kavanagh. — Would the Commissioner ensure that the term 'work-sharing throughout the Community' is not a euphemism for the introduction of income sharing?

Mr Vredeling. — (NL) I only wish it were. Income sharing in itself is a very good thing. The differences in incomes are still much too great in the Community. But there must be no misunderstanding. Work-sharing means distributing work amongst more people in times of great unemployment and the measures taken for this are therefore of importance to the whole population. They must of course be taken in the general interest.

President. — Question No 32, by Mr Power:

Has the Commission made any studies on the problems of absenteeism, particularly in relation to lack of job satisfaction?

Mr Vredeling, Vice-President of the Commission. — (NL) The Commission has not set up any specific studies on absenteeism as such. We do however have information on this subject from an inquiry into the labour force carried out in 1975, the results of which were published last year by the Statistical Office in Luxembourg. This document gives a certain amount of data about the absenteeism registered during the research period. It covers absenteeism on grounds of illness, industrial disputes and other reasons.

In 1975 the percentage of absenteeism due to illness or accident was approximately 2.5 %, 0.25 % of absenteeism was the result of strikes and 1.6 % was due to other reasons. These percentages do not include holidays or reasons for absenteeism directly connected with a particular job. These data therefore give a very general indication of the present situation and perhaps the degree of dissatisfaction with work. That is the question. It is of course difficult to prove, but I myself think that there is an incontestable link between absenteeism and a lack of job satisfaction.

We do not yet have a full picture of the situation. I should point out that the crisis on the labour market may have an influence on absenteeism. To some extent anticipating further research, I might say that there is the impression here and there that the risk of dismissal, unemployment and the like has meant that there is less absenteeism now than in the past.

Mr Power. — In a situation where there are so many people who have jobs and will not work, and many others who have no jobs and are anxious to work, would the Commissioner not agree that much of this absenteeism is deliberate? I must say that I do not agree with the percentage he has quoted and it may arise from a lack of job satisfaction. Does he not think we should institute some type of suitability assessment and arrange for the retraining of such people, so that we could help to fit these square pegs into square holes?

Mr Vredeling. — (NL) I gather that the honourable Member is not referring to the absenteeism sometimes evident in this Parliament, but to absenteeism in industry. I must tell you that I do not have the impression that all those who are anxious to work are without jobs and that those who have jobs do not want to work. This is not the case. Usually, with some exceptions, every person is anxious to work. I do not believe that there is a causal relationship between the two.

As far as job satisfaction is concerned, that is a matter for industry. It is a fact that job satisfaction is greatly increased whenever employers take measures to improve working conditions in their companies. You often find that this type of investment pays for itself because it produces a significant drop in absenteeism.

Mr Albers. — (NL) Does Mr Vredeling also not consider that a further extension of part-time working would reduce absenteeism?

Mr Vredeling. — (NL) I do not know the answer to that question.

Mr Brown. — Can the Commissioner agree that the figures that he read out for accidents at work are an absolute disgrace? Ought he not to now pay greater attention to ascertaining why employers are allowed to have conditions in their factories resulting in their work force being off work because they have had accidents at work, very often due to the failure to observe the provisions of the Factories' Acts.

Mr Vredeling. — (NL) The Council adopted a decision just last week on activities in the field of safety and health at work. In answer to the honourable Member's question, I would say that it is indeed extremely important that measures should be taken on safety at the workplace. The Council has decided that such measures will be taken at Community level.

Mr Dinesen. — (DK) My question has already been answered in that I wanted to ask whether the Commissioner did not feel that some absenteeism was, to a large extent, due to a bad working environment and poor management but, as I said, the Commissioner has already answered this question in part and, as far as I gathered, the answer was in the affirmative.

Mr Vredeling. — (NL) That is correct.

President. — Since the authors are absent. Question No 33 by Mr Herbert and Question No 34 by Mr Pisoni will be answered in writing.¹

Question No 35 by Mr Dankert :

What action does the Commission propose to take following a consultants' report that Commission staff levels for monitoring expenditure are completely inadequate ?

Mr Burke, Member of the Commission. — I understand that the honourable Member's question refers to the recent report prepared at the Commission's request by a firm of consultants on the Commission services responsible for the financial management and control of the European Agricultural Guidance and Guarantee Fund. Although this report is recent, we had, in part, anticipated its conclusion by asking in this year's budget for extra staff for EAGGF and we have now allocated 37 new posts to the directorate concerned. In the light of the report, however, we had asked for a further 8 A and 12 B posts for the same service in the preliminary draft budget for 1979. We hope these will be accorded by the budgetary authority. We are also taking steps to carry out the internal organization of the EAGGF services recommended in the consultants' report.

Mr Dankert. — (NL) It seems to me that, in view of this answer, one might ask whether or not it would be sensible for Parliament's Committee on Budgets to be notified of this report so that it can deliver a reasoned opinion on the Commission proposals for creating new posts in the budget in order to solve the problem.

Mr Burke. — I agree.

President. — Question No 36 by Sir Geoffrey de Freitas is postponed until September.

Question No 37 by Lord Bessborough will not be taken now, since the subject is already on today's agenda. However, the author of the question will have precedence in the debate.

Since the authors are absent, Questions No 38 by Mr Leonardi and No 39 by Mr Lagorce will be answered in writing.¹

¹ See Annex.

Question No 40 by Mr Edwards :

Will the Commission now take steps further to its proposal in 1967 on information and advertisements relating to medicinal products to discourage the excessive consumption of these products largely caused by misleading sales promotion ?

Mr Vredeling, Vice-President of the Commission. — (NL) The proposal for a Council directive on the approximation of Member States' laws and administrative provisions on advertisements for medicinal products and directions for use which was submitted on 7 June 1967 to the Council and subsequently amended in line with the opinion from the European Parliament in 1968, has never been discussed by the Council. I remember because at that time I had the honour of being the European Parliament's rapporteur on this subject.

The chapter of this proposal for a directive dealing with the directions for use enclosed in the packaging of medicinal products has in the meantime been incorporated in the second directive of 20 May 1975 on the approximation of provisions laid down by law, regulation or administrative action relating to proprietary medical products.

In view of this, the Commission decided to withdraw its original proposal in 1976. At the same time it announced its intention to submit a new proposal to the Council to take account of subsequent developments, particularly the accession of three new Member States.

This preliminary draft has been submitted to various committees including the Consumers' Consultative Committee. This issued its opinion on 24 May 1978, therefore quite recently. We are now examining these opinions and, on the basis of these, we shall shortly submit proposals to the Council. We must also take account of the guidelines which the Ministers of Public Health laid down at their first meeting on 15 December 1975, because the Ministers of Public Health also said that it would be useful and expedient to take measures to limit the excessive consumption of medicaments. They pointed particularly to the need to curtail the advertising of medicaments and to lay down certain rules for it.

Mr Edwards. — Whilst I have no doubt of the sincerity and the energy of the Commission, I hope they will still pressurize the Council to do something about this matter. There is a massive promotion in Europe of cold remedies under new guises at higher prices, and this massive promotion is subsidized by six American multinational firms, who have admitted in evidence in the United States that they have spent million of dollars in bribery of government officials of many of our European health schemes. I do not think we should tolerate this abuse of the consumers.

President. — Will you please frame your remarks as a question, not as a statement.

Mr Vredeling. — (NL) I listened to the Honourable Member's remarks with interest, but I did not detect any question.

Mr Brown. — If I can follow the point, my colleague was really asking the Commission if it is satisfied that the advertising of pharmaceutical products is in accordance with the spirit we have discussed in this Parliament, and what he was indicating was that there is now evidence that outside forces are making sure it is not, so is the Commission taking any action upon that report?

Mr Vredeling. — (NL) The Commission is not satisfied with a number of aspects of the advertising of a number of pharmaceutical products. It is for this reason, as I have just explained, that we are now preparing measures. There is already a directive for the approximation of provisions laid down by law, regulation or administrative action relating to proprietary medicinal products and we are preparing a directive on the advertising of pharmaceutical products, partly on the basis of the opinions which we have received quite recently from the drugs committee and the Consumers' Consultative Committee which reported on 24 May. Thus the answer is: yes, we are extremely busy.

President. — Question No 41 by Mr Soury:

Does the Commission not feel that the proposal for a Community-wide regulation on sheepmeat will jeopardize sheep farming in certain regions of the Community, particularly France, by, for example, legalizing unfair competition on the part of New Zealand and one of the Member States, and does it intend accordingly to revise the proposal in question so as to ensure that, in keeping with the Community's general interest, France's sheep production is safeguarded and the social and economic conditions of French sheep-rearing are taken into account in the proposal?

Mr Burke, Member of the Commission. — The proposed regulation provides the means of protecting the incomes of French sheep-producers in the event that free circulation of sheepmeat in the Community causes market prices to drop in France. It includes a system of direct aid to producers, the amount of the aid being calculated to compensate for the injury caused by replacement of the national market organization by a common market organization.

Mr Soury. — (F) This seems to me a very brief reply and it does not dispel the anxiety felt by our sheep-farmers. I would therefore insist that the Commission tell us whether it feels that the European basic price,

representing the weighted average of the market prices in the Member States, could be FF 14 and whether this figure complies with the proposal?

Mr Burke. — Parliament will remember that the President of Parliament has on numerous occasions requested the Commission to be relatively brief in the answers. In reply to the specific question in the supplementary, the Commission feels, as I have already pointed out, that the regulation which it has put before the institutions of the Community is in fact the best method of dealing with the situation which now arises.

Mr Nolan. — I note that this question specifically refers to France and the French sheep-producers, but I think in this Parliament and elsewhere when we are talking about a common agricultural policy, or a common organization of the sheepmeat policy, it should refer to the Community as a whole. I am particularly interested in the Irish sheep-farmer, and my question is, when the common market arrangements are made for sheepmeat, will the Irish farmers at least get the price that now obtains for sheepmeat in Ireland?

Mr Burke. — Yes. May I point out that the application of the direct aids system would not be limited to any particular region of the Community? However, it is intended to compensate for losses in income arising from the establishment of free circulation in this product.

Mrs Dunwoody. — Is the Commissioner aware that, although he may very well safeguard the incomes of the farmers, he will not be serving the consumers at all well, since at least 85 % of the mutton and lamb in the Community is imported from New Zealand, and there is absolutely no evidence that such a sheepmeat regime is needed? Will he please ask the Commission to look at this nonsense again, and to say the existing system serves us perfectly well, and both the French and the Irish would be well advised simply to let it continue in the way it is at the present time?

Mr Burke. — I have listened very carefully to what the honourable Member has said, but I would point out that in fact what we are trying to do with this regulation is to ensure the continuation of certain of the benefits to Members of the Community, and particularly to consumers, and in this regard I would have to disagree with the honourable Member in the conclusion she has drawn.

Mr Porcu. — (F) In a recent meeting with the Commission, the Deputy Prime Minister of New Zealand stated that he would like the Commission to retain its proposals in their present form.

Porcu

What would be the effect of the draft regulation on imports from New Zealand and how can proper protection be provided at the Community frontiers by applying a duty of only 20 %, as provided for by GATT? We must have your opinion on this.

Mr Burke. — The answer is *nil* to the first part of the question, and the reason is because we are introducing the regulation to deal with the situation which has arisen since 1 January 1978.

Sir Derek Walker-Smith. — Since we are constantly reminded in this Parliament of the importance of consumer protection, and since the founding fathers of the Community did not set up the Community in narrow protectionist interests, would the Commissioner always be alert to secure the benefits to the consumers of New Zealand imports of sheepmeat at reasonable and competitive prices?

Mr Burke. — In reply to the honourable Member, as I have said already, this is precisely what the proposal intends to do.

Mr McDonald. — Could I just ask the Commissioner if he can give us a precise date when we can expect this regulation to come into force, and might I remind the honourable UK Members that the object of the regulation is to guarantee constant supplies of high quality meat?

Mr Burke. — It is very difficult to answer the honourable Member with accuracy. Not before the autumn would be my guess, but it depends on the Council.

President. — Question No 42 by Lord Kennet:

What proportion of Community and Member-State research into civil nuclear fusion is devoted to micro-fusion, whether using laser beams or otherwise?

Mr Natali, Vice-President of the Commission. — (I) In the Community's controlled fusion programme, carried out under the association between Euratom and the various Member States, 3 % of the total budget for 1978 is devoted to inertial fusion. In the proposed programme for 1979 to 1983 which is being drawn up, we plan to increase this to 4 %. The Commission has been obliged, against its will, to put forward a minimum programme which will reduce the role of the European Community to that of a qualified observer of the important activities being carried out in other parts of the world.

Lord Kennet. — 3 % rising to 4 %. Can the Commissioner confirm and comment on the fact that both the United States and the Soviet Union spend about 50 % of their civil fusion research on micro-fusion, or inertial fusion as the Commissioner called it? Why do they do this: can we expect them to tell us why, or must we guess at their motives?

Mr Natali. — (I) I think that Lord Kennet's question answers itself.

President. — Question No 43 by Mr Fitch:

To what extent have imports of coal to the Community from third countries increased in recent years and what steps has the Commission taken to deal with this situation?

Mr Natali, Vice-President of the Commission. — (I) We did in fact speak at some length on coal yesterday. I will therefore merely recall what was said, that is to say that Community imports of coal from third countries increased from 29.8 million tonnes in 1973 to 46.1 million tonnes in 1977. As for the possibility of Community intervention, I would say that it is very unlikely because, under the ECSC Treaty, trade policy on these products is the responsibility of the Member States.

Mr Fitch. — Would the Commissioner not agree, in view of that somewhat unsatisfactory state of affairs, that there is a need for the Community to have another look at this, and certainly to consider a possible subsidy to cover at least a substantial part of the gap between Community coal and imported coal, and is it not a fact that quite a large percentage of the increase of coal imported into the Community comes from South Africa?

Mr Natali. — (I) I agree with Mr Fitch. In fact, yesterday, Mr Brunner stressed that the Commission had tabled proposals to the Council and I heard the wish expressed by all Members of the House that these proposals be approved.

Mr Osborn. — Is it not a fact that we are talking of differentials of the order of imported coal at 35 dollars a tonne as against domestic coal at 55 dollars a tonne, and is it not preferable to be importing coal than importing oil, which is much more vulnerable?

Mr Natali. — (I) This may well be a possibility; this does not alter the fact that the Commission believes that it is desirable to take a series of measures to help Community coal production.

President. — Question No 44 by Mr Kavanagh:

In view of the fact that both Directive 75/117/EEC on equal pay and Directive 76/207/EEC call for the introduction into the national legal systems of the Member States of such measures as are necessary to enable persons who consider themselves wronged to pursue their claims by judicial process, will the Commission make specific proposals to those Member States which do not have a system of free legal aid that they should introduce such a system?

Mr Burke, Member of the Commission. — Access to the courts is not a special feature of the matters dealt with in Directives 75/117 and 76/207. Conflicts of interests may arise wherever Community law creates

Burke

rights and obligations of persons or institutions. In such cases, recourse to traditional proceedings is important. As a rule the Commission does not include in its proposals to the Council any special provisions to oblige Member States to grant access to the courts. It is left to Member States to apply Community law within the framework of their internal procedural systems.

Exceptionally, the two directives mentioned provide for special measures to be taken by Member States to assure legal control. This has been done in view of the importance which the Commission attributes to the protection of women's rights. There are other exceptions, for example in favour of migrant workers. Legal aid forms part of the Member States' social aid systems. Where general legal aid systems exist, the respective Member States are already obliged to grant such aid according to the conditions of their internal law to persons seeking access to legal proceedings in matter underlying Community law. The refusal of such aid would be incompatible with the obligations of Member States under the Treaties.

There is no Community competence to oblige Member States to introduce general legal aid systems. In matters governed by Community law, a special obligation to provide for legal aid may under particular circumstances appear desirable or necessary. Until now the Commission has made one such proposal, in order better to protect the rights of the so-called illegal migrants: Article 7, paragraph 3 of the Commission's revised proposal for a Council directive on illegal migration of 3 April of this year.

Mr Kavanagh. — In view of the fact that it can cost the equivalent of six months wages of an industrial worker in Ireland to contest an action for a judicial marital separation, does the Commissioner not agree that the directives I quoted in my question mean that in effect no legal facility is available to citizens for taking action resulting from these directives, and will the Commission not use its considerable influence to see that those countries which do not have a free legal aid system introduce one as soon as possible?

Mr Burke. — I would like to point out to the House that there are areas in which the Community has no competence, and the matters raised in the honourable Member's supplementary are such matters.

Sir Derek Walker-Smith. — Legal aid, like charity, should begin at home. Should not attention be given to improving the system of legal aid in the European Court of Justice, a stone's throw away in this city of Luxembourg?

Mr Burke. — It already exists, to my knowledge.

President. — Question No 45 by Mr Normanton:

Is the Commission aware of the serious anomaly which has arisen from the introduction of the steel industry minimum price rules whereby the mills producing both

steel and steel tubing enjoy a privileged and protected preference over those firms which produce steel tubing from bought out steel, and will the Commission take appropriate action to deal with this?

Mr Burke, Member of the Commission. — The Commission is conscious of the fact that the fixing of minimum prices for hot rolled coils may pose problems for the Community tube producers. In all its actions the Commission is watchful that it does not simply, in taking such actions, transfer the problems of the ECSC steel industry to the steel consumer sectors. Thus the services of the Commission maintain regular contact with the representatives of the tube producers, and indeed other first transformation sectors, in order to examine any problems which may arise from the prices package. Recent contacts with the tube producers have indicated that current problems of the Community tube industry are largely the result of the activities in the Community of certain third country producers rather than any major disparity between integrated and independent producers emanating from the minimum price regulations.

Mr Normanton. — The House will certainly welcome the reply given by Mr Burke, indicating as it does that he does understand the nature of the problem, but even so will he have a look once again at the particular situation which applies to the tube rollers, and particularly, I understand, it is a problem in the case of Denmark.

Mr Burke. — I shall undertake to do that.

President. — Question No 46 by Mr Corrie is postponed to the next part-session.

Question No 47 by Mrs Ewing has been withdrawn by its author.

Since their authors are absent, question No 48 by Mr Ryan and question No 49 by Mr de Clercq will be answered in writing.¹

Question No 50 by Lord Reay; Mr Spicer will act as his substitute:

Why is the Commission taking so long to produce its opinion on the Spanish application for membership of the Community?

Mr Natali, Vice-President of the Commission. — (1) It is difficult to assess the time needed to draw up the Commission's opinion provided for in the Treaties (Article 237 of the EEC Treaty); it depends above all on the complexity of the problems raised by the accession of each of the applicant countries. For this reason the Commission has indicated that it may be in a position to forward to the Council the opinion on Spain's application for accession by the end of this year or the beginning of next year. The period of drafting the opinion will then have lasted ten to eleven months; I do not feel this has been a particularly long period.

¹ See Annex.

Mr Spicer. — Could the Commissioner just give the House an assurance that the Commission is fully aware of the fact that public opinion in Spain looks to us for a decision and a date at the earliest possible moment, and that given all the circumstances in Spain, it is vitally important that we within the Community do accept that there is the strongest possible desire on their part?

Mr Natali, Vice-President of the Commission. — (I) The Commission is fully aware of this need; however, I repeat that the Commission has the duty to draw up an opinion which takes account of both Spain's interests and the requirements of the existing Community.

President. — Since their authors are absent, Questions No 51 by Mr Fuchs and No 52 by Mr Howell will be answered in writing.¹

Question Time is closed. I thank the representatives of the Council and the Commission for their statements.

I call Mr Klepsch on a point of order.

Mr Klepsch. — Mr President, my group has asked me to propose that the sitting should be interrupted for half an hour to give us time for a group meeting. Hitherto it has been the case that if a parliamentary group made such a request, it was acceded to. Naturally it is up to the House to agree or not to this proposal.

President. — I call Mr Prescott.

Mr Prescott. — Mr President, I appreciate the difficulties of groups when they have matters of contention and desire the opportunity to discuss them. But I would like to appeal to Mr Klepsch on the basis that normally lots of people tend, I notice, in this House — though I am here tomorrow — to start to go home. In view of flights and trains, I wonder if he would consider the possibility of, say, 15 or, at the maximum, 20 minutes.

President. — I call Mr Klepsch.

Mr Klepsch. — (D) Mr President, may I then request — and I thank Mr Prescott for his kindness — that we continue the sitting in exactly 20 minutes' time?

President. — I put to the vote the proposal that the sitting be suspended for 20 minutes.

That is agreed.

The sitting is suspended.

(The sitting was suspended at 3.45 p.m. and resumed at 4.05 p.m.)

President. — The sitting is resumed.

¹ See Annex.

8. Votes

President. — The next item is the vote on the motions for resolutions on which the debates have already been concluded.

We shall now consider the motion for a resolution in the Ibrügger report (Doc. 199/78): *Trade in power-station coal*.

I put the preamble and paragraphs 1 to 13 to the vote.

The preamble and paragraphs 1 to 13 are adopted.

On paragraph 14 I have Amendment No 1 tabled by Mr Ellis on behalf of the Socialist Group seeking to add the following text:

'... and requests the Commission to submit a formal proposal within the next few months'.

What is the opinion of the rapporteur?

Mr Ibrügger, rapporteur. — Mr President, I can agree to this amendment.

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

Amendment No 1 is adopted.

I put paragraph 14 thus modified to the vote.

Paragraph 14 is adopted.

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

The resolution is adopted.²

We shall now consider the motion for a resolution in the Bertrand report (Doc. 197/78): *Conviction of Yuri Orlov*.

I put the preamble and paragraph 1 to the vote.

The preamble and paragraph 1 are adopted.

On paragraph 2 I have Amendment No 1 tabled by Mr Soury seeking to replace this paragraph with the following text:

Deplores the use by the Soviet authorities of legal, administrative, medical and other measures to discourage the legitimate ideological struggle in the same way as it condemns all attacks on freedom throughout the world, including the Community.

I put Amendment No 1 to the vote.

Amendment No 1 is rejected.

I put paragraph 2 to the vote.

Paragraph 2 is adopted.

I put paragraphs 3 to 4 to the vote.

Paragraphs 3 to 4 are adopted.

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

The resolution is adopted.²

I call Mr Porcu for an explanation of vote.

² OJ C 182 of 31. 7. 1978.

Mr Porcu. — (F) Thank you, Mr President, although I would have preferred, as I requested, to give this explanation before the vote on the resolution as a whole.

The refusal by the majority of this Assembly to consider the amendment tabled by Mr Soury on behalf of the Communist Group is striking confirmation of what he said this morning. For the majority of this Assembly, the defence of human rights is merely a pretext for political manoeuvres, which we cannot condone. For the Communists, the defence of freedoms and the defence of human rights go together. We do not divide victims into two categories; all are entitled to our support, including those who are victims of 'Berufsverbote'.

(Mixed reactions. Shouts.)

President. — I call Mr Radoux.

Mr Radoux. — (F) Mr President, the amendment tabled by our Communist colleagues is the sort of clause which could be added to any resolution of this nature. We therefore fail to understand why he wishes to add it to this particular resolution and not to other resolutions concerning the same country and other countries.

President. — I call Mr Cot.

Mr Cot. — (F) Mr President, together with my French Socialist colleagues I voted in favour of the amendment tabled by Mr Soury, which was rejected. We supported the resolution as a whole, and I would warn Mr Soury against this sort of all-out approach, which could give the impression that the defence of human rights, in this case the adoption of an extreme position, was in fact a refusal to defend human rights. I would therefore ask him to withdraw his comments.

President. — I call Mr Soury.

Mr Soury. — (F) Mr President, I don't quite understand the explanation given by Mr Cot, since I explained the meaning of our amendment in my speech this morning. We pointed out quite clearly that the position adopted by the Assembly would have more credibility if it were more consistent in its defence of human rights. It is not a case of adopting an all-out position but of affirming the principle of defending human rights wherever they are threatened.

President. — We shall now consider the motion for a resolution in the Prescott report (200/78): *Human rights in Argentina*.

At the end of the debate on this report this morning I received from Mr Lückner a procedural motion to refer the whole resolution to the Political Affairs

Committee and from Mr Ansquer a procedural motion to refer paragraphs 5 and 6 to committee.

I call Mr Lückner.

Mr Lückner. — (D) Mr President. I withdraw my motion in favour of that of Mr Ansquer, as I already indicated this morning.

President. — We shall therefore now consider the motion for a resolution.

I put the preamble and paragraphs 1 to 4 to the vote.

The preamble and paragraphs 1 to 4 are adopted.

On paragraphs 5 and 6 I have a procedural motion by Mr Ansquer to refer these paragraphs to committee.

I propose we consider the request on the two paragraphs together.

Are there any objections?

Mr Prescott, rapporteur. — Mr President, I would like the request to be considered separately for each paragraph.

President. — We shall therefore consider first the request to refer paragraph 5 back to committee.

I call Mr Prescott.

Mr Prescott, rapporteur. — I do not intend to repeat the points I made this morning except to say on paragraph 5 that this is a principle which I would have thought acceptable to the House in view of the circumstances regarding the public hearing and the Argentine enquiry held by the Socialist Group. This paragraph says that the Assembly itself is the only body that can prevent a hearing which has been recommended unanimously by any committee, whether it is the Economic, Regional or Political Affairs Committee. In this case it is a matter for the Political Affairs Committee because it refers to human rights and the hearing was unanimously recommended in the Political Affairs Committee. I therefore see no reason why the House should not support this recommendation as agreed both publicly or privately by many people.

President. — I now put to the House the motion to refer paragraph 5 back to committee.

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

The motion is rejected.

I put paragraph 5 to the vote.

Paragraph 5 is adopted.

We shall now consider the request to refer paragraph 6 back to committee.

I call Mr Prescott.

Mr Prescott, rapporteur. — I think this paragraph follows on from the previous one. What it is really saying is something which I have always tried to argue in a spirit of compromise in this House. It asks the enlarged Bureau to report back to the Political Affairs Committee. Of course the enlarged Bureau must consult the Committee on the Rules of Procedure, if it is not sure about its position, but the men in the Bureau are on the Committee on the Rules of Procedure. I hope the House can endorse this without division on this occasion after the last vote and I ask it for its support as the Political Affairs Committee unanimously asked it for its support.

President. — We will now vote on the motion to refer paragraph 6 back to the committee.

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

The motion is rejected. I therefore put paragraph 6 to the vote.

Paragraph 6 is adopted.

I put paragraph 7 to the vote.

Paragraph 7 is adopted.

Before putting the motion for a resolution as a whole to the vote, I can give the floor to Members for explanations of vote.

I call Mr Klepsch.

Mr Klepsch. — (D) Mr President, in the final vote my group will agree to this motion for a resolution. We shall vote for it in spite of our reservations about paragraphs 5 and 6 and I should like to make the following three comments on behalf of my group.

Firstly, this House already voted unanimously on the violations of human rights in Argentina at the past part-session. What we have today is a repeat performance, although we will not, of course, change our vote. The only real point of this repetition is to show that the hearing held by the Socialist Group produced the same findings as those on which this House voted last time, four weeks ago.

Secondly, while we did ask for paragraphs 5 and 6 to be referred back it was not because we were against any new arrangements regarding hearings. My group is strongly in favour of them, but under the Rules of Procedure and allocation of functions of this House the Political Affairs Committee is not the right body to consider or propose changes or additions to the Rules of Procedure here. That is why, as my colleagues also feel, we voted for paragraphs 5 and 6 to be referred back, so that they could be discussed by the appropriate and competent bodies, namely the Committee on the Rules of Procedure and the Bureau, for all that we have before us is the currently valid Rules of Procedure and the Bureau's decisions regarding interpretations. We also think there are

unclear passages in it and that it would be useful to revise the provisions on the conduct of hearings, but we do not think that the Political Affairs Committee is competent for this; otherwise we would find in future that this House was constantly being consulted on questions for which the committees in question were not even competent, and we protest at any such passing over or bypassing of the competent bodies.

Thirdly, throughout the discussions here my group has felt that the Socialist Group was trying to give the impression that it alone spoke up in defence of human rights in Argentina; I would like to state emphatically that at the last part-session the whole House had already unanimously adopted the relevant decisions. And I want to say further that my group invited a number of Argentinian experts and observers here today in order to learn about the matter from them, but that in spite of that we do not propose to include in the motion for a resolution the fact that the Christian-Democratic Group has also obtained information about the violation of human rights in Argentina.

We consider the procedure chosen here today rather petty. I wish to state this explicitly on behalf of my group and also to say that we remain of the opinion that it is up to the Committee on the Rules of Procedure and the Bureau to make the appropriate provisions for the hearings and their conduct. But in order not to create the wrong public impression we shall of course vote in favour of the motion for the resolution in the final vote, since we are in any case all in favour of it.

(Applause from the right)

President. — I call Mr Prescott for an explanation of vote on behalf of the Socialist Group.

Mr Prescott. — Naturally one would expect Mr Klepsch on behalf of his party to make a statement, but I think in fairness to Mr Klepsch, who was not here this morning, and indeed in fairness to public debate, it must not be taken that the Socialists are bent on making some procedural point; that really is not the issue as Mr Klepsch knows. And I spelt that out in the debate this morning. He has not denied that we discussed the difficulty of this matter in order to prevent embarrassment to the House. A certain understanding was arrived at to avoid a roll-call in this House: The House will recall that we did have a vote and those in favour of the public hearing were successful in the vote. It was only on the question of a roll-call that a sufficient majority was not available. There was a sufficient two-third majority on the vote. Mr President, it has not been a matter of a procedural wrangle in this controversy and the House knows this. It has been a matter of understanding between the political people involved. My group have kept to their

Prescott

side of the agreement as they understood it. And that is fully supported in the enlarged Bureau.

And one last point in order that the Socialist Group's position may be well understood. If, in fact, it was not a division of opinion, then those on the Christian-Democratic side should explain why they opposed the Socialist Members in the enlarged Bureau's vote calling for an immediate public hearing. It was defeated by the Christian-Democrats and other parties. The Socialists moved it and it was not then proposed that the matter should be subjected to the Procedures Committee. The question of the Procedures Committee only came up today or in the last two days. So, Mr President, I think I had to put that straight in view of what was said. Ours is a political division of opinion, it is embodied in the compromise solution that is in this resolution and we have kept to that agreement and the best thing the House can do today, in view of today's manoeuvres, is in fact to endorse what had been decided.

(Applause from the left)

President. — I must remind the House that explanations of vote do not reopen the debate.

I call Mr Aigner.

Mr Aigner. — Mr President, I have been present throughout this debate and may say that there is no question of there being any differences within the groups or with the Socialist Group as regards the defence of human rights. I attended the debate this morning and in the final vote I shall now vote against the motion for a resolution, because I have the impression that the rapporteur in particular is not fighting primarily for human rights but to assert how right he is, and I think that the fight for human rights would have required rather more personal reticence, which is why I shall vote against it.

President. — I call Mr Spénale.

Mr Spénale. — (F) Mr President, I have been sitting in this House for a very long time and I think I can safely claim to have never indulged in politicizing.

This whole matter seems very strange to me and I should like to summarize the facts of the situation. A committee, subsequently supported by a political group, requested a parliamentary hearing on this matter, which the Bureau finally rejected under very special circumstances (by 8 votes to 8 and I was absent, so it could not give a favourable opinion). The political group therefore undertook to arrange the hearing and as a result was suspected of wanting to take over the whole matter.

That simply isn't true, since it was the Political Affairs Committee which unanimously requested this hearing, which was subsequently refused as a result of a procedural mishap.

Following these discussions, the problem is once again the concern of all of us and I hope that you too, Mr Aigner, will support this resolution since you are also a democrat despite what you just said in a moment of temper.

President. — I call Mr Seefeld.

Mr Seefeld. — (D) Mr President, ladies and gentlemen, I will vote for this motion for a resolution. I did not intend to give an explanation of vote, but feel obliged to do so after Mr Aigner's words. I reject the allegation that Mr Prescott made it into a question of his personal prestige and all the members of the Political Affairs Committee can stand as witnesses, for all the groups thanked Mr Prescott for this report in Copenhagen. It was described as fair and objective which is why I think it would be wrong to refute these attacks on Mr Prescott.

(Applause from the left)

President. — I call Mr Deschamps.

Mr Deschamps. — (F) I cannot make the same claim as Mr Spénale, since I have not been a member of this Parliament for as long as he has. However, I hope that I can, like him, be credited with never having indulged in politicizing in this House. That is why, Mr President, I shall vote for the resolution as a whole. I consider it scandalous (if you will pardon the expression) to associate this settling of accounts between groups or individuals with such an important matter as fundamental human rights; I shall therefore go along with those who tabled the resolution as it stood; the question of human rights is more important than any other. I shall therefore vote for the resolution, but I consider it inappropriate to associate it with these procedural matters.

(Applause)

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

The resolution is adopted ¹.

(Applause)

9. Verification of credentials

President. — At its meeting on 5 July the Bureau verified the credentials of Lord Murray of Gravesend whose appointment by the House of Lords was announced on 3 July 1978.

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

It therefore asks the House to ratify this appointment.

Are there any objections?

The appointment is ratified.

¹ OJ C 182 of 31. 7. 1978.

10. Agenda

President. — I call Mr Müller-Hermann on a point of order.

Mr Müller-Hermann. — (*D*) Mr President, the next but one item on the agenda is the report on the trade agreement between the Community and the People's Republic of China. I think this is an important matter. Commissioner Haferkamp, who is responsible for the preparation of the trade agreement, has gone to Geneva where he has commitments, because of the delay in the agenda. So I would like to request that this report be put on the agenda of the September part-session so that we shall have enough time to discuss the matter and I also request that it should be dealt with together with the foreign policy questions on the Tuesday agenda of that part-session. That is my request to the Bureau.

President. — I call Lord Kennet.

Lord Kennet. — Mr President, I want to make a rather spirited routine protest. I do not wish to oppose the motion to postpone discussion, only to say what a pity I find it that matters, even when they are not particularly urgent, should be so repeatedly postponed to the inconvenience of those who are ready to speak for their groups about them. However, I cannot claim any particular political urgency for this excellent report, and so do not therefore wish to divide the House against a proposal to postpone it.

President. — Are there any objections to postponing the Müller-Hermann report on the EEC-China agreement (Doc. 198/78) until the September part-session? That is agreed.

11. Statement by the Commission on social policy

President. — The next item is a statement by the Commission on the results of the last meeting of the Council of Ministers for Employment and Social Affairs. The debate on this will take place on Friday morning on the basis of a resolution tabled by Mr Albers and others on youth employment.

I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (*NL*) Mr President, I am grateful to Parliament for giving me the opportunity to make a short statement on last week's meeting of the Council of Ministers of Social Affairs.

I am pleased to be able to report to Parliament that the Council has adopted two positive decisions. Firstly, the action programme on safety and health at work, on which Parliament had delivered a positive opinion on the basis of the report by Mrs Squarcialupi, has been adopted. Secondly, the Council adopted

the directive on vinyl chloride monomer. However, Mr President, the positive points I have just mentioned were completely overshadowed by the fact that it proved impossible to reach agreement on the Commission's proposal for new aid facilities from the European Social Fund in favour of young persons. The Commission and myself are deeply disappointed about this. As the various ministers present at the meeting announced to the press, one delegation was unable to agree to the Commission's proposal. This delegation thereby rendered a favourable decision on our proposal impossible. Broadly this proposal concerned the granting of employment premiums to companies which take on unemployed young people together and the subsidizing of projects in which young people can carry out socially desirable activities, particularly in the social sphere, which would not be done without these subsidies.

In the preliminary draft budget for 1977, 110 million EUA were entered so that an estimated 150 000 young people could find useful work. Eight Member States found themselves in full agreement with these proposals from the Commission. The impasse arose from the refusal of one of the Member States, in this case France, to agree to the European Social Fund giving subsidies to these projects of social interest. I should like briefly to state the arguments the French government put forward.

The first objection was that the designated projects of social interest would be unproductive.

Secondly, the financing of these projects will lead either to a large budgetary deficit or to extra taxes which would have a negative effect on employment.

Thirdly, if the decision were nevertheless taken to implement projects of this kind, they must remain completely in the hands of the national authorities, i.e. there should be no Community responsibility for this sort of project.

The counter-arguments put by the Commission and all the other eight Member States may be resumed as follows. In our opinion the French concept of productivity, as it had been presented, belonged more to the realm of economic history than to the present state of affairs. Not only are such projects already in operation in many Member States, but even America has recognized the job creation problem, the provision of employment for young people — and I do not have the impression that the United States is now a country remarkable for its neglect of the productivity principle.

Secondly, which is more productive: an unemployed young person who collects unemployment benefit and then stands around with nothing to do, or a young person who is active in a project, for example helping elderly people?

Vredeling

Thirdly, it is evident from the example that I have just given that the real costs of these projects will be comparatively very low because from the costs of these programmes one has to subtract the costs of the alternative and that is to pay unemployment benefit to these young people. And even if priority is given to productive employment premiums, one must always bear in mind the real situation. All the forecasts of our own Community, all the forecasts from the OECD and all the research institutes that I know of, indicate that economic growth will be limited, that it will not be possible to absorb the 1950's baby boom without far-reaching measures. Taking account of the fact that more women are working, between now and 1985 less than 9 million extra jobs have to be created — principally for young people, since unemployment is particularly evident amongst young people.

Given these data, Mr President, I think that it ought really to be possible for the whole Community to act in solidarity to encourage this sort of project. I should also point out that the poorest regions of our Community are those which have to cope with the greatest difficulties with regard to employment and particularly unemployment amongst young people. But of course no one wants to force anyone to be happy against his will. That is of course nonsense. If one country does not want it, then it must have the freedom — this is the way our Community is constructed — not to make use of certain things. The Commission is prepared to make these projects financially possible and to support them, but not to compel any State to organize them. Each Member State is free to do as it chooses. And what I also do not understand is why, in the case of employment premiums, it is permissible to talk of Community solidarity and financing by the Community, but not in the case of projects of social interest.

Mr President, on behalf of the Commission, I should like to express my profound disappointment at this state of affairs. I am convinced that the arguments which one Member State has put forward against our proposal are not sound and, from a Community point of view, are not really defensible. Despite these arguments, which in my opinion are not valid, the Commission has, together with the eight Member States, done everything to meet the objections raised by the French. Here I should like to say a word of gratitude, I have to do this to do full justice to all the parties, to the President-in-Office of the Council of Ministers of Social Affairs Mr Auken, who spared no effort to resolve the difficulties and achieve a Community solution.

The situation is therefore, Mr President, that despite the fact that the European Council in London and the European Council in Copenhagen, the Commission

and also the relevant Council have tried to reach practical decisions in order to counter unemployment amongst young people, that in spite of these recommendations at the highest level to the Commission and the Council of Ministers, what has happened is that these decisions have been blocked by one Member State. Eight Member States are agreed with the Commission and a report on the matter was adopted by the European Parliament which completely endorsed the Commission's proposals. The Economic and Social Committee which includes representatives from industry, both employers and employees, gave our proposals their full support. More than this, the Economic and Social Committee's opinion states that priority must be given to employing young people and to those projects of general social interest. And yet!

Mr President, I think this is a serious matter for democracy and democratic decision-making. If, for example, it was simply the harmonization of wing mirrors on cars, then my reaction would be, if no agreement was reached in the Council: what a pity.... isn't that a shame! That would be my reaction, but here we are not dealing with a technical affair, but countering unemployment amongst young people in the Community and unemployment amongst young people is, as we all know, a social evil of the first order. And therefore the Commission is maintaining its proposals: Parliament must decide.

Mr President, I hope that the European Council in Bremen will give some attention to this problem. Parliament must now judge as the only authority to which the Commission is politically responsible.

(Applause)

IN THE CHAIR MR YEATS

Vice-President

12. Regulations on fisheries

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

- report (Doc. 206/78) drawn up by Mr Hughes, on behalf of the Committee on Agriculture, on

the proposal from the Commission of the European Communities to the Council for a regulation establishing Community fishing plans for directed herring fishing zones;

- report (Doc. 227/78) drawn up by Mr Hughes on behalf of the Committee on Agriculture, on

the proposal from the Commission of the European Communities to the Council for a regulation laying down certain conservation and management measures for common fishery resources off the West Greenland coast applicable in 1978 to vessels flying the flag of Canada;

President

— the report (Doc. 228/78) drawn up by Mr Hughes, on behalf of the Committee on Agriculture, on

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

I. a regulation laying down for 1978 measures for the conservation and management of fishery resources including the establishment of catch quotas for herring stocks;

II. a regulation allocating certain catch quotas between Member States for vessels fishing in the Norwegian exclusive economic zone;

III. a regulation allocating certain catch quotas between Member States for vessels fishing in the waters of the Faroe Islands;

— the report (Doc. 232/78) drawn up by Mr Hughes, on behalf of the Committee on Agriculture, on

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

I. a regulation concerning the conclusion of the Agreement on fisheries between the European Economic Community and the Government of Sweden;

II. a regulation concerning the conclusion of the Agreement on fisheries between the European Economic Community and the Government of Denmark and the Home Government of the Faroe Islands;

— the report (Doc. 231/78) drawn up by Mr Lemp, on behalf of the Committee on Agriculture, on

the proposal from the Commission of the European Communities to the Council for a regulation on the conclusion of the Agreement on fisheries between the European Economic Community and the Kingdom of Norway.

I call Mr Hughes.

Mr Hughes, rapporteur. — Mr President, in the absence of Mr Lemp I shall also be introducing his report, if that is to the convenience of the House. In view of that, I would like to take the reports in reverse order, starting with Mr Lemp's report on Norway and taking with it Item No 173, my own report on the agreement with the Government of Sweden and with the Government of Denmark and the Home Government of the Faeroe Islands.

These are ratifying in parliamentary terms the outline agreement agreed between the Community and the three countries involved. They contain no element of actual content. They are a legalistic framework. When they were discussed in the Committee on Agriculture earlier this week they were passed unanimously, and they do not need to take any time of the House. In normal circumstances I would expect that Documents 232 and 231/78 — my report on those two aspects and Mr Lemp's report — should go through without debate. Therefore now, having dealt with that area, I

propose to start at the beginning of the collection. I simply wished to get those ones out of the way as a legal technicality that is relatively unimportant.

The agreement between the Community, the Irish Government and the Dutch Government to establish Community fishing plans off the west coast of Scotland represents the first in what one suspects will be a whole series of such plans for different parts of the Community water. As such, it contains a number of very important elements which show the way forward, by which many of the intricacies of the common fisheries policy in the future may perhaps be solved. It is fortunate that in this particular case we are dealing with only one fish stock, that is to say herring. It is fortunate that only the Dutch and the Irish have been in the habit of fishing for that stock in those waters. Therefore you have not had a complex of different species and complex of different national demands on it. Nor was one concerned, since there is no median line problem, with joint stocks of two countries. This is going out to the 200-mile line in the middle of the Atlantic.

Among the points that the Committee on Agriculture want to make sure of is that as a general consideration the fishery stock conservation policy, of which this plan is one form of implementation, shall be based on the most complete available scientific evidence. Management techniques and policies, including quotas and control of fishing and equipment and so forth, must be involved. Here one notes with interest that every vessel permitted to fish directly for herring in this whole vast area of the Atlantic is now to be named. It must be on that list, and that list also includes its horse-power, its length, the type of gear it is carrying and so forth. This is a major step forward, which we in this House have sought for a long time. We will now be able to find out who is poaching, who is going where they should not be and so forth. This sort of extension of what — however well it may be dressed up in more euphemistic words — is essentially a licence, we have advocated consistently in this house, and we welcome that element of the plan.

I must tell the Commission representative that I am unlikely to ask him the question that was asked in the Committee on Agriculture: 'What is a day?' In the licence it is laid down that one shall be allowed five days' fishing, and the Commission specialist then was unable to tell us what a day was. Clearly, if you enter the fishing zone at one minute before midnight and leave at one minute after midnight a day and two minutes later, the question arises whether that counts as one day, two days or three days. That is not clear, and I suspect there are a number of difficulties of that sort. The House will therefore see that there is an amendment in my own name drawing attention to the legal problems, and the fishermen's problems, that may arise out of some of these uncertainties of definition in the fishing plan as put forward. But as regards

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this item on the agenda, the agreed fishing plan for the Irish area (Doc. 206/78) I would ask Parliament to give its enthusiastic support to the concepts involved within it. They are concepts which, when translated to other parts of the Community, have great advantages. They mark a major step forward, and we should welcome them.

When I turn to the next item (Doc. 227/78), the Canadian proposal, I hope no one will be too sad if I am again relatively brief. Here one is concerned primarily with some 25 000 tonnes of Greenland halibut, 8 500 tonnes round-nosed grenadier and, most important, 40 000 tonnes of deep water prawns. The only point of substance raised during the Committee on Agriculture's deliberations on these earlier this week was the question of what the reciprocal arrangement was. Clearly there was a difficulty on that, because in these proposals there is nothing about what Community fishermen are going to get in the Canadian part of the joint stock, while it is laid down what the Canadians get in the Community sector. The absence of a reciprocal element does make it a little difficult to judge the balance. Also raised in the committee — and I am sure my colleague, Mr Scott-Hopkins may well wish to raise it on the floor of the House — was the difficulty experienced by the Canadian Government in the negotiations with the Community over the delimitation of Canadian waters — whether to 200 miles or to the continental shelf. But I will leave that and only point out that was a point that was raised in the committee and did cause some difficulty, particularly for those of our colleagues who has recently been in contact with the Canadian parliamentary delegation. But I hope with those few words that the House will accept and endorse the report in my name (Doc. 227/78), on the Canadian proposals.

I now, therefore, turn to Item No 172 on the agenda Three items: the establishment of catch quotas for herring stocks, the regulation concerning the quotas for Member States in the Norwegian zone north of the 62nd parallel, and also the regulation allocating the catch quotas in the Faeroe Islands. Again, I hope it will not confuse the House if I deal with the Faeroese and Norwegian issues first. Both of these are a reintroduction for this year of schemes that were in operation last year to varying degrees of success. Late in last year it was found that in the Norway sector, north of the 62nd parallel, the Community's total quota had been fished out, and there was an imbalance between the internal national quotas as they had been agreed within the Community. These proposals are trying to tidy that. The discrepancy between these proposals and those which this House has already agreed is small, and I do not believe this should cause a major problem to the House.

This therefore leaves only the problem of the Commission's proposal for the ban on herring fishing directly off the west coast of Scotland. Here I must confess

that since the meeting of the Committee on Agriculture I have had my attention drawn to a curious lacuna in the proposal which I think the Commission representative might have been expected to bring to our attention during the deliberations in the Committee on Agriculture. What I would like to do is to read Article 2; 'Direct fishing for herring shall be prohibited for Community fishermen until 31 December 1978 in division 6a as defined by the International Council for the Exploration of the Sea'. Now, what I had not realized — and I make no secret of the fact that I am a bit disturbed that the Commission Vice-President did not draw it to the attention of the Committee on Agriculture — is that this does not apply to the 9 000-odd tonnes allocated to the Norwegians and Faeroese to fish in those areas. It is a ban only on Community fishermen fishing for herring in those areas but does not apply to the Norwegians or the Faeroese. So I would contend that it is in a sense discriminatory. It is a ban against Community fishermen fishing for herring, but it is not a ban against Norwegians and Faeroese fishing for herring in this area. I must say I feel very strongly that this should have been brought to the attention of the Committee on Agriculture by Mr Gundelach when we met him on Tuesday night. Because it was not until earlier today that I found that this was one of the differences between this ban and a certain other measure that has been produced. Therefore it is difficult to assess.

However, leaving that aside, what is quite clear is that since this House debated quota-ing of herring stocks earlier in this year and agreed the overall structure, the evidence from the marine biologists, uniformly, is absolutely clear that the decline in the biomass of herring off the west coast of Scotland is very sharp indeed and that unless total-ban conservation is imposed this cannot expect to be restored. Therefore off this west coast of Scotland the Commission in this proposal was imposing this ban. But there is the difficulty that it comes half way through a season. The pattern of fishing is such that in general the Dutch fish earlier in the year and then, as the herring shoals move inside the Minches, it is the habit for the Scottish fishermen to take them. Therefore, when the marine biological evidence comes half way through a fishing season, to then impose a ban does create difficulties. One notes the comments of Mr Gundelach that it is regrettable that there should be a change in biological advice at this stage in a fishing season. But in this particular case the biological evidence is so overwhelming that the Committee on Agriculture had no doubt in its mind and unanimously backed the Commission proposal for herring ban. I am not certain, as I say, that had they been informed that it was not a total ban but only a ban on Community fishermen, they would have necessarily come so readily to that conclusion. I am certain in my own mind that there would have been a comment about the absence of a ban on the Norwegian and Faeroese. I under-

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stand, of course, that it is part of the framework agreement with Norway and the Faeroes that you have got to consult them, but there is no evidence in this proposal that they are even going to start consultation. No doubt they have, but in this proposal, on the paper, there is nothing to indicate that this was happening.

Mr President, it is clearly very difficult, given this batch of proposals, for me to remain other than totally uncommitted as a rapporteur on the other matters concerning fisheries which have recently become the subject of some difficulty. But I repeat that I only introduce these as a rapporteur. With the exception of a vote with three abstentions on the Irish fishing plan, all the other proposals were carried unanimously in the Committee on Agriculture, and with that I commend them to the House.

(Applause)

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

Mr Klinker. — *(D)* Mr President, at the last part-session I already stated my position of principle on the fisheries policy on behalf of my group, and all these reports which Mr Hughes has presented, noting quite rightly that the Committee on Agriculture also adopted them, show once again that we must achieve a unified fisheries policy, for in the end the difficulties which Mr Hughes indicated are also due to the fact that the Commission has not yet achieved a united front in these negotiations. Only eight countries agreed. One country insisted on exceptional rules, and this is really the source of the difficulties of negotiating with non-Community countries.

On the whole my group regrets this, for in the meantime we have been informed, Mr Hughes, that the British Government has adopted new, national measures — 3 or 4 measures — regarding herrings. Of course these are matters which should really be incorporated into the basic plan. So this raises the question of how the Commission's area of negotiation has now been reduced, for in the end these are surely questions concerning the Community's overall fisheries policy. That is the difficulty facing us.

So I can only urge once again that the Commission should manage as soon as possible to make the Ministers adopt a common course, so that all the questions concerning non-Member States can also be sufficiently clarified. Until this is so, there will be constant difficulties in this area.

You just said that in fact two nations fish in Scottish waters. Of course it is rather hard on them if we now say: you can no longer fish there, because their fishing industry will also be affected. We must realize that and realize that the same applies to the negotiations the Commission will have to conduct with Sweden, Poland and others on Baltic Sea fishing. Here

again, of course, there is not enough agreement in the Council for the Commission to negotiate or to prevent further delays in this area.

So my group considers that strong action must be taken here. For the Commissioner did indicate in the committee that he was now willing to do all he could to obtain a single mandate. I can only point out that until the Commission has such a mandate, the non-Member States will of course raise difficulties while this problem of which you just spoke, Mr Hughes, remains.

That is essentially what I wanted to say about these reports, with which we agree. I should add that basically these matters have already been talked over in the Council so that Parliament may only give its blessing after the event. It would have been better if these questions had been discussed in the committee of experts first, before the Council of Ministers took a decision, for then a definite stand taken by the Parliament would have been of more interest to the public too.

(Applause)

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

Mr Kofoed. — *(DK)* Mr President, I would first like to thank Mr Hughes for the excellent way in which he presented this series of reports; his presentation was fair and effective. I do not believe that these reports give rise to any political controversy in Parliament. As Mr Hughes rightly pointed out they did not cause any disagreement in the Committee on Agriculture and, therefore, I too believe that they will have a smooth run through Parliament. However, there are a couple of points of a more general nature to which I would like to draw attention.

Firstly, I feel that Parliament should be satisfied that we have now persuaded the Council to accept the idea that Parliament should debate, and be consulted on, these fisheries proposals. I feel this is a crucial step because, until such time as we have managed to frame a common fisheries policy, it is very important for both the Council and the Commission to have a chance to air such proposals here, as I believe that Parliament is best placed for communicating with the people who are directly and adversely affected by the fisheries policy.

I am therefore inclined to believe that it is of crucial importance for both the Commission and the Council to hear Parliament's opinion on these measures. I do not claim that the Commission and Council lack expert knowledge in these areas, but I would point out that there most definitely are Members of this Parliament who have ties and contacts with the day-to-day fishing industry and who are certainly in a position to advise both the Commission and the Council.

Kofoed

For example, I feel that the discussion in our committee on Mr Hughes' first report on fishing plans for the area off the Western coast of Ireland was extremely valuable, because it showed that these plans are first class seen from the theoretical, academic angle. I do not think it is possible to point to a single mistake in them.

Yet Mr Hughes also touched, for instance, on the question of fishing days, asking what is a day's fishing? I thought it was amusing to see how the Commissioner was a little put out by this question because it is plain that, from a theoretical viewpoint, a day is a day, yet in terms of practical fishing a day can mean many things. If a vessel leaves its home port on the 20th, reaches its destination on the 22nd and lies hove-to in a gale for three days, it must then — if it has, for example, been allocated the right to fish for 5 days — sail home again according to the purely theoretical argument, because it is not entitled to fish any more.

These things must be kept in mind, Mr Commissioner, because if these fishing plans are to be effective it is essential that fishermen be ready to accept them as practical measures. If they are not ready to do so, however many fishing plans we draw up they will never have the effect originally intended.

I can state on behalf of the Liberal and Democratic Group that we regard this first attempt at drawing up fishing plans with interest. We take a very positive view of it. In the first place, this report, in common with the three previous reports by Parliament, expresses the wish that account be taken of fishing in coastal zones and in the various regions by ensuring that these regions do not suffer too severely as a result of the conservation measures that are applied. I therefore feel that this is a solution which we can try and make work.

Secondly, I feel it is essential that we should make a start now on fishing plans so as thereby to make gradual progress towards a common fisheries policy applicable to all Community waters, because it is here that our problems lie. Until such time as we have sorted out our common fisheries policy in the North Sea and in our own waters, we shall be unable to conclude agreements with third countries.

As Mr Hughes rightly stated, we cannot get the necessary agreements with Canada. We cannot get the necessary agreements with Poland, East Germany and the Soviet Union. We have agreements with the Faroe Islands and Sweden but are unable to organize our fishing in relation to third countries. And what is happening in the meantime?

What I am now going to say mostly concerns Britain's fishing problems. The United Kingdom must surely be extremely interested in getting a fisheries policy worked out for the Community, for I cannot understand how the United Kingdom can maintain a deep-sea fleet when, through the fisheries policy it is pursuing in the North Sea, it is making it impossible to obtain adequate agreements in the waters of third countries; reasonable agreements with third countries are the essential preliminary to getting the British fleet out fishing, as no one expects there to be room for large vessels within our own fishing grounds in Europe.

I would therefore like to end with a question to the Commission: what view does the Commission in actual fact take of the UK's latest initiative in introducing a national ban on herring fishing off the West coast of Scotland and the announcement of the intention to extend the pout box four degrees further east? What view does it take of these initiatives by the British Government: will they help us more quickly to secure an arrangement within the framework of the common fisheries policy in the North Sea or will they have the opposite effect with the result that we are unable to obtain agreements with third countries, a situation which, in my view, is hitting Britain hardest? I would add by way of a personal observation that the island I come from in the Baltic, Bornholm, is the area that is currently hardest hit by the lack of agreements with third countries. It is quite simply unreasonable that we should be unable to get a grip on our own fisheries policy and that, as a result of this failure, areas that are in no way involved in the battles taking place in the North Sea should suffer from the repercussions of these disputes.

The West German fishermen fishing in the Baltic and our own fishermen fishing in the Baltic are completely innocent as regards overfishing in the North Sea but are today subject to a total ban on fishing. This is really a fantastic situation and is due solely to the fact that there is a strange controversy going on in the North Sea, a controversy about what are, in my opinion, minor details but one which is, at the same time, highly charged politically.

Finally, I would like to say that we can endorse the reports presented here; we attach special importance to these fishing plans as a sound basis on which to build, and we support the proposals.

(Applause)

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

Mr Scott-Hopkins. — Mr President, I only wish to take up one or two points. I would congratulate Mr Hughes, the rapporteur, on the way he has presented his reports, which are complicated in the extreme, to the House, with great clarity so we really do understand exactly what we are dealing with. There are only really two which I wish to talk about and I do not want at this late hour to start entering into a great deal of controversy. Mr Klinker has already set the ball rolling for me concerning the action of my own United Kingdom Government and Mr Kofoed also mentioned it. It is incontrovertible that all the reports we are getting indicate that the herring fishing has got to be stopped. If not, then we are going to have no herring left, and therefore the conservation measures, the ban on herring fishing, are absolutely necessary. That is the first point. I regret that my own Government has beaten the gun in this matter, bringing in a ban on fishing of herring off the West of Scotland just a week before the Council of Ministers is likely to take its own decision. But be that as it may, this is not the place to debate these issues, which are better debated in our own House of Commons. I just make that point that I regret that has happened this way. But there is absolutely no doubt that what we need are the proposals which are coming forward from the Commission and I welcome them and support them on behalf of my group.

I turn to the proposals concerning the West Greenland coast. As mentioned by the rapporteur, there was a meeting last week with the representatives from the Canadian Parliament, both from the Senate and from the Lower House, and they expressed great anxiety concerning the lack of negotiations between the Community and Canada concerning fishing off Greenland and outside their own 200-mile limit on a part of the continental shelf which to them is of vital interest. However, I understand from the meeting in the Committee on Agriculture on Monday that negotiations with our Canadian friends are going to resume, next week, I believe. This lightens my heart a great deal and I hope they will be discussing the problem of the continental shelf which is outside the 200-mile limit. That was the information I gathered from Mr Gundelach. I hope that they will be able to come to a satisfactory conclusion, because it is a great worry to our Canadian friends that these particular stocks are being over-fished and they are linking them in their own minds with what is provided for their fishermen off the Greenland coast as well. The two are inter-linked and I do not believe one will get a solution of the one without the other.

On the other issues which our rapporteur has mentioned, there is little that needs further comment.

My group will support the recommendations put forward by our rapporteur and I am glad about the

agreements with the Faeroese and the Norwegians. I am disturbed by the lacuna mentioned by our rapporteur, which allows the Faeroese and the Norwegians to fish off the west coast of Scotland. I ask myself whether that is confined to those two countries or does it mean other third countries will be able to enter those waters too? Even if not, it is unfortunate that these two countries can come in here and that this was not mentioned to us. No doubt we ought to have picked it up ourselves, but we did not. It was not mentioned by Vice-President Gundelach in the committee on Monday. I hope that Mr Vredeling, when he is answering this debate, with his great knowledge of these matters, will be able to explain the position to the House.

Apart from that, I welcome these reports and I welcome the proposals from the Commission. I regret that I cannot stay to hear Mr Vredeling's expert, intelligent, and far-reaching reply.

(Applause)

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

Mr Brosnan. — Mr President, we have before us today a wide-ranging set of reports regarding fishing. The very nature and diversity and number of these reports reflect the unsatisfactory and confused situation in which we find ourselves in regard to the future of fisheries and the want of a common policy in the Community. The reports relate to fishing for herring off the west coast of Ireland, to the allocation of catches of western Greenland, allocation to Canada, the allocation of quotas in the waters of Norway and the Faeroe islands and, finally, to the conclusion of fishery agreements between the Community and Sweden, the Faeroes and Norway. I would like to comment briefly on some of these reports.

First of all, I should like to refer to the report concerning the fishing plans for the West of Ireland. This proposal on fishing is the first of its kind and a welcome innovation. As we know, it is based on an Irish proposal to control, manage and conserve Irish fishery resources. It will, I am sure, provide the successful basis for future fishing plans in other areas, in Irish waters and also for other species of fish and for other Member States. This is essential, if the stocks of fish in Irish waters are to be adequately conserved and if the Irish fishing industry is to be given a real opportunity to develop its full potential. Not only must this proposal be supported on the grounds of conservation, but it also provides a suitable means of protecting the economic future of our coastal fishing communities, by giving priority to the needs of the small inshore fishermen. I would like to emphasize that these fishing plans are limited to a very small area and that the immediate approval of the Council of Ministers is needed to have them implemented. This, I feel, could provide a blueprint for further

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fishing plans to cover comprehensively fishing in all the waters in the Community. I think it should also form a useful basis for the control of fishing in the waters of other Member States.

With regard to the proposal to ban the fishing of herring in the West of Scotland zone, I understand, that there is a serious doubt as to the adequacy and the validity of the scientific evidence upon which this proposal is based. While I do not in any way claim to be a scientific expert and while I am completely in favour of the conservation of fish in every shape and form, I would like to be satisfied that the scientific justification for this measure is well founded. If there is any doubt whatsoever about this scientific evidence, we may be unfairly denying fishermen the right to catch herring, whether it be limited by quota or not, and thereby depriving them of the right to earn their living. If there is any doubt whatever on this matter, I think that this doubt should be resolved in favour of the fishermen. Alternatively, the Community may be prepared to compensate these fishermen for any financial loss in that area.

Lastly, Mr President, I would like to refer to the proposals to conclude fishery agreements with certain third countries. We have discussed fishery arrangements with third countries on several occasions in the past. On these occasions, I and my Irish colleagues have pointed out how illogical it is to grant fishing rights to the fishermen of third countries, when the Community has not yet decided what fishing rights to give its own fishermen. I must again emphasize that if we should go ahead with these proposals as suggested in the report, then we are asking for a lot of trouble from our fishermen. I do not think it is necessary for me to elaborate any further on this point, but I do want to emphasize that this was and remains our attitude.

I should like in conclusion to thank the rapporteur for the excellence of his report, for the detail and clarity and the manner in which he presented it. I would like, however, to take him to task on one matter. I refer to the statement which he has made in paragraph 2 of his report, Doc. 232/78, where he states that 'consultation of the European Parliament on this matter of agreements with third countries is a pure formality, as these agreements have in fact been in force since they were signed.' I feel this statement is somewhat misleading. I do not claim to be an expert on international law, but I doubt if the rapporteur is correct. I should like this matter to be cleared up by the rapporteur or someone else and, if this is not satisfactory, perhaps he would suggest a more suitable formulation for this paragraph.

(Applause)

President. — I call Mr Andersen.

Mr Andersen. — *(DK)* Mr President, I too would like to thank Mr Hughes for the excellent reports now before us and I apologise for taking up a few minutes of the House's time to put forward a number of observations that are not directly connected with these reports, which I can, moreover, support. I do feel, however, that the question of the role of industrial fishing in the overall pattern of fishing must be brought into the negotiations on a future common EEC fisheries policy.

In previous negotiations it has been argued that industrial fishing was an obstacle to the rebuilding of fish stocks in the North Sea. This argument is naturally based on the fact that industrial fishing originally consisted of catching herring, coupled with the fact that the highly effective item of fishing gear developed in Norway called the purse seine was also brought into use for industrial fishing. It has also been claimed that fishing with small mesh tackle means that very large by-catches are collected, including spawn and fish that are not fully grown.

Mr President, the question of striking an appropriate balance between the various forms of fishing can be considered from the political and the economic and biological angles. I would like to point out that industrial fishing has long since concentrated on species of fish which cannot be exploited directly for human consumption. The main species concerned are sand eel and Norway pout. These species are not themselves under threat and, so far at least, no limit has been fixed by scientists for permitted catch levels.

I would also like to point out that it is wrong to believe or claim that industrial fishing does not benefit the human consumer. The benefits are reflected in the industrial applications of this kind of fish. Approximately 95 % of industrial fish landed is converted into fish meal which, in the form of protein additive, is used in agriculture in the production of processed animal products.

The oil extracted by the fish-processing industry is used in margarine products and the remaining surplus is used as feedingstuffs, particularly in the fish-farming industry. Calculations have shown that better use is made of protein by converting it into animal products than by letting industrial fish serve solely as a feedingstuff for edible fish, notably cod, haddock and whiting.

Economic comparisons of the price relationship between imported protein in the form of soya beans and protein derived from industrial fish also turn out to the advantage of industrial fishing.

Previously, scientific advice and the overall objective concerning the exploitation of fish stocks have focused exclusively on increasing the stock of each species as much as possible. Today it is beginning to

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be realized that the species of fish in a given stretch of water, for example, the North Sea, are mutually dependent. It has been established that heavy fishing resulting in a reduction of certain stocks such as mackerel, herring and whiting leads to an increase in other species such as sprat, sand eel and pout. The total yield from the North Sea has, by and large, remained unchanged for the last 10 years. The Danish Government has increased its research grants in this field and Danish scientists are collaborating with marine biologists from other countries in order to clarify all these various factors. If the figures scientists are at present working on turn out to be correct, this will increase the scope for the rational exploitation of the protein resources in the sea and, more particularly, in the North Sea; in this context industrial fishing plays a major role.

When talking about industrial fishing it is naturally essential to consider too the problem of by-catches, that is to say by-catches of fish suitable for human consumption, the chief species concerned being cod, haddock and whiting, which, in some countries, are very sought-after varieties of food fish. As mentioned earlier, it is claimed that industrial fishing uses small mesh netting and therefore necessarily involves substantial by-catches.

However, I would like to point out here that by-catches are a feature of virtually every form of fishing and, furthermore, that it has been established that, when fishing for the abovementioned edible species of fish, fishermen from certain countries have been throwing away fish of these species that are not yet fully grown and doing so on such a scale that, lately, the quantities thrown away have exceeded the volume of by-catches collected by Danish industrial fishermen.

In connection with implementation of the agreement between the eight EEC countries Denmark has reduced the by-catch percentage from 30 % to 10 %. This was naturally done in recognition of the importance of protecting the species of food fish referred to previously, and I would like to remind the House of the fact that the by-catches of food fish collected by Danish industrial fishermen are not thrown away but set aside for human consumption and, furthermore, that these by-catches are included in the Danish quota for food fish.

I hope that, with these comments, I have countered some of the criticism still being levelled at industrial fishing, and I think too I have emphasized the need for an appropriate role for industrial fishing in the future common fisheries policy.

I also feel that these comments demonstrate how unreasonable are some of the latest unilateral British measures on fishing. For example, there is no scientific justification for extending the pout box off the

East coast of Scotland. Firstly, the Norway pout is in no way threatened by overfishing and, hence, there is no reason to protect it and, secondly, there is no scientific data showing that the by-catch of haddock and whiting is sufficiently large to represent a threat to these species of food fish. The steps taken by the British can therefore be seen only as a unilateral aid to national fishermen and as an outright harassment of the Danish industrial fishing industry. The decision taken is a purely political one and has nothing to do with conservation of fish species.

Mr President, I would like in conclusion to take the liberty of putting the following question to the Commission: How does the Commission intend to react to the four unilateral measures taken by the British, which are being implemented just as the current intense negotiations on a common EEC fisheries policy are taking place?

(Applause)

President. — I call Mr Kavanagh.

Mr Kavanagh. — Mr President, I would like to make a few remarks on the reports by Mr Hughes, which we have before us, and in doing so I would like to remind the House that we had a very wide-ranging discussion on fishing at the last meeting in Strasbourg, when many of us made points about the serious situation in which the fishing industry within the Community now finds itself, mainly as a result of a continuation of overfishing, not only by third country boats but by the boats of Member States themselves. Now we in the Socialist Group — and let me say immediately that I am not the speaker for the Socialist Group — have been pointing this out for a number of years in this House and demanding that certain action be taken, so as to conserve stocks of fish throughout Community waters. It is regrettable that the demands we made were not listened to by the Commission and the Council and that we now find ourselves with a document from the Commission which in effect will bring great hardship to fishermen, particularly in Ireland where one of the proposals, the one dealt with by Mr Hughes in Document 211/78, is causing us serious concern.

In the debate last week and on previous occasions we have, as I said, demanded that action be taken to control and conserve fish stocks. I welcome, so far as it goes, the attempt demanded being made to bring this about, but I think it must be said clearly that the horse has bolted. These measures now being taken are too late for the thousands of fishermen engaged in the industry around the coasts of the Community.

Since, as I have said, the document deals particularly with fishermen in my own country, I want to inform the House how the measures being suggested will affect those fishermen. There are about 7 000 full-

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time fishermen engaged in the fishing industry in Ireland, and there is a factor of somewhere between 5 and 7 by which you multiply to find out the size of total employment in the fishing industry, so that we could say that about 35 to 45 000 people are engaged in the fishing industry in my country. It is a sizeable number for a small country. It was a fast-growing industry and one with great prospects, but we can see a fullstop being put to the expansion and growth of that industry by the measures the Commission is being forced to take and impose on the fishermen, as I say, of the whole Community.

It is useful to remind the House that the communiqué issued after the Council meeting on 30 October 1976 committed itself to a progressive development of the Irish fishing industry, despite the fact that the rest of the proposals on fishing involved the cutting back of fishing efforts in every other Community country.

The development programmes which the Community accepted for Ireland envisaged an increase in fishing catch by Irish fishermen of 100 000 tonnes of fish by the end of 1979. This was a planned increase of 25 000 tonnes of fish on the 1975 figure. Now this would have represented about 3 to 4 % of the total catch in Community waters, so it could not be said that the Irish were demanding something outlandish or outrageous for their own fishermen. A 3 or 4 % share of the fishing was a reasonable quota to be given, so as to continue the rapid expansion of the fishing industry in Ireland.

As I explained last month, the fishing industry in Ireland is based mainly in those areas of Ireland where there is very little else by way of an alternative in the form of industrial or other employment for those engaged in it, i.e. the Northwest, the West, the Southwest and the Southeast. This means that when a cutback is being made on the amount of fish to be taken from Irish waters, particularly the most important species, i.e. herring, which accounts for by far the greatest quantity of fish taken by Irish fishermen, this is indeed a very serious situation not only for Irish fishermen, but for the whole country and one of its, as I say, fastest-growing industries.

The plan is basically this: the West of Scotland fishing area, which includes Donegal Bay, has been given a quota of 8 500 tonnes. We learn from the rapporteur, Mr Hughes, that this is now very much in doubt as a result of the latest proposals from the marine biologists to the Commission. We hear that there is a very strong demand that the Donegal fishermen's quota be wiped out, and that it will be reduced to nil by the end of the year.

In the Irish Sea area for fishermen from the North of Ireland and from the Howth area, there is a quota of 2 146 tonnes. The Galway and Mayo area of Ireland

have a quota of 10 000 tonnes, which is a reduction on the considerably higher figure of 25 000 tonnes caught in the previous year. For a fisherman in Arklow and Wicklow in my own constituency and for those in Wexford, there is a nil quota: no fish at all for the coming year. For fishermen in the Cork and Kerry area it is 2 500 tonnes. The quota therefore for the whole of Ireland, North and South, is 15 646 tonnes, whereas only two or three years ago the Commission was suggesting that the industry could grow to a total catch of 100 000 tonnes. Mr President, I know that you know these facts very well and that you are concerned too. This is the situation in which we are debating these measures.

Yesterday, in another meeting in this House, we learned that in the new Regional Fund the Irish quota was once again going to be reduced and that the reduction of 0.046 in the Irish quota from the Regional Fund, would mean a reduction of about £ 360 000 in our allocation from that Fund. This is in sharp contrast with what was being promised some time ago, and so when we look at paragraph 2 in the resolution drawn up by Mr Hughes, where he says that the Committee regrets the delay on the part of the Community in adopting measures to preserve herring stocks, we can only agree with him. It has simply meant to many Irish men that they will not be able to pay for the boats that they have on hire purchase, and indeed that they will not even be able to bring home a pay packet to their wives.

It is fortunate today that we have Mr Vredeling with us in the House rather than Mr Gundelach, because he is the Commissioner dealing with social affairs, and when in paragraph 5 of the motion for a resolution the rapporteur puts in the hope that the repercussions will be limited by suitable structural measures, we hope that Mr Vredeling will indeed take note of the very serious situation that will result from the implementation of these fishing quotas around the coast of Ireland. A great deal will need to be done to alleviate the hardship that is going to be visited upon those 7 000 Irish fishermen and the 35 to 45 000 other people engaged in the fishing industry.

In conclusion, Mr President, I would hope that our Government would take a very, very strong line in their further negotiations on the fishing industry, a stronger line than they have been taking up to now. When I contrast the strident voices from the EPD side of the House some years ago when these problems were being discussed with the speech we have heard from that direction today, I am very nervous about the stance being taken by the Irish Government in these discussions. I hope that the attraction of money for gunboats has not watered down the strong representations that should be made on behalf of Irish fishermen.

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Finally I would say, Mr President, that the suggestion made by the Socialist group way back in October 1976 indicated the only real conservation measure for inshore fishermen around the Community waters. What was suggested on that occasion was that there should be conservation zones of up to 50 miles controlled by the coastal State for the purpose of conservation of fish stocks. This is the only real conservation method that can be taken by the Community to preserve what few fish remain in Community waters.

President. — I call Mr Christensen.

Mr Christensen. — (DK) Mr President, the debate on these proposals seems to me to be of somewhat academic nature and, indeed, several speakers have in fact talked about other matters.

It is of course a political reality that the prospects today for a common EEC fisheries policy are very poor. The fact of the matter is that one single major country, the United Kingdom, is disregarding the measure of agreement reached by eight other countries and that the EEC Commission, at least so far, has not dared to bring the UK before the European Court of Justice; on the contrary, rumour has it that it will approve, in any case, two, and perhaps more, of the four measures unilaterally introduced by Great Britain.

What is more, this is being done despite the fact that, as my colleague Mr Andersen has just pointed out, the measures in question are, at least to a considerable extent, of a nationalistic and protectionist nature and are not on the face of it justified on conservation grounds, as pout, haddock and whiting are not threatened either by overfishing or by by-catches.

Several speakers mentioned the fact that countries outside the Community are growing increasingly impatient at the failure to conclude agreements with the EEC solely for the reason that the Community has not managed to formulate anything resembling a common fisheries policy and that there is no prospect whatsoever of it doing so in the immediate future. These countries are compelled to live in uncertainty as regards their rights in 'Community waters' and, for this reason, are also reluctant to grant concessions in their respective territorial waters to EEC countries.

For Denmark, which is, of course, the European Community's largest fishing nation, the situation is particularly serious and it is no coincidence therefore that I am the third Danish member to get up and speak. The situation is very serious in the Danish

fishing industry, which is in a desperate enough situation anyway. The immediate cost to Danish fishermen of the unilateral measures taken by the British will be approximately Dkr 60 m. To this should be added the longer-term implications for the industries and subcontractors connected with the fishing industry; a direct annual loss for Denmark of up to Dkr 3-400 m is being suggested. In Denmark this is a great deal for a single industry.

Several regions in Denmark — and these are often developing regions — are very hard hit and Danish fishermen have, as perhaps many people are aware, protested by blockading ports and taking similar action in sheer desperation. The conclusion which, to my mind, must be drawn as far as Denmark is concerned is that — as it is not possible to wait until the European Community frames a common fisheries policy and as even when such a policy has been agreed there are big countries that ride roughshod over it — Denmark will perhaps be compelled to take the matter into its own hands just as the United Kingdom has done for its part. The conclusion is that we must regain our freedom of action and our right to negotiate with countries outside the Community, as the present situation is quite untenable for Denmark.

Mr Kofoed and Mr Andersen have asked the Commission what action it intends to take regarding the measures introduced unilaterally by the British, and I would like to make this my question as well. While I have my doubts, it may be that we will now receive an explanation from the Commission about what action it intends to take.

President. — I call Mr McDonald.

Mr McDonald. — Mr President, I should like to compliment Mr Hughes on the excellent way that he has broken down these seven difficult sets of proposals for the Parliament, and indeed for the diligence with which he has tackled this very difficult and delicate subject many times during this year.

I think listening to my colleague, Mr Kavanagh, and indeed to the last speaker, many Members from constituencies that do not border the sea might perhaps get an indication of the seriousness of the problem for the people who are directly engaged in fishing. I would suggest to many of those present that they try to visualize the outcry there would be in my own country, for instance, if the dairy farmers were told they could only produce a fifth of the milk they produced last year for sale at the creameries, or if our friends from Italy were told they could only sell a tenth of the wine they sold last year, or if in any other sector workers or

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producers were told that their incomes were being drastically cut, either by a serious percentage or indeed totally, which is what the suggestions made by the Commissioner and indeed by Mr Hughes, when they propose no catch at all for 1979, would mean for the fishermen in the areas concerned. Now, I accept, of course, that it is desirable from the point of view of the Commission, that this package of seven proposals should have a speedy passage through the Parliament. Nevertheless, the fact that the Parliament is opting to deal with it expeditiously does not mean that it is not a very serious matter for all the people involved. We all regret that the stocks of fish in the world's waters have been reduced to such a very low state. I understand that these proposals are not considered contentious by the Committee on Agriculture. I should also just like to mention in passing that the fishermen's organizations have not made their views known to me or indeed to my colleagues, as far as I can recall. Nonetheless, fishing and the fishing policy constitute, I think, an important item on our agenda. I feel that I must make a number of points and perhaps put one or two questions to the Commissioner and air the grievances which those engaged in the Community fishing industry legitimately express.

The proposals as already said are for regulations establishing fishing plans for directed herring fishing zones and a regulation laying down certain conservation and management measures for common fisheries resources off the West Greenland coast applicable in 1978 to vessels flying the flag of Canada. All the other proposals deal comprehensively with the industry as a whole. I think that we must remember that the proposals impose an outright ban on fishing in large areas as far as herring is concerned and these regulations certainly will cause much hardship to boatowners and skippers who work, I might say, for a bountiful harvest, to pay for their boats and gear, all of which, I might add, are extremely expensive and, I think it is true to say, mainly purchased on credit or on loans.

Now, as far as Documents 174, 176 and 213/78 are concerned, I agree on the need for agreements. But I have strong reservations and oppose formal signing pending the emergence of an acceptable internal fishing policy. I have consistently held the view that the Community requires an acceptable and satisfactory internal agreement as a basis for agreements with third countries. The Commission is proposing in its fishing plans, for instance, in the areas west of Scotland which includes the Northern and perhaps Western parts of Ireland, that only four fishing vessels out of eighty vessels listed should be fishing on any day or at any one time. This is, I suggest a very serious cutback on the employment opportunities and possibilities for the large numbers of peoples and families

concerned. I should like to ask the Commission, perhaps to outline its plans for helping to sustain the families of these people if it has any.

In Document 206, page 6, in the general considerations we see the words 'fishery stock conservation policy based on the most complete scientific evidence.' Now it has already, I think, been mentioned that this particular scientific evidence is questioned by virtue of the fact that the number of scientists involved in this research has been very small and I would submit respectfully that there is no clear evidence for that statement. I (b) refers to 'management policies including quotas and control of fishing methods and equipment in closely defined zones.' Now we have been speaking in this House and indeed elsewhere for a considerable amount of time, about the need for coastal bands and when the Commission proposals only extend to 12-mile coastal bands, you must remember that it is difficult to pinpoint these. And when you remember that these bands are elastic bands, inasmuch as the fishermen will be inclined to move that little bit closer to the coast, then I do not think there is a tremendous amount of protection for the inshore fishermen. I would therefore like to see greater determination on the part of the Commission in safeguarding the particular interests of the coastal States concerned. I agree that, before the Council meeting, Parliament should have given its opinion on these proposals in an effort to expedite an agreement, because it is quite clear that the state of the industry means that we must have agreement and must have sacrifices. But at the same time, I would hope that there would be worthwhile proposals which would ensure that, in view of the sacrifices involved in the interests not just of the Community fishing industry but of the industry in the world as a whole, the relatively small number of people involved in the coastal regions and the poorer peripheral regions should perhaps be compensated to some extent and helped over the lean times that they certainly can expect over the next couple of years.

Again, Mr President, might I compliment the rapporteur on the work he has put into this matter, and I hope that the Commissioner might be able to give the House an assurance that the Commission will come up with proposals to ensure that serious financial hardship will not be caused to people who have, over the last couple of years, invested in expensive fishing boats and gear, and that some assistance will be given to them to help them meet the interest payments and the repayments on such boats, and that the numbers who will lose employment by virtue of the fact that there is an outright ban on herring fishing will not be caused to suffer unduly.

President. — I call Lord Kennet.

Lord Kennet. — Mr President, I want to make three points only after complimenting my friend, Mr Hughes, on the thoroughness and diligence and political good judgment evident in the reports which he has laid before us.

My first point is about a puzzling table. It is the table on page 15 of Document 228 which gives the allocations and catches for Norwegian waters in the far North according to species. Now the table is divided into three columns, the first two of which show a previous proposal for the whole year and a present proposal for the second half of the year. That is quite sensible; when we have seen what people get in the first half, we make a revised proposal for the second half. The last column shows the catches, which presumably is what nations have actually caught up in those distant waters.

Now there are two problems here. First of all the catches refer to the period from 1 January to 31 July, but, Mr President, it is not yet the 31 July. Therefore we must assume that these catches are only estimates. Very well! We now look down the line and we see that, for instance, the United Kingdom was allocated 34 000 tonnes of cod. It is expected to have caught 25 000 tonnes, therefore the revised allocation for the second half of the year is 9 000 tonnes. This makes admirable sense. But when we come to France — and France appears 4 times in the list, under cod, haddock, saithe and other species — we find that France is allocated a very precise number of tonnes, 7 589 tonnes of cod, and we find that up to 31 July, France is expected to have taken 7 589 tonnes of cod, not 7 590, not 7 588, and that France is therefore allocated no cod for the rest of the year. Now this table is, of course, the sort of table which raises suspicions even in the most benevolent parliamentarian. I suspect that something has been arranged. Who are these fantastically accurate estimators of the French performance? Is it the French Government or is it the Commission? If it is the Commission, how is the Commission so much more sure about what France will do than about what any other country will do? I admit to being puzzled.

Now on the larger issue, I want first of all to be a little historical and say how good it is to an old campaigner in this matter to see a table like Annex II to the same report where you are given the ICES recommended total allowable catches right back to 1975. I wish it went further. It is set out there without any bones made about it and compared quite honestly with the much more permissive recommended TAC's coming from the North East Atlantic Fisheries Commission, — not, of course, the North Sea Atlantic Fisheries Commission, at it is described in the text. It is only six years ago since I and others were battling in the British Parliament against the then British Govern-

ment to get them to produce the ICES recommended catches. They were treated as a secret document. Aspersions were cast on the scientific integrity of the workers at ICES at Charlottenlund. The situation is now transfigured and the Commission is basing itself on the best available facts and I am very glad that it is. Above all, I am glad that it is not trying to set up its own estimating service in competition with the already existing one, which is perfectly good and would have been perfectly good all along if only it had been listened too.

Which brings me to the main point for our Irish friends here. Many voices have been raised, especially Irish ones, about the great difficulty of asking fishermen to accept these enormous cuts in their catches. Well, I am afraid it is inevitable; we all should have seen it coming. It is simply another way of saying we did not listen to ICES ten years ago, eight years ago, six years ago. Our governments in many countries are to blame for having ignored this advice and allowing the stocks to run right down. There is no alternative to the cuts; it is either a 90 % cut this year, or it is a 100 % cut next year without any hope of recovery. But now that we are listening to the scientific advice, we may be confident of a recovery of the stocks, painful as it will be in the meantime.

Now we have this strange ongoing phenomenon of the conflict between the one and the eight in all this.

It is good that we are coming to the end of the stage where the British Government is demanding it knows not what, and the other eight are refusing everything they can think of. It is good that we have now come to the stage where everybody is falling over themselves to put down conservation measures. Of course there is a marked similarity between the British conservation measures and the likely Commission conservation measures, where they cover the same stocks and the same seas, which they do not always.

This is only to be welcomed and I would like to make one general political observation about the whole fisheries tangle which we have seen. I do this not simply out of a desire to revive old, unhappy, far-off things and battles long ago but because there is a lesson to be learned for the future. Now what happened when Britain joined the Community was that a policy was drawn up among the existing six Members which it was not possible for Britain to accept. There was consequently a classic, long-running battle between Britain and the others, during which positions were taken up which are now proving extremely difficult to abandon. I will not take time to justify it, but I believe, myself, that the subject matter of the war is now virtually exhausted; the two sides are within half an inch of each other and it is perhaps habit rather than any intrinsic difference which allows the conflict to continue.

Lord Kennet

Now how did this conflict arise? It arose because at the time of the British application to join the common market, Britain did not want to look at the difficult bits of the issue, did not want to look into the dark corners. We were so anxious to get in, we left fisheries aside and said we could fix that later. On the other hand — and I do not know if Mr Vredeling would accept this — it is my view that at that time, years ago now, the Commission was not nearly adequately staffed to understand the matter. The first proposals on an internal fishery regime to come out of the Commission were, I think, very poorly informed, poorly researched and showed very little understanding of the reality. All that has been corrected now, but after years and after a great deal of avoidable political bloodshed. We were too quiet about it when we came in, the Commission was not sufficiently informed about it when it undertook the negotiations. Faults on both sides. Now, why do I raise all this? Because once again there is going to be an enlargement of the Community, and if we could have avoided the battles by better preparation and less political shyness in the case of the last enlargement, so can we also hope to avoid future battles if we are careful to look at everything in time. I do not know what Spain, Portugal and Greece are saying to the Commission about fish; I do not know how much the Commission knows about Spanish, Greek and Portuguese fisheries; but I very much hope that it is not the same picture of inhibition facing ignorance that we had in the case of British, Danish and Irish accession.

I will go one further and say that these considerations apply not only to fisheries. They may apply to anything, they may apply to agriculture, to industry, to fiscal harmonization. I would therefore ask Mr Vredeling, as Commission representative, to do what he can to ensure that awkward bits in the negotiations with Spain, Greece and Portugal are tackled head-on in spite of their awkwardness and even if the applicant countries do not themselves raise them. We can learn from our mistakes in the past.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, I should like to begin by apologizing for the fact that Mr Gundelach is unable to be present and that I have to replace him. I am consequently somewhat at a disadvantage in replying to questions relating to a sphere with which I am reasonably well acquainted from an earlier period but the details of which I no longer have at my fingertips since other activities now take up most of my time. My apologies are made somewhat easier by the fact that Parliament, if I may put it this way, only decided

at a very late stage to discuss this matter now and not tomorrow. Consequently the officials who know a lot about this matter are not here. That is a pity but we cannot change the situation.

Let me begin by thanking Mr Hughes for his report and the manner in which he introduced it just now. The attitude to this matter taken by the Committee on Agriculture, on whose behalf he spoke, shows a large measure of realism. In most cases, I believe, it followed the Commission proposals and for that I am grateful. A number of comments have been made and I should like to discuss them now although I will find it rather difficult to marshal my arguments.

I should like to say something about Community fishing plans for directed herring fishing in certain zones. Our proposal on this subject is really quite simple. It concerns fishing for one species, herring, on one area, off the West of Ireland. Only two Member States, Ireland and the Netherlands, are concerned. It has been pointed out, I think by Mr Brosnan, that this proposal could provide a blueprint for further fishing plans in other waters. I agree with Mr Brosnan.

In its draft resolution of 30 January 1978 the Commission proposed the introduction of fishing plans. This is therefore the first step in that direction. The Commission hopes that the favourable opinion expressed in the Committee on Agriculture's motion for a resolution will be approved by Parliament. This would give the Commission encouragement to continue along this path. The Council has already received the proposal. It was on the agenda for the Council meeting of 19 and 20 June 1978 but, as you are aware, the Council took no decision. In fact, it took no decision on other matters on the agenda and will have to deal with this question again when it meets on 24 July next.

The special factor now is that the herring season began on 1 July. Therefore the Commission submitted this proposal in order to recommend that the Member States concerned, Ireland and the Netherlands, should already apply in practice the regulation which we have submitted as a formal proposal. Any further delay would adversely affect fish stocks.

Mr Hughes' report contains a number of comments. It contains repeated comments about the Management Committee. The Commission feels that it cannot manage without this committee. It forms a part of the overall policy in the agricultural and the fisheries spheres. Parliament's criticism here is conventional. Once upon a time I used to voice the same criticisms. I remember how the Management Committees first came about in the early 1960s.

Vredeling

But in the meantime it has become customary to build in certain guarantees when these committees are set up. The Commission remains in permanent control of the policy and consequently so does Parliament, indirectly. In the last analysis the Council must decide on the management committee procedure if no agreement can be reached but the Commission must submit proposals. The Commission may even be the subject of criticism from the Parliament. I therefore feel that in this way we have sufficient inbuilt guarantees for parliamentary control. The Commission can always be requested to account for its actions in the Management Committees.

In reply to paragraph 6 of the motion for a resolution contained in Document No 206/78, I can agree that the Commission should include all necessary information in future proposals on fishing plans. I would point out that the scientific data and figures relating to total allowable catches and catch quotas are in fact the same figures which appeared in earlier Commission proposals which have already been discussed in Parliament. In paragraph 11 of the motion for a resolution contained in Document 206/78, the Commission is requested to draw up a draft regulation providing for a system of licences. I can say that the Commission will comply with this request in so far as it is humanly possible to fit all these matters into one proposal. On the need for a system of licences there is indeed no difference of opinion between the Committee on Agriculture and the Commission. We are fully agreed on the principle and that is laid down in Article 8 of the basic regulation.

Mr President, may I now perhaps say a word on the comments which were made in the course of the debate. Mr Hughes asked a question which he said I did not need to answer. He asked me to define what is a day. Now, this week I have been through some days in another context which enable me to give him a perfect definition of what a day is. But as far as fisheries are concerned I would refer you to what Mr Kofoed said: if the weather should be appalling, with gales or the like, so that the fishermen cannot fish and must return to port, what is then the definition of such a day?

I believe that this example taken from real life shows us that the definition must be kept flexible. Obviously we cannot give one simple definition to cover every eventuality. Conditions are so different, especially when we are talking about deep-sea fishing, and can change so radically that a flexible approach is necessary. Further consideration of the definition should therefore take account of experience in deciding how the definition may be applied.

Mr Kofoed, like many others, talked about a ban on fishing, but first let me comment on another associated matter. Much has been said about the biologists who provide certain statistics which frequently contra-

dict each other. It does indeed happen that scientific evidence does not suit some people. It frequently occurs in politics as well.

But as Lord Kennet and Mr Scott-Hopkins rightly pointed out, usually there is no more reliable evidence. Parliament must accept this. These are the best figures we have. I am not suggesting that the Commission itself should draw up such statistics, because science is science. The evidence must always be as objective as possible. It must not be the object of political horse-trading, if I may call it that, or of the usual political practice of give and take which in itself might be reasonable. But that cannot be the case with scientific evidence. I would strongly oppose this, and I therefore believe that we must base our policy on the data we have because we have no other data. If we depart from this basis we shall be lost because the matter will then become a question of give and take. And then we shall finish up with a situation — and in this respect I can agree with what Lord Kennet said — where certain species will be overfished and there will then have to be a total ban on all fishing.

That would be disastrous for the fishing industry and the people working in it. Therefore I do not believe that what Mr Christensen said is the solution. Mr Christensen said that Denmark would have to take the law into its own hands again and would have to do everything itself. That might be tempting in certain situations but it is not in Denmark's own best interests to do so. I would like to make that point clear. It is of course a temptation but I would expressly warn against a situation in which the Member States were unable to resist temptation.

We must therefore work on the basis of the scientific evidence. Various members have pointed out that they are the best available facts. Now it has been said that on this basis decisions have been taken leading to a certain ban on fishing for the Community but not for Norway, the Faroese and other third countries.

Yes, that is true. Negotiations have been undertaken with those countries and, to a certain extent, gentlemen's agreements concluded. That is quite true, but as soon as the Council has taken a decision on these proposals the Commission can take action and then more detailed discussions will be undertaken directly with these countries. That is certain. Once the Community takes formal decisions and thereby enables the Commission to take action, also in the formal sense of the term, new discussions must be undertaken with those countries so that the agreements with third countries may take account of the political agreements which have been reached in the meantime — and as far as this is concerned, I have not yet given up hope — on the Community fisheries policy and on the fishing plans which I hope will be prepared in the not too distant future.

Vredeling

Mr President, several people have asked what the Commission will do in the light of the unilateral measures taken by the United Kingdom.

The Commission agrees that these measures are unilateral. It would have been better if they had waited until the Council had met or until Parliament had held its debate. But on the other hand, the content of the British Government measures is fully in line with the Commission's proposals. And therefore I would quickly agree with what Lord Kennet said: 'we are within half an inch of each other', and an inch is very small. But it is true that despite all the difficulties and because of the developments there has been a certain convergence if you look at the measures which have been taken. So there is hope that we shall all benefit from this if we do not try to make it a matter of prestige, because that is the most wretched political situation imaginable, when prestige becomes the guiding principle.

The measures have only recently been taken. We directly requested more information from the British Government and we must delay our final opinion until we have received that information.

I cannot imagine that this subject will not be mentioned at the next Council meeting to be held on 24 July. The Commission therefore immediately asked for information and I can tell Parliament that we shall look at the situation on this basis and draw the necessary conclusions. But I thought it was worthwhile pointing out that the content of the measures is not totally different from the policy which the Commission had proposed.

Lord Kennet made one other comment which in itself is totally justified. He pointed out that in the Community of the Six we drew up a fisheries policy which was really unable to take account of all the factors which are at present important. Now I can understand this because at that time I was a member of Parliament's Committee on Agriculture and I know that in his reasoning there is a grain of truth. But the enlargement of the Community brought about a new situation.

Fisheries did not come under the common policy. We suddenly had to prepare a policy and consequently a number of things were decided then which now need to be changed. But I should like to tell Lord Kennet that in its proposal the Commission is simply making adjustments. That is the situation we are in at present. We are adjusting our policy in the light of the problems which have arisen and the needs which have become apparent in the course of time. We are not taking temporary *ad hoc* measures. We are working on the basis of forecasts, on the basis of scientific expertise. Our measures are long-term measures. We want to be sure that fish stocks exist in all the waters

of the Community so that there is a future for the fishing industry, for the people working in it and so that the consumers will still be able to eat fish.

Lord Kennet spoke finally about the forthcoming enlargement of the Community. The accession of the applicant countries will require several years of further negotiations. I can tell him, for example, that Spain has a fishing industry which produces 30 % of the total Community production. It is therefore no small matter, it is an enormous amount which we shall have to digest if and when Spain accedes, and I therefore believe that we cannot start too soon on preparing and thinking through a fisheries policy for the enlarged Community. In the context of existing Community regulations we will, of course, have to make adjustments but I thought that the Community fisheries policy which we are at present developing, as is now being proposed, should be the basis for new arrangements when new Member States accede.

Mr McDonald asked a question which I did not quite understand about Irish boats fishing off the West coast of Scotland. I thought that Irish boats were free to fish there. At least I was unaware that they were forbidden to do so and that the number of fishing boats had been fixed. But it may well be that I am now skating on thin ice and that I am imagining that I know things which at this moment I do not know exactly.

Mr Gundelach's assistant has confirmed that what I said was accurate, which is good for my self-confidence.

Mr McDonald also made a remark which I can support. I am now on firmer ground because I am now in the sphere of my own responsibility in the Commission. He said that when measures affected income and employment for those fishermen, then the Community must do something. And that is precisely the task of the Commission. You will remember that in our proposals for deep-sea fishing we built in a social chapter according to which whenever the Community takes measure in the fisheries sector — this was the starting point — which affect the social situation of fishermen in the Member States of the Community, those social effects are not the responsibility of the national governments. Then Community decisions must be taken. Our proposal on deep-sea fishing is a reflection of this point of view. As regards the concrete situation which Mr McDonald mentioned, I cannot at present say anything definite. I know, of course, that by definition in this case we are not talking about deep-sea fishing but about inshore fishing. In most cases here we are not dealing with ships crewed by wage-earners but with self-employed people. I am glad that Mr McDonald drew attention to this situation. Whenever measures are taken as part of

Vredeling

our fishing plans which have social effects, we must meet the social effects for these fishermen. In principle we have the machinery required. As you are aware we have the Social Fund which can act independently and if for formal reasons that should cause problems in individual cases, then the rules must be adjusted. I can therefore say that the Commission will certainly pay close attention to this situation.

Lord Kennet also asked about the figures in the Annex. As he assumed, these figures were notified to the Commission by the national governments.

(Applause)

President. — I call Mr Hughes.

Mr Hughes, rapporteur, — Mr President, before reverting to the important points raised by Mr Klinker about the internal policy and the external, I would like to go through one or two of the other areas. Mr Brosnan questioned the statement that this was a mere formality regarding the agreements with Sweden and the Faroes in the report. I would simply draw to his attention that the agreements were signed on 21 May 1977 and 15 March 1977 respectively. It is a little late in the day to be doing much more than being formal when they have been agreed and signed for 18 months, and it is in that sense that I am using the word 'formality'. The agreement has been in force for that period.

The Swedish one is very distinctly in force — ask the Bornholm fishermen. They will tell you it is very much in force. The problem is that you have an outline agreement which is in force, which this particular proposal is dealing with, and then you have the implementation of it which is then a rolling programme. All that these proposals are concerned with is the legality of the framework agreement, rather than the rolling programme of its operation thereafter.

Mr Brosnan also queried the scientific evidence regarding the West of Scotland. I think if he looks at the evidence, not from any individual national State but from ICES itself, what he can see there is that in about 1972 the adult herring biomass was of the order of 670 000 tonnes, and that by 1977 this was down to 206 000 tonnes. The availability of breeding stocks has just gone off the edge of the cliff in this area. This is despite a reduced catch in 1975, 1976 and 1977 and despite the evidence that so far in 1978 there is a massively reduced catch. The catch in 1975 was 140 000-odd tonnes — by 1977 it was below 50 000 tonnes. The fish is just not there, and however much I would like to be advising Parliament that we should hold out a hope that there is still enough fish, and that if there is doubt on the West of Scotland we should exercise the doubt in the interest of fishermen,

I must advise Parliament that there is a clear danger of total stock failure off the West of Scotland. If we permit any direct fishing at all for herring we will be doing the fishing interest a disservice of the greatest order. However harsh in the interim — and I accept, Mr Brosnan, the need to give compensation for loss — it will not help the fishermen of anywhere if we do not support the Commission in this total ban off the West of Scotland. It is for this reason that I have expressed my reservations over the position of Norway and the Faroes.

I then listened with great interest to the speech of Mr Andersen, my colleague, and later that of Mr Christensen, saying that, for example, there was no scientific basis for a pout box and that there is no evidence whatsoever that fishing for Norway pout does a mischief to whiting and haddock. Now it is as though these particular proposals were hatched in the mind of the malevolent man in Whitehall looking something like John Silkin. That is not so: these facts come from Charlottenlund — a working group set up at the request of the Commission. Not at the request of the British Government, not standing in London, but in Copenhagen itself on 23 to 26 August last year. And this is what they say:

From the foregoing, the undersized components of the by-catches are considerable. For whiting, the total landings in all countries are 188 000 tonnes. The by-catch in industrial fishing is 121 000 tonnes, of which 26 000 tonnes are undersized.

That is not the British Government. That is not some will-of-the-wisp imagination. That damage is done in the fishing for Norway pout, and I just quote:

From the foregoing one may thus conclude that the industrial fisheries inflict serious losses on the human consumption fisheries for haddock and whiting.

This has not ever been in doubt. What has been in doubt is as to how you minimize the by-catching by means of the area you fish and the method you use. Here I would beg Mr Christensen to look closely at the evidence from Iceland, where they have found that by lateral distinction of Norway pout fishing you can massively reduce the by-catching of human consumption fish. We have consistently urged in this Parliament that the European countries should examine whether, rather than doing it on a lateral basis of the size of box, you should try to diminish the by-catch of human consumption fish by a vertical delimitation as is practiced in the Norway pout fisheries of Southern Iceland. This is the area where I hope we should look.

If I may for a moment refer briefly to being of British parliamentary stock, when I am told of all the hardships of herring fishermen, I do find it a little hard to have that coming from some of my Danish colleagues. When one looks through the Commission

Hughes

proposal on fishery resources in catch quotas for herring throughout the Community waters, what does one find? In the Skagerrak, 6 000 tonnes allowed for the whole Community of which every tonne goes to Denmark. In the Kattegat, 28 000 tonnes for the whole Community, of which 27 900 tonnes goes to Denmark. In the Baltic, 5 000 tonnes in one particular area, of which 3 000 tonnes goes to Denmark — 38 000 somewhere else, in the other parts of the Baltic, of which 21 000 to Denmark and 16 690 to the Federal Republic. The North Sea, no fish for anybody — except that the Danes can catch 10 500 tonnes by-catch. No British ships can: 400 tonnes for the British as by-catch in the North Sea. Therefore when I hear the complaints about the damage to the Danish herring fishery and I look through the proposals on what is to be provided, particularly when the only compensation prior to these proposals was that Britain was given 39 000 tonnes off the west coast of Scotland, and when I, as a British politician, get up in this House and say, yes, we have got to do that, then I hope my Danish colleagues will accept that it is a bit hard to listen to them griping on about the damage done to Danish herring fisheries.

I now turn finally to Mr Vredeling as the Commissioner. I do not in any way wish to blame him at a personal level. He has been put in a very difficult position at very short notice. I do, however, think it rather unwise of him to remind us that he was once a Member of this House, because my suspicion is that had he been a Member of this House he would not be too pleased with the manner in which this House has been treated by his fellow Commissioners and more particularly not by Vice-President Gundelach or Mr Vredeling himself but by the absence of adequate back-up from the fisheries experts within the Commission services. This decision was known early yesterday morning. The distance from Brussels to here is not that far. It was known that this was put on the agenda and yet it appears that the Commission services have not thought fit to give the Commissioner responsible for answering an adequate back-up. I must, on behalf, I hope, of this Parliament as a whole, protest about that and I will close by teasing Mr Vredeling. God, in his wisdom, found it fit to determine the length of a day. I notice now that the Commission, in implementing fishing plans, say that it is necessary for the European Community to consider a flexible day.

(Applause)

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, I am sorry to have to tell Mr Hughes that I was not aware of that. There has obviously been a breakdown in communications for which I would apologize. I came here from Brussels and it was only when I got here that I learned that Mr

Hughes' report was to be debated today and not tomorrow. But if that was decided yesterday morning, as Mr Hughes maintains, then I must apologize once more because the Commissioner responsible was not notified.

President. — I note that no one else wishes to speak. The motions for resolutions, together with the amendments which have been tabled, will be put to the vote at the end of the sitting, tomorrow.

The debate is closed.

13. Wine market

President.— The next item is the report (Doc. 229/78) by Mr Liogier on behalf of the Committee on Agriculture on

Article 6 of the 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.

I call Mr Liogier.

Mr Liogier, rapporteur. — (F) Mr President, ladies and gentlemen, it cannot be denied that the current crisis in the wine market is partly of a structural nature, so appropriate measures must be taken. Subject to certain reservations, we therefore welcomed the Commission's efforts to put forward practical solutions, aimed firmly at reorganizing the wine market in the medium and long-term. These efforts took shape in two proposals for Council regulations dated 13 February 1978, the first concerning the setting up of a European Joint-Trade Table Wine Organization and the second amending the basic Regulation (EEC) No 816/70 laying down additional provisions for the common organization of the market in wine.

The Commission was thereby seeking to control production and the market itself and consequently to guarantee a fair price to producers, for example by issuing rules on distillation and storage, encouraging the improvement of table wines, defining regions or areas in the Community specifically suited for wine production and other appropriate measures. The Commission in fact withdrew the text, except for the amendments introduced by Article 6 to Regulation (EEC) No 816/70. I submitted a motion for a resolution to the Committee on Agriculture rejecting the proposed regulation since in paragraphs 1 and 5 it envisaged — wrongly in my opinion — an increase in the alcoholic strength of table wines intended for sale and in paragraph 3, it proposed that the European Parliament no longer be consulted, although this was provided for in the original regulation.

Liogier

However, I stated that I approved the amendments of a technical nature provided for in Article 6 (2), (3), (4), (6) and (7), in particular the bringing into line of wine-growing zones C II and C III with zones C I (a) and C I (b) as regards the date on which acidification and deacidification or an increase in alcoholic strength may be effected; the amendment of Article 26a (2) of Regulation (EEC) No 816/70 laying down the sulphur dioxide content for certain white wines, whereby 'Ausbruchwein' is added to the relevant list, and two minor amendments to Annex II of Regulation (EEC) No 816/70 aimed at correcting the definition of grape must and adding the words 'and quality wines psr', which had been omitted from paragraph 2 of Annex IIa. The Commission representative, Mr Bourdon, informed us at that time that the Commission particularly wished our motion for a resolution to deliver a favourable opinion on these various technical measures, since unless they were adopted by 1 September 1978, there would inevitably be a legal loophole as regards 'quality wines psr'.

As regards the Policy measures connected with the increase in the alcoholic strength of table wines (Article 6 (1) and (5)) we were able to reserve judgement until the forthcoming submission, promised by the Commission, of a new programme aimed at restoring balance to the wine market and also including structural measures.

However, in connection with Article 6 (3), I preferred to keep the original wording of Article 24 (2) of basic Regulation (EEC) No 816/70, providing for consultation of the European Parliament for derogations granted to certain producers concerning the obligation to distil wine lees and grape marc. With the Commission's agreement, I have completely revised the motion for a resolution contained in my report, which now reads as follows:

The European Parliament,

1. Reserves its position on paragraphs 1 and 5 of Article 6 since it considers that these policy measures should be incorporated in the new proposals designed to regulate the Community market in table wine;
2. Approves the technical measures set out in paragraphs 2, 3, 4, 6 and 7 of Article 6;
3. Advocates, however, with regard to paragraph 3 of Article 6, the retention of the present wording of Regulation (EEC) No 816/70;
4. Invites the Commission, therefore, to adopt the following amendment, pursuant to the second paragraph of Article 149 of the EEC Treaty.

That simply means retaining the consultation of the European Parliament.

To conclude, I would point out that the Committee on Agriculture unanimously adopted the whole of this motion for a resolution.

I would therefore ask my honourable colleagues to vote in favour of it.

(Applause)

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, in the preparation of this subject, which is again not in my own portfolio, I have been given the assurance that the Commission can accept Mr Liogier's report and we accept Parliament's vote endorsing our proposals.

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 tomorrow.

The debate is closed.

14. Air transport competition

President. — The next item is the Oral Question (Doc. 193/78) with debate by Mr Kofoed on behalf of the Liberal and Democratic Group to the Commission:

Subject: restriction of competition in the air transport sector.

The Commission has frequently had occasion to reply to questions from the European Parliament concerning air fares, etc. Each time it has given extremely non-committal answers, merely saying it was in the process of drawing up detailed provisions.

Given this situation, would the Commission answer the following precise questions:

1. Does it believe the various existing price systems to be fair and comprehensible to the individual consumer?
2. On what principles has it based the proposal which it is currently discussing with the national authorities, particularly in relation to the provisions of the EEC Treaty on competition and State aid (Articles 85 to 93)?
3. Does it feel that it might be worthwhile involving the European Parliament on the question of competition in the air transport sector with a view to making the national authorities more amenable?
4. Having regard to the fact that the Court of Justice of the European Communities gave its ruling in April 1974, when does the Commission think it will be able to adopt implementing provisions for the application of the rules governing competition in the air transport sector?

I call Mr Kofoed.

Mr Kofoed. — (DK) Mr President, I am grateful that the proceedings are going so rapidly here in Parliament as it means that we can finish early.

Kofoed

Dear colleagues, I am putting this question on behalf of the Liberal and Democratic Group because of the seriousness of the confused state of affairs existing in the air transport sector. I do not consider this state of affairs to be in complete conformity with the Treaty on which the Community is founded. I feel that the Treaty speaks for itself and that the rules on competition enshrined in the Treaty are quite unequivocal. I would expand on this by saying that the judgment of 4 April 1974 handed down by the Court of Justice should be complied with. This states — and I quote from the 1975 report on competition policy — that

although under Article 84 (2) sea and air transport were not covered by the provisions relating to the common transport policy until such time as the Council decided to include them nevertheless they were, on the same basis as other modes of transport, subject to the general provisions of the Treaty.

It emerges clearly from this judgment that Articles 85 to 90, which lay down the rules of competition applicable to enterprises, do apply to air and sea transport without a decision by the Council under Article 84 being necessary.

I do not know whether one needs to be a very learned lawyer or to have been a member of the Commission for a very long time in order to be able to place a different interpretation on this judgment. I feel that it has been clearly established here that IATA's current practice with regard to the fixing of air fares does not satisfy the provisions on competition laid down in the Treaty, as the system of fixing fares on scheduled routes seems to consist primarily — and this is not public knowledge — in, as it were, pegging the amount of the fare to the extent to which these routes are used by politicians or businessmen. I am prompted to cite a specific example, notably the service between Brussels and Copenhagen where the fare asked is, in my opinion, unusually high, presumably on the grounds that there is a constant stream of officials from Copenhagen travelling between Brussels and Copenhagen every single day, to which should be added the many businessmen from all over Scandinavia who need to travel to Brussels in order to keep abreast of what the Community is doing.

Let me take a further example. The various ways in which fares are determined are rather difficult to grasp. It is, for instance, possible to travel between Brussels and Copenhagen at a cost ranging from Dkr 1 100 to over Dkr 2 000. It is surely unreasonable to devise a fares system that is completely incomprehensible to ordinary consumers. Moreover, I can give further examples showing only too well that there is something wrong.

I have the feeling that the major airlines are currently conducting a form of price war where the North Atlantic is concerned. Our impression is that the North Atlantic routes are comparatively cheap, whereas European routes are comparatively expensive.

Yet there is one North Atlantic route where this does not hold good. This is a route from Greenland to Copenhagen, which is designated as a domestic service. It costs approximately twice as much to fly from Copenhagen to Greenland as from Copenhagen to New York, and as far as I am aware, the distance to New York is certainly twice that to Greenland. It is obvious that consumers get very confused by fare schemes of this kind.

Now, however, it looks as though major progress is being made in the international negotiations. IATA's latest move is aimed at letting price competition prevail on the various routes. Yet this will not solve the problem. I feel that it is more essential than ever for Europe to have an air transport policy, because we now run the risk of getting into a situation where the State-owned companies, Air France, Lufthansa, KLM, SAS, etc., will start a price war on certain routes, leaving the taxpayer to pick up the bill.

In my view it is high time that the Commission agreed to frame an air transport policy; for I do feel that this is a task for the Commission. Air transport is an essential means of communication between the various European countries, it is a natural form of domestic transport and it is, of course, necessary to have a system of air transport, just as we have a network of railways, that is based on methods of planning that are acceptable and comprehensible to the consumer, and on competition which determines the price charged.

I am well aware that the obligations attendant on operating a network of scheduled routes are such as to push up the cost of fares on these routes in relation to charter traffic; I would, however, urge the Commission to draw up a proposal for the air transport sector as soon as possible. This is more essential than ever before, and ought preferably to be done before the end of this year. I do not feel we can just stand by and watch the rules on competition provided for in the Treaty of Rome being disregarded. Because, in my opinion, that is what is happening.

Ordinary people in Europe like us could easily gain the impression that the large State-owned airline companies can do what they want, and they do not need to heed the provisions and rules set down in the Treaty of Rome.

So now, Mr President, I have attempted to explain my reasons for initiating this debate and I hope that Parliament will consider this matter favourably so that we can arrive at a sensible solution to this sad problem.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, I am very grateful to Mr Kofoed for tabling this oral question since it gives the Commission the opportunity of making more detailed comments.

Vredeling

The first question concerns the uniformity of air fares. In itself that sounds very attractive but the truth of the matter is that there is a great difference in the types of demand for and costs of the various services and that this does not lead to uniformity in air fares. These differences may even appear within one and the same aircraft and on the same flight. Of course it is in the interests of the travelling public and of the economic use of resources in the air transport sector that air fares are adjusted to the various types of passenger needs and that they reflect this difference in costs. Flexibility, transparency and choice : those are individually desirable objectives. The idea of sectoral marketing is increasingly attracting the interest of the airlines.

As regards the level of air fares, the Commission must say that in the past it has not been authorized to assess this nor been in a position to do so.

At present there is no evidence that the air transport sector is making abnormal profits. The air fare system is undoubtedly capable of improvement and there may well be, as Mr Kofoed just said, an enormous difference in fares between domestic flights in the USA and transatlantic flights or internal European flights or flights between Denmark and Greenland. But on the other hand, fares and systems which are applied in one part of the world cannot always be applied in other parts of the world without further ado. A number of studies have been made on fares and costs which set out the consequences for the cost factor of transport intervals, traffic density, loads, multi-lingual international settlement operations, the difference in fuel prices, industrial productivity and employment practices and all kinds of things such as passenger no-show, double booking, the utilization of equipment and crew, etc. These are all factors which affect the costs and therefore prices.

As regards the second question on the application of the rules on competition in air transport, we must first of all realize that it is difficult to talk of an independent price policy pursued by the airline companies. In the agreements made between the Member States on the basis of the Chicago Agreement, in most cases it is laid down that the governments have to approve the fares proposed by the appointed airline companies after consultation with all the airline companies within the framework of IATA.

The Member States therefore bear direct and definitive responsibility for fixing air fares and in a regulation concerning the application of Articles 85 and 86 on the rules on competition for undertakings this aspect must of course be taken into account.

The aim of the regulation being drawn up by the Commission is to lay down implementing provisions for the application of Articles 85 and 86 of the EEC

Treaty to air transport. Accordingly, the regulation must be based on the basic principles set out in the provisions of the Treaty referred to, namely the prohibition of agreements and practices which restrict competition or the abuse of a dominant position.

Because of the special nature of air transport it is particularly necessary here to consider whether, and to what extent, existing agreements between airline companies qualify for collective exemption pursuant to Article 85 (3) or the exception referred to in Article 90 (2) concerning the activities of undertakings which are regarded as services of general economic interest.

It is not the objective of this regulation to include provisions for the application of Community rules on State aid. In this sphere the Commission can intervene directly pursuant to Articles 92, 93 and 94 of the Treaty without more detailed implementing provisions, and can therefore ensure full compliance with the provisions.

As to the third question concerning the definitive draft of a regulation on the application to the air transport sector of the rules on competition laid down in the EEC Treaty, pursuant to Article 87 the European Parliament will, of course, be involved since, when the Commission submits a proposal to the Council, the Council must consult Parliament.

It should also be noted that the simple application of the general provisions of the Treaty will not enable us to make changes in the air fares structure in the short term. That is one of the essential aspects of the air transport policy of the Member States and is a very delicate problem in the policy of the airlines themselves. So it is important that the working party set up by the Council continues to operate and also concerns itself with air fares. The Commission hopes that this will bring about more direct policy changes in the Community than the application of Article 84. I think that the European Parliament should apply its political influence, especially since every Member here is still a member of his national parliament, to support the activities in this field in his dealings with the Governments of the Member States. A lot has already been said about this matter and it has already led to a greater awareness of these problems on the part of national governments and public opinion.

The fourth question refers to the drafting of regulations by the Commission — and this reflects the difficulties in the air transport sector, casting doubts on some traditional practices and once again raising the question of the IATA's role. The Commission has extensively sounded out opinion in the sector so as to help bring about a solution which will take account of all relevant facts.

Early in the second half of this year the Commission will submit a first draft to a meeting of national experts. Once it has incorporated the opinions of these national experts in the draft, reconciling the

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inevitable differences, it will then submit a draft regulation to the Council later in the year. I hope that this has answered Mr Kofoed's question.

I think I can therefore say, Mr President, that a number of steps have already been taken since the Court gave its ruling and encouraged the Commission to go ahead. In its preparations the Commission is going about its business very thoroughly, but we certainly cannot say that it has shelved this question which it considers to be very important.

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

Mr Osborn. — Mr President, first of all may I congratulate Mr Kofoed putting this oral question with debate on behalf of his group. It is very timely that he should do this, and also thank Mr Vredeling for his reply. I had hoped that my colleague, Mr Stetter, from Denmark, would actually be leading for the group, because obviously this is of pressing concern in Scandinavia, but I would like to make a comment as a Conservative, on behalf of the European Conservative Group, and as a member of the Committee on Regional Policy, Regional Planning and Transport.

The second resolution, 234/78, point 1, urges the Commission to submit as soon as possible and before 1 January 1979, practical proposals for rules of competition. Now Mr Vredeling, the Commissioner, outlined what was desirable and what the Community would like to see. He made references to Article 85, subsection 3, Article 90, subsection 2, and even assured us that Article 87, would prevail, and that Parliament would have an opportunity of looking at any proposals. But he did use general words: the Commission is carrying out a survey. In fact, can the Commission produce proposals on competition? Has it the power to do that, bearing in mind their other organizations?

Quite obviously, my group welcomes the fact that there are cheaper air fares, welcomes the initiative of Laker Airways — he is now Sir Frederick Laker, was once Freddie Laker — and even takes note of independent activities of Luxair, Loftleidir or Iceland Air, who have endeavoured to bring cheaper prices. Mr Kofoed outlined the Atlantic fares. Now Panam and other airlines have come in with cheap rates, and the greatest initiative has been that of Freddie Laker. My group obviously welcomed that initiative on a world-wide basis. But there must always be a balance between price-cutting on the one hand, and safety and security on the other. In this sense there must be adequate maintenance of aircraft, adequate testing — particularly where the aircraft is second-hand — proper training of pilots and navigators, proper working conditions for those who run the airline, proper maintenance of discipline. This is a world-wide balance, but we are concerned about what happens in the Community.

I have before me a report of the meeting on 12 June 1978, following the meeting in June 1977, at which the Council committee dealing with this dealt with a number of items, particularly provisions regarding competition, mutual recognition of allowances, working conditions and improvements of inter-regional services. So obviously the appropriate committee is looking at this, and we would like to know more about it. But it is important, when dealing with air traffic, to distinguish between air charter and scheduled airline traffic. Charter meets a need at peak seasons. The scheduled airline traffic meets an infrastructure problem and provides regular services, and comparability of prices between the two is difficult.

But what one must be aware of is that, if there is a liberalization which may have been necessary to bring the prices down, this could lead to a destruction of the companies operating scheduled services and hence a destruction of the highly developed net of airlines which has been built up in Europe, as elsewhere in the world. Therefore the firm position of the main airline companies, the scheduled airline companies, is one that must be balanced against that of the operators.

My colleague, Mr Corrie, has asked a question, No 46, which really followed on a question he asked in September 1975, and the headline that appeared in the papers was: Air routes row could hit Scots flights. But a new development in scheduled airline services was almost a feeder service: the Fokker Friendship, perhaps other small aircraft, doing once or twice-a-day flights from a short airstrip across the North Sea to the other side. Obviously the fares must be reasonable, but if the big scheduled airline companies want to cut up the routes between major countries themselves, the small company cannot get a look in. Therefore we in the Community must look at the problem. And it is not only a Community problem, but it involves the major countries of Europe. It is obviously a Council of Europe matter and a committee of the Council of Europe has in fact been looking into this very issue. As we came over, the main British papers reported, 'airlines sanction plan for more freedom on fares'. There has been a major step forward within IATA. The Community, therefore, in this new field, must take a responsible line as part of a European pattern, and I very much hope that it will be able to respond effectively to the resolution that Mr Kofoed has put forward and take a role with IATA and the other services to give us the type of cheap, comparable services that are so essential in the Community.

President. — I call Mr Kofoed.

Mr Kofoed. — (DK) Mr President, I would like to thank the Commission for the answer we have received, while pointing out that I should like something more specific. Naturally, the Commission's

Kofoed

answer was polite, but it is forgotten that we are here dealing both with transport policy and with competition policy.

I have a feeling that the Commission is perhaps trying to evade the issue. The problem does not relate only to transport. I can put it in the form of a specific and simple question. Is the Commission ready to put forward proposals regarding rules on competition? Because this, after all, is the basic issue now. Now that the IATA agreements have been changed, we should be seeing a Commission proposal in 1978 dealing with rules on competition or otherwise we may run the risk, for example, as pointed out by my British colleague, of our excellent system of air transport disintegrating because there are no rules on competition offering protection both against over-pricing and against under-pricing. I would therefore ask you, Mr Vredeling, whether the Commission is ready to follow up the request to put forward proposals regarding rules on competition in the air transport sector?

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, the fault is probably mine. I was possibly somewhat unclear. For both Mr Osborn and Mr Kofoed say that I have made all the right noises but that I have been evasive. I honestly thought that I has said very clearly that we are to submit proposals. We are going to submit proposals on competition. I am not just saying anything: I really did make sure of what I was saying. So that is what I can tell you. I have here a document entitled 'Recommendations of the executive committee on traffic conferences, procedures and objectives' from the International Air Transport Association. In the light of Article 84 etc. of the Treaty we should look at this very carefully. My answer to Mr Osborn and Mr Kofoed is thus in the affirmative. We will also submit proposals in the field of competition policy with respect to the air transport sector.

Then, Mr President, may I make one or two comments about what Mr Osborn said. At the Council meeting of 12 June 1978 the Commission representative pointed out that the Commission was seriously concerned at the current and prospective situation on the North Atlantic route. On that occasion my colleague invited the Council to give national governments instructions on the basis of which cooperation could be instituted at Community level as regards that problem, on the basis of which they could try to find a solution to their temporary difficulties and differences of opinion.

The difficulties on the North Atlantic route are in themselves somewhat more complex and therefore not so simple as some people, especially the American

authorities, would have us believe. At this moment the Community has a very large share in the North Atlantic market and that share is much bigger than that of the American companies. With the recent introduction of very low prices for flights between the two continents the Americans have made a start, but that has resulted in an increase in the share of the European airlines. I think it would be too early to judge whether the introduction of very low fares on the North Atlantic route is economically prudent. It is somewhat too early to assess that, but there are signs that the low fares on certain North American routes have been a very valuable experiment, resulting in increased income and profits for the airlines. The North Atlantic route, however, is suffering very heavy losses.

For example, Overseas National Airways, one of the major charter companies, has gone into liquidation, and Pan American and Transworld Airlines have lost a lot of money in the first quarter of 1978, specifically on the North Atlantic routes.

President. — The debate is closed.

I have received from Mr Kofoed, on behalf of the Liberal and Democratic Group, a motion for a resolution (Doc. 234/78), with a request for an immediate vote, pursuant to Rule 47 (5) of the Rules of Procedure, to wind up the debate on the restriction of competition in the air transport sector.

The vote on the request for an immediate vote will take place at the beginning of tomorrow's sitting.

The debate is closed.

15. Agenda for the next sitting

President. — The next sitting will be held tomorrow, Friday, 7 July 1978 at 9 a.m. with the following agenda:

- Procedure without report
- Decision on the request for an immediate vote on a motion for a resolution
- Ligios report on a common forestry measure
- Two Howell reports on milk
- Cifarelli report on fruit and vegetables
- Lamberts report on dangerous preparations
- Albers interim report on the Tripartite Conference
- Motion for a resolution by Mr Albers and others on youth employment
- Motion for a resolution by Mr Porcu and others on the iron and steel industry

End of sitting: Vote on motions for resolutions on which the debate has closed.

The sitting is closed.

(The sitting was closed at 7.45 p.m.)

ANNEX

Questions which could not be answered during Question Time, with written answers

Question No 33 by Mr Herbert

Subject: Special measures for the West of Ireland

What progress has been made in drafting the special measures for the West of Ireland as agreed to by the Council of Ministers in this year's Agricultural Prices Review?

Answer

Following preliminary contacts in May, Irish officials and Commission representatives met on 12 June to discuss a wide range of problems closely affecting the West of Ireland and what could be done to solve them. Ireland is currently taking steps to provide the Commission with additional information to enable it to submit specific proposals to the Council in the near future.

Question No 34 by Mr Pisoni

Subject: Use of mass media for migrant workers

The Commission's 1975 action programme provided for wider use of the mass media for the cultural, linguistic and vocational training of migrant workers. Can the Commission give more details of the study being carried out into the implementation of this proposal and state whether or not a positive result may be expected at an early date?

Answer

The resolution adopted by the Ministers of Education on 9 February 1976 on an action programme in the field of education made provision for educational studies and research on various topics including the present and proposed arrangements for educational and language-teaching programmes on radio and television. The purpose of this was to create better cultural and vocational training opportunities for nationals of other Member States and their children.

The radio and television organizations drew up a survey of their activities for migrant workers (May 1976). It showed that interesting educational programmes were being prepared in the United Kingdom.

At the Commission's request, the BBC drew up a report on its educational activities for migrant workers with particular reference to the PAROSI project.

The Commission intends to bring the authors of this programme into contact with their colleagues in the radio and television services of the other Member States.

Interesting schemes can be expected to follow this exchange of views at Community level with regard to the cultural training, language teaching and vocational training of migrant workers and the Commission intends to support them.

Question No 38 by Mr Leonardi

Subject: Economic situation of the Community

Does the Commission not believe that it would be useful, as on the occasion of the establishment of the Community and at the end of the transitional period, to again draw up a report, at this time of crisis and transition (economic and monetary union), on the position of the EEC in the world, along the lines of the 'Report on the competitive situation of the Community' published in 1971?

Answer

The Commission shares the honourable Member's concern. In recent years the Commission has made a detailed analysis of the problems which the Community has to face and further developed its

ideas so as to create the most favourable circumstances for the proposals which it submits by virtue of its initiatory role. It has not set down its deliberations in a single document, since, of necessity, insight is gained only gradually into this difficult subject.

The honourable Member may, however, get a good idea of the present state of these deliberations and activities from the documents drawn up by the Commission, including the Fourth Medium-Term Economic Policy Programme as well as the working documents for the Tripartite Conference due to take place in the autumn which will become available shortly.

The annual report on the economic situation in the Community laying down guidelines for economic policy in 1979, which the Commission will submit to the Council at the end of the year, will enable the Community to define more closely its ideas and main lines of action in the way in which the honourable Member desires.

Question No 39 by Mr Lagorce

Subject : Lomé Convention

Which developing countries have had their applications for accession to the Lomé Convention rejected, and why?

Answer

1. Articles 89 and 90 of the Convention of Lomé deal with the accession to the Convention.

In its memorandum for the renewal of the Lomé Convention which has already been sent to the Honourable Members of Parliament, the Commission stated that the following would be eligible — in the future as at present — to become contracting parties to the new convention :

- in Africa south of the Sahara : any developing State which has become independent or becomes independent in the future ;
- outside Africa : the countries and territories referred to in Part Four of the Treaty of Rome and listed in Annex IV thereto, which become independent.

2. Until now, only Haiti has applied for accession to the Convention of Lomé. This request did not receive a positive answer as that country falls outside the geographical area I have just defined.

Question No 48 by Mr Ryan

Subject : Fishing industry and enlarged Community

Having regard to the present serious plight of the fishing industry in the Community, will the Commission make a statement on the impact on the industry in the event of Spain, Portugal and Greece becoming members and in particular indicate the steps which will be taken in the event of an enlarged Community to ensure that there will not be any increase in the number of fishing vessels having access to coastal waters ?

Answer

1. Exchanges in fisheries products with Greece are practically of no importance while Portugal is an important supplier of canned fish to the Community (total net exports : 30 000 tonnes in 1975 of which 19 000 = 63 % to EEC). Since the overall fish production of these two countries (Greece 2.5 % Portugal 6 % of EEC production) is relatively limited, even a total abolition of tariffs (now up to 25 %) is not likely to lead to an increase of total imports of fish products into the present Member States of a magnitude likely to create serious problems for the fish industries of the 'Nine' seen in an overall perspective. However, for specific products, and in particular sardines, an abolition of tariff barriers could lead to difficulties for the industry in present Member States.
2. Spain, too, is a net exporter and an important supplier of canned fish to the Community (total net exports : 46 000 tonnes in 1975 of which 16 000 = 34 % to EEC). Taking into consideration that Spain's fish production accounts for 30 % of the Community's her exports may well increase considerably following an abolition of tariff barriers.
3. The catch possibilities of these countries could be governed by the applicable Community rules in the fisheries sector, taking into account possible specific provisions which could be foreseen in the Treaty of Accession.

Question No 49 by Mr De Clercq

Subject : Earthquake in Salonika

Has the Commission been able to ascertain the extent of the destruction wrought by the disaster in Salonika on 20 June 1978, and what Community measures does the Commission feel it can take, with the agreement of the Greek Government, immediately and in the medium term ?

Answer

When it learnt of the catastrophe in Salonika, the Commission conveyed its condolences to the Greek Government for the tragedy which had struck the country.

On the basis of the information at present available to the Commission, the effects of the earthquake have been these :

Approximately 40 people were killed and 200 injured ; a large number are living in temporary shelters in Salonika itself, while the rest of the population has abandoned the city to stay in the surrounding area ; 30 000 private houses and 230 blocks of flats were damaged to varying degrees ; the roads, bridges and factories have not been damaged ; the telephone system was restored 24 hours after the catastrophe.

The Greek Government, which seems to be in complete control of the situation, has indicated that it is not requesting any international aid and indeed, from the contacts which have been made with the Greek mission to the EEC, it appears that so far the Greek Government has not announced any intention of requesting aid from the Community.

Question No 51 by Mr Fuchs

Subject : Emission of aerosols

How does the Commission view press reports that the emission of aerosols by nuclear power stations may act through the plant-animal-human being food chain and cause the permitted maximum individual concentration of 30 millirems per day to be greatly exceeded in the vicinity of the power stations ?

Answer

The Commission has not seen the press reports which are mentioned in the question. It is nevertheless able to give the following information :

Aerosols form part of the small quantity of radioactive waste released in a gaseous state during the operation of a nuclear power station.

The Commission is kept informed by the Member States of the amounts of radioactivity released by nuclear plant into the environment — including radioactive aerosols. From these data, which are periodically published by the Commission¹, it appears that the amounts of radioactivity which find their way into the environment by this means are extremely small. The human exposure involved is, from a radiological view, insignificant and has always remained far below the radiation limits which have been set.

The radiation limit of 30 millirems per day mentioned in the question does not exist. Perhaps the honourable Member means the limit of 30 millirems per year for gaseous releases from nuclear plant which is laid down in German law.

Question No 52 by Mr Howell

Subject : Ploughing-up grants

Will the Commission consider the introduction of a system of ploughing-up grants for grassland to encourage cereal production in the place of milk production in the Community ?

Answer

The system of ploughing-up grants for grassland is one of the measures which possibly could be examined by the Commission in the context of the milk programme which will be submitted to the Council before 1 August 1978.

¹Radioactive effluents from nuclear power stations in the Community.

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IN THE CHAIR : MR MEINTZ

Vice-President

(the sitting was opened at 9 a.m.)

President. — The sitting is open.

1. *Approval of the minutes*

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

Are there any comments?

The minutes of proceedings are approved.

2. *Membership of committees*

President. — I have received from the Socialist Group a request for the appointment of the following members to the following committees :

- *Legal Affairs Committee* :
Lord Murray of Gravesend
- *Committee on Social Affairs, Employment and Education* :
Lord Murray of Gravesend to replace Mr Cunningham
- *Committee on Agriculture* :
Mr Cunningham
- *Committee on External Economic Relations* :
Sir Geoffrey de Freitas
- *Committee on Development and Cooperation* :
Mr Cunningham to replace Sir Geoffrey de Freitas
- *Committee on the Rules of Procedure and Petitions* :
Lord Murray of Gravesend to replace Mr Cunningham
- *Consultative Assembly of the ACP-EEC Convention* :
Mr Cunningham to replace Sir Geoffrey de Freitas.

Are there any objections?

These appointments are ratified.

3. *Documents received*

President. — I have received a motion for a resolution tabled by Mr Kofoed pursuant to Rule 25 of the Rules of Procedure, on the restrictions of competition in the air transport sector (Doc. 235/78).

This motion has been referred to the Committee on Economic and Monetary Affairs and the committee responsible, and to the Committee on Regional Policy, Regional Planning and Transport for its opinion.

4. *Budgetary timetable for 1978*

President. — On a proposal from the Committee on Budgets, in agreement with the enlarged Bureau, and following a gentleman's agreement reached with the Community institutions concerned, I propose that the budgetary calendar for 1978, drawn up on the basis of the relevant provisions of the Treaties, be fixed as follows :

- September part-session : Council presentation of the draft budget, followed by a debate ;
- 27 September 1978 : deadline for submission of amendments and modifications and the opinions of the committees concerned ;
- 6 October 1978 : deadline for submission by the political groups of amendments and modifications ;
- 23-25 October 1978 : debate in plenary sitting — first reading of the draft budget ;
- 23 October 1978 at 8 p.m. : final deadline for tabling amendments and modifications ;
- 25 October 1978 : vote in plenary sitting ;
- 28 November 1978 : deadline for submission of amendments by committees and political groups ;
- 12 December 1978 : debate in plenary sitting — second reading ;
- 12 December 1978 at 6 p.m. : final deadline for tabling amendments ;
- 14 December 1978 : vote and adoption of the budget.

Are there any objections?

That is agreed.

5. *Petitions*

President. — By letter of 16 June 1978, the Council has given its opinion on Petition No 1/77 by Mr Volker Heidt on a supranational postage stamp to mark direct elections.

This letter has been forwarded to the interested committees and will be published in the Bulletin of Parliament.

I have received from Mr Heinz Maselkowski a petition on pension rights in the EEC.

This petition has been entered under No 13/78 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.

6. *Procedure without report*

President. — Since no member has asked leave to speak and no amendments have been tabled to them, I declare approved under the procedure without report

President

laid down in Rule 27A of the Rules of Procedure the following Commission proposals which I announced during the sitting of Monday, 3 July 1978 :

- Proposal from the Commission of the European Communities to the Council for a directive amending Directive 77/799/EEC concerning mutual assistance by the competent authorities of the Member States in the field of direct taxation (Doc. 134/78)
- Proposal from the Commission of the European Communities to the Council for a decision modifying Decision 74/642 adopting a research training programme for the European Atomic Energy Community on plutonium recycling in light-water reactors (Doc. 166/78).

7. Resolution pursuant to Rule 47 (5)

President. — The next item is the decision on the request for an immediate vote on the motion for a resolution tabled pursuant to Rule 47 (5) of the Rules of Procedure on the restriction of competition in the air transport sector (Doc. 234/78).

I call Mr Nyborg.

Mr Nyborg. — (DK) Mr President, I should like to say why I intend to vote against the request for urgent procedure.

It is not because I think that what Mr Kofoed is proposing in his motion for a resolution is wrong but rather it is because, in my opinion, this matter is far too important for us to take a decision on it in such a hurried way. I think that this resolution ought to be referred to the Committee on Economic and Monetary Affairs and I therefore ask my colleagues to vote against urgent procedure.

President. — I call Mr Kofoed.

Mr Kofoed. — (DK) Mr President, if it can be dealt with quickly in the Committee on Economic and Monetary Affairs, I have no objection to this motion being referred to the Committee on Economic and Monetary Affairs.

President. — I call Lord Bruce of Donington.

Lord Bruce of Donington. — Mr President, despite what the rapporteur said on this, my group sees nothing objectionable in the proposal that the Commission should submit as soon as possible and before 1 January 1979 practical proposals for rules on competition in the air transport sector. This matter has been lying dormant for some twenty years. It does not seem to me or to my group that there is any fundamental parliamentary principle at risk if we ask the Commission to get a move on. I should have thought it would be in the interest of Parliament as a whole that it should be urged so to do. The air fares in

Europe are a public scandal. The way in which air transportation in Europe subsidizes trans-Atlantic fares and the colossal racket in the fixing of air fares between the air companies is something that should be ventilated with the utmost speed. I would therefore have thought that the urgent procedure was well in order, if only to put a bomb under the Commission.

President. — May I ask Mr Kofoed if he has in fact asked for referral to committee ?

Mr Kofoed. — (DK) Mr President, I realize that Parliament's procedures are very complex. I would have liked my motion for a resolution to be discussed in committee but at the same time I feel it would be right for this short request to the Commission to be in fact adopted so that the Commission should know that Parliament does want to receive this proposal from the Commission.

The procedure being what it is, I must agree with Lord Bruce that we must adopt this resolution that has been submitted and then we hope that the Committee on Economic and Monetary Affairs will use its influence to press this matter with the Commission in the Autumn.

So I believe that it would be right for us to vote on this motion for a resolution and to adopt it.

President. — I call Mr Osborn.

Mr Osborn. — Mr President, this is a difficult situation, but I deliberately asked the Commissioner whether he was in a position to produce such proposals or not and he replied that he was. Therefore, I back Mr Kofoed : we should ask the Commission to produce proposals so our committees can look at them, not only the Committee on Economic and Monetary Affairs but also the Committee on Regional Policy, Regional Planning and Transport.

President. — I call Mr Yeats.

Mr Yeats. — Mr President, I think that we are not serious as a Parliament if we take decisions of this kind in this casual way without debate. It seems to me that it is quite improbable and indeed impossible that the Commission can produce anything of this nature between now and September. Let us be realistic about this. The Committee concerned can meet at the beginning of September and deal with it in the ordinary way, so I personally am going to vote against.

President. — I put the request for an immediate vote to the vote.

That is agreed.

The motion for a resolution will be put to the vote at the end of the sitting.

8. Regulation on a common forestry measure

President. — The next item is the report (Doc. 201/78) drawn up on behalf of the Committee on Agriculture by Mr Ligios on the proposal from the Commission of the European Communities to the Council (Doc. 130/78) for a regulation on a common measure for forestry in certain dry Mediterranean zones of the Community (Doc. 201/78).

I call Mr Kofoed.

Mr Kofoed, deputy rapporteur. — (DK) Mr President, since our friend, Mr Ligios, cannot be present in the House, I have briefly to present his report. The proposal is part of the Mediterranean package which was adopted during the price review and I can tell Parliament that we discussed it in the Committee on Agriculture and we adopted the report unanimously and therefore I shall recommend a vote in favour of this report. I may add that the proposed amendment tabled by Mr Hansen on behalf of the Committee on Budgets is acceptable to our rapporteur.

Mr President, I therefore recommend a vote in favour of this motion for a resolution.

President. — I call Mr Hansen to give the opinion of the Committee on Budgets.

Mr Hansen, draftsman of an opinion. — (F) Mr President, the Committee on Budgets has already had occasion to examine the Commission's general guidelines on the Mediterranean agriculture policy of the Community.

At that time Mr Scott-Hopkins stressed the importance of such a policy. And forestry aid to the dry zones of the Community is an essential part of that mediterranean policy.

This proposal of the cost of executing the work undertaken fixes Community aid at 50 %. The Commission tells us that the amount of funds available from the budget from 1978 to 1984 will be 230 million units of account. This is a major financial operation and the Commission should therefore supply us with as much financial information as possible.

At a meeting of the Committee on Budgets, I asked the Commission to give us some further information, together with all the information they had, and to explain how it planned to coordinate this aid with other Community aids, how it had arrived at the figure mentioned and how it was going to integrate this policy with the enlargements, of the Community. At the committee meeting on 21 June last, we received further information on these points and are now able to express a favourable opinion on this proposal.

However, there is still a procedural problem. In its document the Commission proposes an approval procedure for the programmes which seems too

complicated. The Commission has to consult the Fund Committee of the EAGGF as well as the Standing Committee on Agricultural Structures.

Should the Standing Committee wish to disagree with the Commission's proposal, the Council is notified and the Committee may take a different decision. We wonder if it is really necessary to consult these two committees, which are both composed of national experts. The Committee on Budgets suggests that we uphold our proposal to include Parliament in any decision with financial implications and where the Council is called in to settle a difference of opinion between the Committee and the Commission.

This is a well-known problem and our doctrine on this point has been hammered out in the course of numerous debates. The draft amendment to Article 15 of the proposal for a regulation echoes to the letter the amendments passed by Parliament after examining Mr Ryan's report on rules for financing certain interventions in the agricultural sector and also proposed by Mr Schreiber in his opinion on sheepmeat. I therefore submit this draft amendment to Article 15 to you, Mr President.

In respect of Article 15, I propose an amendment asking that the European Parliament be consulted on any granting of aid, which was implicit in the text drafted by the Commission.

Mr President, I think that with these two amendments and the supplementary information supplied by the Commission the Committee on Budgets can give its support to the proposal as a whole, as put forward by Mr Ligios in his excellent report.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission — (NL) Mr President, the Commission is particularly anxious that Parliament should approve its proposal to support forestry in certain dry Mediterranean zones on the basis of Mr Ligios' report on behalf of the Committee on Agriculture and the opinion of the Committee on Budgets which Mr Hansen drew up and which contains a number of very constructive comments.

I do not think that I need to talk at length about the significance of our proposal. Reafforestation is extremely important for agriculture. I would point out that although this proposal only relates to a fairly small area, such reafforestation will benefit agriculture in that area much more than might be immediately apparent from the mere figures.

I would also point out that the proposed measures will also be very beneficial in that the activities connected with reafforestation will create jobs, especially in poor and economically backward agricultural areas which are particularly affected by the considerable shortage of available jobs.

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In this respect, too, it is particularly important that the Community should aid these Mediterranean zones.

The Committee on Budgets tabled an amendment concerning the management committee procedure. This is an old chestnut. I mentioned it yesterday in a different context in the debate on fisheries. The management committee procedure was set up in the early stages of the common agricultural policy. So what is involved here is nothing more than standard practice.

I am well aware of Parliament's view on this matter. I would even say that I agree with its point of view, but of course we cannot suddenly change this procedure in a regulation, otherwise we should have to amend every existing regulation. The truth of the matter is that the Council is not prepared to give the Commission the implementing powers which actually devolve upon it in accordance with the Treaty's intentions.

Such has been the case now for years, ever since the early 1960s. If this procedure were to be amended, then of course Parliament could exercise its control function with respect to the Commission, whereas at the moment the Council still retains for itself the right to take decisions, or at least it reserves the right to do so in case it should wish to use its powers. As long as this situation prevails I think that it would be wrong to amend this aspect, which is not unimportant from a political point of view, on the basis of one particular case. Consequently the Commission does not consider it appropriate on this occasion to amend its proposal in line with the opinion delivered by Parliament on this matter.

President. — Does anyone else wish to speak? The motion for a resolution will be put to the vote together with the amendments which have been tabled at the end of the sitting.

The debate is closed.

9. Regulations and decision concerning milk and milk products

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

— the report (Doc. 225/78) drawn up on behalf of the Committee on Agriculture by Mr Howell on

the proposals from the Commission of the European Communities to the Council (Doc. 177/78) for

I. a regulation amending Regulation (EEC) No 804/68 on the organization of the markets in milk and milk products

II. a regulation on the sale of butter at reduced prices to persons receiving social assistance

— the report (Doc. 226/78) drawn up on behalf of the Committee on Agriculture by Mr Howell on

the proposal from the Commission of the European Communities to the Council (Doc. 212/78) for a decision

authorizing the United Kingdom to grant a national aid to milk producers in Northern Ireland.

I call Mr Kofoed.

Mr Kofoed, deputy rapporteur. — (DK) Since Mr Howell is unable to be present, I have to present these reports to Parliament in his stead. Both reports result from the price settlement which the Council of Ministers reached in May. The Committee on Agriculture has discussed these three proposals on social butter — as we call it — and aid to cheese production in Italy and we support the proposals as they have been submitted. There was unanimity in committee apart from one Member who wished not to take part in the vote. Thus on behalf of the committee, I would recommend that Parliament adopt these motions for resolutions.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, I am delighted that the committee supports our proposal.

President. — Does anyone else wish to speak?

The motions for a resolution will be put to the vote as they stand at the end of the sitting.

The debate is closed.

10. Regulations on fruit and vegetables

President. — The next item is the report (Doc. 208/78) drawn up on behalf of the Committee on Agriculture by Mr Cifarelli on :

the proposals from the Commission of the European Communities to the Council (Doc. 207/78) for :

I. a regulation amending Regulation (EEC) No 1035/72 on the common organization of the markets in fruit and vegetables

II. a regulation amending Regulation (EEC) No 1035/77 laying down special measures to encourage the marketing of products processed from lemons.

I call Mr Kofoed.

Mr Kofoed, deputy rapporteur. — (DK) Mr President, here is another proposal which was adopted in connection with the price package and since Mr Cifarelli cannot be present, I have promised to present the report to Parliament.

We discussed this proposal in some detail in the Committee on Agriculture and gave it our unanimous support and hence I would recommend Parliament to vote in favour of this motion for a resolution.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, I should like to thank Parliament for its unconditional support for the Commission on this matter.

President. — Does anyone else wish 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. *Directive on dangerous preparations*

President. — The next item is the report (Doc. 181/78) drawn up on behalf of the Committee on the Environment, Public Health and Consumer Protection by Mr Lamberts on

the proposal from the Commission of the European Communities to the Council (Doc. 511/77) for a directive amending Directive 73/173/EEC of 4 June 1973 on the approximation of Member States' laws, regulations and administrative provisions relating to the classification, packaging and labelling of dangerous preparations (solvents).

I call Mr Lamberts.

Mr Lamberts, rapporteur. — (NL) Mr President, it is very important for me that I should be the one to speak today on behalf of the Committee on the Environment, Public Health and Consumer Protection on the draft report on the proposal amending the directive on dangerous solvents.

It would appear that this draft report only aims at strengthening the Community standards already in force relating to the packaging and labelling of solvents principally in order to take account of technical progress.

Mr President, this is of course very important in the social sphere and the committee therefore welcomes this proposal.

But those who have read the draft report thoroughly will realize that if the European Parliament adopts it today, much more will be achieved than by the motion for a resolution, the amendments and the explanatory statement.

Apart from regulating these matters, which to many might seem insignificant, we shall be taking an important step forward because we shall be deciding that from now on commercial interests shall no longer take precedence over common human objectives. If this draft report is adopted we shall be going against the views of trade and industry, particularly those of the chemical industry. During our discussions in committee I expressly drew the members' attention to this fact. Nonetheless, we were unanimous in our support for this draft report and I hope that this House will do likewise. In so doing it will in essence be stating that the protection of the health of the Community's citizens clearly takes precedence over the interests of the chemical industry, however important we may consider the latter to be. Of course we shall require new chemical products in future and we should be grateful to the industry for all its efforts.

But the last 15 to 20 years have clearly taught us that health protection is even more important.

You can read more about the importance of protecting health against dangerous substances in the Notice to Members I sent out on 9 June 1978 and which is essential to the understanding of this draft report. I should like to discuss this document in greater detail. In fact our committee will reconsider this document next spring. This House devotes more time to debates on numerous subjects which are of less interest to the European citizen and less important in his daily life. Those of us working on behalf of public health are frequently too modest in comparison with all those working for trade and industry. From now on, however, we shall no longer be able to ignore health protection and the chemical industry will have to submit its plans and products to the health authorities for approval before it can develop them further. That is laid down in principle in paragraph 5 of the motion for a resolution, and if the European Parliament adopts this draft report it will consequently be accepting a radical change in its policy. Paragraph 5 says that over a specific period we should make every effort to insert into Community legislation provisions similar to those which came into force in the United States of America on 1 May 1978.

The American *Toxic Substances Control Act* lays down that substances which have not been registered before 1 May 1978 are regarded as new. New chemicals must be registered at least 90 days before production or importation, all necessary data being submitted at the same time. There are a number of essential differences between the TSCA and the proposed EEC directive. According to the EEC directive a producer may defer the submission of information on a new chemical until the day on which that chemical is put on the market. The directive does not apply to existing chemicals. Nor does it provide for systematic analysis of the information gathered on existing chemicals in the way that the TSCA does.

After approximately five years of fierce debates the Toxic Substances Control Act was adopted by the US Congress on 11 October 1976. The act submits the whole chemical industry of the United States to comprehensive control at federal level. This is an innovation for the US and will have important consequences for public health and the quality of the environment.

The TSCA gives the Environmental Protection Agency (EPA) extensive powers to trace harmful chemicals and, where appropriate, to take measures to eliminate them.

This applies both the chemicals which are already in production and new substances, the latter before they are put on the market. That is an essential point. The Act gives the EPA powers in every phase of industrial

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development: product development, research and testing, manufacture, processing, distribution and waste disposal. Moreover, since the TSCA treats persons importing chemicals into the United States as though they were American producers, the scope of the EPA's powers is not limited to the United States alone but its authority extends in fact over the whole important multi-billion-dollar international chemical market in which we here in Europe are also represented.

One of the most important principles on which the TSCA is based is that the public interest demands that the EPA should have power to take action before harmful chemicals can pose a threat to health or the environment.

In his latest message on the environment to Congress, President Carter emphasized this important point once again: 'The presence of toxic chemicals in our environment is one of the gravest discoveries of the industrial age. It is not enough merely to take note of their presence and do all that is possible to combat their consequences. Our primary aim must be to prevent the substances from finding their way into the environment'.

The TSCA provided the United States with the means of putting this preventive policy into effect — and not before time, for evidence is accumulating throughout the world that toxic chemicals play a major role in public health questions, despite the undoubted spectacular advances achieved in public health over the last hundred years.

As regards this last point, a few figures will give some indication: in 1850 the average life expectancy of a woman born in the US was approximately 40 years. For a man it was approximately 38 years. At the turn of the century these averages had increased to 50 for a woman and 46 for a man. By 1950 life expectancy had increased considerably, in particular as a result of improved health care, to 72 for a woman and 68 for a man.

But since 1950, in the last 28 years, that is, there has been little further improvement. Only a few years of healthy life have been added. In view of the huge expenditure on medical research, the sharp increase in the cost of public health and the increased use of medicines and sophisticated medical equipment, this increase in life expectancy is surprisingly small. Some people would have it that guarantees cannot be given for the human body: that it will eventually wear out and sooner or later we all have to die and that we have now reached our maximum life expectancy.

But most experts in this field have a different idea. There are in fact areas in the world where people live much longer than is usual in industrialized regions and where some diseases, which have become the major causes of death for the inhabitants of the indus-

trialized world are totally unknown. Health experts suspect that cardio-vascular diseases, strokes, miscarriages, congenital defects and various neurological problems are also connected with the presence of chemicals in the environment.

In particular it can be said in this context that the US Toxic Substances Control Act is an important new weapon of national strategy to promote health and well-being and to prevent illness. And it is intended to use this weapon in a sensible but effective way.

One of the most important provisions of the TSCA requires the EPA to draw up a balance of the risks and advantages which will accrue to society from the use of each chemical which it examines. In the case of each chemical about which a decision has to be taken whether to do something and, if so, what, an answer must be given to the following questions: what effects on health can the substance produce? Does it cause cancer? Congenital malformation? Can it cause damage to embryonic life? Can it cause other health problems? What ecological effect must be taken into account? How many people will come into contact with the substance and under what circumstances?

All these questions look at only one aspect of the question. But it is also necessary to look at the other side of the coin — the social and economic advantages which society may derive from the use of the chemical: how much employment is created by production of the substance? Is it a basic product for an important branch of industry? Can it be replaced by another substance which is 'safer' and, if so, at what cost?

What should we lose if its use were completely denied us? How much would it cost to develop a substitute? These are all questions which must, of course, be taken into consideration.

One of the problems of EEC legislation and the TSCA is that no account has been taken of pollution by contaminants. One of the great dangers, for example, are the nitrosamine contaminants, substances which are present everywhere in our environment, in food, in the air and which can be converted in the stomach into very dangerous carcinogenic substances. These substances are still not taken into account. Last week we had another case in Sweden. As a result of the use of hexachlorophene children were born with congenital defects. These substances are advertised daily in our newspapers and are very dangerous; we must do something here.

Doctors are at present convinced that we could live another 20 years in good health and control of our faculties if we first ensured that people ate more sensibly and behaved naturally and if the government ensures that the environment was not so polluted with thousands of different substances which, even in small amounts, damage human health.

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At the moment, people living in the Netherlands are obliged to take drinking water from the Rhine, a river in which rainbow trout can no longer live and breed as they should. Human and fish life largely depend on the same factors, but people living in the Netherlands must drink Rhine water in which no fish can live properly. And these matters are amongst the most urgent tasks facing the Commissioner responsible for public health in our European Community. Of course, medicaments, the establishment of doctors, dentists and so on are important but insignificant in comparison.

But in conclusion, Mr President, I should like to return to matters which are perhaps details, although they, too, are important.

The Committee on the Environment, Public Health and Consumer Protection thought it important that a better definition of a solvent be drawn up as you can see in paragraph 2 of the motion for a resolution and in the amended text.

Of course, this is not an earth-shattering matter and it is naturally always dangerous to give definitions. I should like to take this opportunity of thanking my Dutch expert colleagues for giving me a helping hand.

Mr President, as a former general practitioner, paragraph 10 of the motion for a resolution is of the utmost importance for me in emotional terms. When I think of the numerous small children, babies and toddlers, that I have seen suffering from the effects of serious corrosive action, burns to the throat, gullet and stomach, I still shudder with guilt. We adults are responsible for all the pain suffered by these children who in many cases die in agony in early childhood. Our modern society can prevent this at a cost of one penny per bottle or can or whatever is used for packaging. Ladies and gentlemen, do not then burden your consciences for one penny but support our motion for a resolution and do so in such a way that the Commission and Council are obliged to take action.

In the context of this draft legislation it is of course extremely important that the housewife and possibly even more so, the clumsy husband, who runs the house or is a do-it-yourself man should be protected against dangerous substances.

Men are marvellous when it comes to solving the most complicated chemical formulae and laws of physics, but in the eyes of our better halves we are fumble-fisted when we try to apply all this advanced science to our daily lives. Let me tell you about an article which appeared last year in a Dutch medical journal about a soldier who had dirtied his uniform. We have all seen that well-known spray can containing spot remover: this soldier thought quite simply: 'Well, I'll keep my uniform on and spray the whole lot'. This he did and as a result suffered from acute atrophy of the liver and a few months later died in great pain.

There is another happier medical story about the seaman who worked on a tanker and was away for four or five months at a time. Each time he returned home to his wife he contracted acute eczema on his chest. Now, we always imagine that sailors contract these diseases away from home but he used to suffer every time when he was at home with his wife. Finally, after a long investigation, it was discovered that his wife, who wasn't getting any younger, dyed her hair each time he came home. When she snuggled her head against his rugged sailor's chest her dyed hair came into contact with his skin. We know that there are still at least eight hair preparations on the market which contain carcinogens and some well-known lipsticks or well-known makes which are carcinogenic. These are dangers for our society and no clear symbol appears on the box or whatever packaging is used.

So, Mr President, I should like to urge that clear pictograms be printed on packaging and that clear instructions be given to prevent mishaps with dangerous chemical preparations and solvents.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, I should like to begin by thanking the rapporteur, Mr Lamberts, for his extremely interesting introduction. It may have exceeded the limits of the subject to some extent but quite rightly so.

If I remember correctly he set out the main outlines of his argument in a notice to all members last year. The rapporteur's opinion is particularly valuable because it is based on his own experience. It is extremely interesting that he is now extending these lines on the basis of the proposal which we submitted to Parliament on the packaging of dangerous substances. I do not wish to spend a long time now discussing what Mr Lamberts said but I shall certainly bear it in mind. We can accept the amendments tabled by the Committee on the Environment, Public Health and Consumer Protection with one exception and that is the addition of a new paragraph 4(a) to the first paragraph of Article 5.

We cannot comply with the request that first aid instructions should be given should dangerous solvents be wrongly used. Although the request is in itself understandable, we must realize that human factors are involved here which cause a problem. For example, in a great many cases if people became ill from the toxic effect of such substances and it said on the label that an antidote must be taken, they would regard that as sufficient and not do what they should do and consult a doctor.

And then there is the practical difficulty that the name of the antidote will frequently differ from country to country. The manufacturer who is respon-

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sible for the label cannot always know in which country his product will be used, especially if it remains in the Community now that we have free movement of goods. For these practical reasons the proposed amendment is therefore not really feasible. I would not exclude the possibility of paying attention to this problem at a later stage, but then it would also merit further study. So on behalf of the Commission I cannot agree to the amendment of the directive in this respect.

But we will gladly accept the rapporteur's other amendments.

May I now make one comment to prevent any misunderstanding. I am speaking here on behalf of the Commission but for this particular item I am deputizing for Viscount Davignon. Mr Lamberts addressed himself to the Commissioner responsible for public health, but then it concerns a specific matter. He is correct in the sense that as Commissioner for Employment and Social Affairs, which is my official title, because last December there was a meeting of the Council of Health Ministers and the second is being prepared for November, I have gradually taken over responsibility in the Commission for the relevant preparatory work. But on the subject now under discussion I am only deputizing for Viscount Davignon. That means, therefore, that the competences of the Directorates-General have not yet been aligned with a possible development which I would gladly support. Of course the Community should not only issue directives in the field of trade, transport, wing mirrors and car mudflaps, it should also be able to act in the fundamental sphere of public health. I know that last December the Health Ministers expressed that wish and they signified their intention to continue their activities in the Council of the European Community or, if the EEC Treaty does not allow that, to meet formally as the phrase has it 'as representatives of the Member States within the framework of the Council'.

I find that public health is to some extent becoming my responsibility. In any case Mr Lamberts has made some very interesting comments, for example, concerning legislation and the supervisory activity in the United States. I have already taken note of these. Members of staff from my Directorate-General have been to Washington to discuss these matters.

Because of the distribution of portfolios in the Commission, Mr Haferkamp is responsible for the trade aspect of this matter. At all events I know that the Americans are very interested in what we in the Community are doing, especially in a more or less related area: our action programme on safety and health at work which the Council adopted last week. The Americans are very keen on discussing this with

us. Then there are problems such as asbestos which is not only of the utmost importance for the work environment but also for our general environment. Mr Lamberts is right when he says that restrictions in the United States are frequently much much stricter than ours. I therefore feel that development should be parallel in the United States, western Europe and Japan, because we all have similar industrially developed societies.

Early in September I shall be paying an official visit to the United States including Washington. The TSCA is on my agenda and it will come up for discussion. In due course, if the appropriate parliamentary committee so desires, I can publish a report on it. I shall then be better informed, so I have no need to make a long statement now about this aspect of trade relations.

These matters are of course very important and concern not only trade aspects. Mr Lamberts is naturally in full agreement with me here.

I should like to conclude by thanking the committee and the rapporteur once again. I can support the major outlines of Mr Lamberts' arguments. It does indeed represent a new sphere for the European Community. It means in fact that the European Community would have to take on certain responsibilities in the sphere of public health. We must bear this in mind. I consider that this is reasonable. But as Commissioner I must say that it is not covered by the EEC Treaty. There must be political agreement within the Council if we are to take this step.

And of course that could hinder our progress. I hope that that will not be the case but it is my duty to point out the possibility.

President. — I call Mr Lamberts.

Mr Lamberts, rapporteur. — (NL) Mr President, I should first like to thank the Commissioner for the spirit in which he spoke and then add a little about paragraph 4 (a).

Most European experts believe that such a provision is necessary for the safety of all those who come into contact with dangerous substances. I understand that the Commissioner is saying: 'I cannot implement that at present' but I feel that we can express this hope and that the Commissioner can promise to aim to achieve it — as soon as he is capable of doing so — and comply with our request. Therefore on behalf of our committee I should like to retain this paragraph.

President. — Does anyone else wish 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.

12. *Preparation of the 1978 Tripartite Conference*

President. — The next item is the interim report (Doc. 179/78) drawn up on behalf of the Committee on Social Affairs, Employment and Education by Mr Albers on

the state of preparation of the detailed and comprehensive working documents to be drawn up by the Commission for the 1978 Community Tripartite Conference.

I call Mr Albers.

Mr Albers, rapporteur. — (NL) Mr President the Committee on Social Affairs, Employment and Education has submitted an interim report relating to preparations for the Tripartite Conference planned for 1978, the unofficial date being 17 November. The Committee on Social Affairs, Employment and Education is concerned to note that the working documents are being delayed and in some cases the definitive version is not yet available. The committee feels that the Commission is preparing for this fourth Tripartite Conference more efficiently and thoroughly than on previous occasions. Some sections, such as that on the redistribution of available work, have been available to the Economic and Social Committee in the form of working documents and have been discussed by the Standing Committee on Employment. Opinions have already been delivered on these matters and Parliament's Committee on Social Affairs, Employment and Education has already been able to hold an exchange of views on these working documents.

But the other working documents on the relationship between investment and employment and the connection with employment in the world, including the developing countries, have not yet been made available to our committee although they must exist. Some members of the Committee on Social Affairs, Employment and Education pointed out that it is just not possible to form an opinion or hold a proper political discussion if some of the documents are unavailable. And we consider that we in Parliament must also form our opinion and make our position known before the Tripartite Conference begins. And in the past the situation was that when Tripartite Conferences were held, Parliament adopted reports; I remember the excellent comprehensive report drawn up by Mr Glinne before the Tripartite Conference held in July 1976.

At that time too, Mr Glinne was really pressed for time and certain documents only became available at the last moment. But even so he made the effort to produce a detailed report which was then debated. In 1977 Mr Santer was appointed rapporteur; he, too, was pressed for time because of the late arrival of certain documents. Afterwards we were obliged to note that this conference was particularly disap-

pointing. In the Committee on Social Affairs, Employment and Education we even discussed the point of holding any more Tripartite Conferences of this nature. That is why we are so keen on receiving documents in good time so that we can study them and discuss them properly.

It is of course perfectly clear — and this was demonstrated by Commissioner Vredling's statement yesterday — that we are facing serious difficulties and wide political differences of opinion. If the French Government is already making difficulties with respect to an extension of the public sector and the creation of employment by the Government, then we must expect that in this Parliament, too, we shall encounter serious differences of opinion when we discuss the redistribution of available work. And then I think it is extremely important that before the Tripartite Conference begins, before the employers, employees and Government representatives meet, that we know what the most important political forces in the European Community think about these subjects. That is why in this interim report we call urgently for the documents which the Commission has already prepared to be sent as rapidly as possible to our committee so that we can work on them even during the summer recess and draw up a report in sufficient time for it to be discussed in September and October in committee meetings where political discussions will be held.

But if, as we have been told, we only receive the summary document at the end of September, then the Committee on Social Affairs, Employment and Education and the Parliament will find it impossible to form a political opinion and hold an in-depth debate on this matter. That is why in our motion for a resolution we wonder whether it will still be possible to organize the Tripartite Conference in November or whether it would be better to postpone it until spring 1979. The Committee agreed on this; some members of the committee considered that we should not go so far in our requests because, given the serious nature of the subject, it is of the utmost importance that the Conference be held in November. A narrow majority considered that we should include that paragraph in our motion for a resolution, and that is the line we followed.

Mr President, what we need is for everyone to make the maximum effort. We would ask the Commissioner to do his utmost to ensure that the missing documents are forwarded to us as rapidly as possible and to agree to make available to Parliament the summary document not at the end of September but, if at all possible, towards the end of August or early in September. In that case it would still be possible to draw up an effective report which could then be debated in depth in Parliament.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — Mr President, yesterday and today I have had to spend a good deal of time discussing a number of subjects in this Parliament on behalf of my colleagues. This was not really inconvenient because on the whole there was agreement between Parliament and the Commission on these points. Now, however, I have to discuss a subject which comes entirely under my own portfolio and now the difficulties begin. I disagree entirely with Mr Albers and with the Committee on Social Affairs. I shall explain this. The Commission does not disagree with the Parliament about the basic elements of the question but about the functional aspects.

Tripartite conferences were held between the coordinated industrial circles and the governments, chaired by a representative of the Council, a minister from the country which now has the presidency of the Council. The conference is a conference of the two sides of industry and the governments, and this does not concern Parliament very much.

Parliament may of course adopt a position on the four subjects, but primarily the working documents are intended for the two sides of industry. They consult together on them. There have been many talks with the trade union movement, next week again with UNICE for example. The working documents are intended for these talks too.

It is of course logical that Parliament should follow the matter with interest and logical that Parliament should carry out its supervisory function. But the working documents for which Mr Albers is asking — he mentioned September, but I am not sure we shall be able to keep to that date — must be ready one month before the conference. The German President of the Council fixed the date at 17 November at last week's Council meeting.

So that is my guideline date. I repeat that the tripartite conference is a conference of the two sides of industry and the government representatives and the Commission. Naturally I am eager to help the Parliament to formulate its opinion. Mr Albers pointed out that the two documents we had completed during our preparatory work were concerned with 'work sharing' and the role of the tertiary sector. During the preparatory work of the Commission I was therefore automatically able to ask the Standing Committee on Employment for advice on the basis of my portfolio. You know that the Commission is represented on this Standing Committee, which is also chaired by one of the Ministers for Social Affairs.

The other two subjects, the relationship between investment and employment and the international economic trend and its consequences formally fall within the terms of reference of Mr Ortoli. That is clear since the matter concerns economic policy. The Economic Policy Committee must draft the relevant

documents here. This is not a matter for the Commission. It is a matter for a senior official of Mr Ortoli's directorate-general and a senior official of my directorate-general. But that is not a political body. That is why this committee works on the basis of a working document drafted by the Commission departments.

Now, this working document by the Commission departments is further prepared at the level of the Commission departments, taking account of the views expressed in the committee, so that the official committee can meet with the two sides of industry and determine their views. That can lead so some modifications to the document, after which the Commission has to discuss it, and it then becomes binding on the Commission. In time this leads to a tripartite conference.

The question is, if this has happened once, whether the Standing Committee on Employment must not also be consulted here, because it is more of a political body than the officially set up Economic Policy Committee.

At the same time we are working on a final summary document. True, but it is intended for the Tripartite Conference. Parliament was quite able to perform its duties on the basis of the two documents which were ready in April. The other documents are with the Commission departments as reports. They are best suited for the formulation of political opinions, and the Commission will have to draw on these opinions. Once the social partners have been heard, an opinion will also have to be reached. I can refer Mr Albers to the situation in his own country which I happen to know well. When the government there, if I may make a comparison with the Commission, asks the Social and Economic Council for advice, the Parliament there does not discuss this consultation. It may offer guidelines, however. This is a very good thing if its opinion is requested, but effectively the government does not determine its position only after obtaining this opinion. And this is also how we must see this Tripartite Conference, broadly speaking. The Tripartite Conference will never take decisions. It delivers opinions which are extremely useful to the Commission and also to the Parliament so that they can see at the Tripartite Conference on what points there is political agreement at European level between employers, workers, governments and the Commission.

The conclusions and consequences the Commission draws from this are a matter for Parliament. For then it must check whether the Commission has done well, whether it has drawn the correct conclusions from the conference; but not before the conference.

Mr Albers is quite right that it is extremely important that Parliament should also be able to form its opinion, and I am always prepared to support this. I am always prepared to explain matters in the

Vredeling

Committee on Social Affairs so that it too can form its opinion on the question and perhaps also put forward proposals just before the conference if we have completed our activities. Mr Glinne was a rapporteur. Mr Santer was a rapporteur. So you can coordinate your activities on this matter, during the period from mid-October to 17 November or so. Then Parliament can do all it wants once our documents are accessible.

The preparations are under way. The subjects are not unknown; if a rapporteur comes to the Commission any documents of the Commission departments which are not confidential and are appropriate will be available. The documents have been available since May. So during our preparatory work we are taking account of the final aim which is to prepare for the Tripartite Conference in which employers and workers come together at European level with the governments and the Commission. That is the criteria by which I would want Parliament to assess our preparatory activities. So there is no question of a difference of opinion between Mr Albers and the Commission on the basic question. Absolutely not. The question is simply one of procedure and I shall do all I can to enable your committee to make its proposals during the period roughly from mid-October to mid-November. If we can manage this, there need be no question of differences of opinion. In fact this is ample time for preparation, much longer than usual for many matters. Think of the preparation of the Social Fund on which Parliament must give its opinion, or of our proposals on youth matters where Parliament was indeed in a difficult position because of lack of time. In this case you have several months to prepare the reports you will draft on the subject of the Tripartite Conference.

President. — I call Mr Albers.

Mr Albers, rapporteur. — Mr President, I thank Mr Vredeling for his comprehensive reply and above all for what he finally said. For he more or less said that he would do all he could to enable Parliament to form its opinion.

Of course I was a little surprised when he began by saying that he was entirely in disagreement with me. But in the end he agreed with me a little. And he had to do so, because as a former Member of this Parliament, Mr Vredeling put innumerable questions to the Commission in his time and was a man who was not easily satisfied with the replies. But I think the Commissioner is completely overlooking a very important fact. This is the fourth Tripartite Conference and last summer after the third conference the Commission found it necessary to put forward a number of ideas embodied in four reports. Is Parliament asking very much after finding now, in July, shortly before the summer recess, that the documents are not yet available? I do not think so. I think that if Mr Vredeling were now standing here as a Member of Parliament he would have said in much more emphatic and

much less friendly manner: 'Commission, you are failing in your duty here. It has taken much too long for you to state your position.' The Commissioner may well draw a comparison with the Netherlands Government and the situation in our Netherlands Parliament as regards the requests for an opinion, but we members of the Second Chamber do not allow ourselves constantly to be put off by means of requests for opinions from the Social and Economic Council. What we need here is a thorough discussion of the subject with which we are dealing between the representatives of the political parties. But then we must also have the relevant documents.

It is quite clear of course, Mr President, and I need not tell you this, as a member of the Committee on Social Affairs you know it well too, that it is practically impossible to adopt a political opinion on the basis of working documents. We must have a summary document in which the Commission draws specific conclusions. On that basis we would be able to have a political discussion with one another. I admit that we will in fact obtain this summary document in September and that we will then have more time before the conference than was the case with the three previous Tripartite Conferences. For in 1976 the summary document was not even available a week beforehand. As far as that is concerned, I am full of praise for the great activity displayed! But because this is the fourth conference, because we have experienced disappointments with the three previous ones, I think, and here I am also speaking on behalf of the members of the Committee on Social Affairs who urge the same, that we require the document in order to be able to discuss the matter properly. I also think that for the proper running of affairs in coming years it is necessary that the political differences of opinion which will undoubtedly appear with regard to this matter should come clearly to light here in this Parliament.

So thank you again, but once again I urge that the Commission should provide us with the necessary documents as soon as possible.

President. — I call Mr Vredeling.

Mr Vredeling. — Mr President, it is true that I began by saying that I entirely disagreed with Mr Albers in the sense that I do not agree that the documents we must prepare should take account of Parliament's calendar. Indeed, I do not agree with this. I say it quite clearly. I am not prepared to do this. We prepare the documents for the Tripartite Conference and not for Parliament. We shall keep Parliament informed. That has been done already. Parliament has been able to discuss the two relevant reports, 50 % of the work, all along. A report could have been produced here in Parliament if you had wished it. And documents from the Commission departments exist on the other two subjects. So they can also be discussed.

Vredeling

I am also prepared, unofficially, as should always be the case, to keep the rapporteur up to date with our view on the matter. This will have to be discussed in the Commission. I do not think it is very reasonable of Parliament, as regards the Tripartite Conference to be held in November, to require that the Commission should state its position in June on documents on which I myself have not yet been able to consult the two sides of industry. The two sides of industry want to take their time and I must consult them before I take a position. For this is my personal task in this matter. I must bring the two parties into a discussion in which they themselves can express their views; the Parliament can act on the sidelines, but in my opinion not in the sense of judging or having control over the documents where available. May I say that I have even refused supervision by the Council. An attempt was made to have the documents which we send to the Tripartite Conference endorsed by the Council first. We did not agree to it. The Commission is entirely and alone responsible as regards the two sides of industry, under the supervision of the European Parliament.

Mr Albers rightly says that in earlier days I may have acted differently. That is true but not to the point! At no time did I say in this Parliament that we should sit on the executive chair. I have always said the opposite. That is a fundamental point. We make the documents available to the two sides of industry and I need time to bring the employers and workers together. That is important. I have not brought the employers and workers together yet on the subject of 'worksharing', Mr Albers. If you think that all that has been settled already, you are wrong. We have not got that far yet. Just think of the discussions on the subject in Europe. That is why I cannot present any documents to Parliament on that subject at present. Next week we shall be having talks with UNICEF. We shall continue our talks with the trade unions in September. This is an ongoing process, in preparation for the Tripartite Conference. I wanted to make this quite clear again in order to anticipate any further reproaches.

President. — Does anyone else wish 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.

13. *Youth employment and a statement by the Commission on social policy*

President. — The next item is the joint debate on

- the statement yesterday by the Commission on the last meeting of the Council of Ministers of Labour and Social Affairs, and
- the motion for a resolution (Doc. 230/78) tabled by Mr Albers, Mrs Dunwoody and Mr Lezzi on behalf of the Socialist Group on the Council's failure to agree on measures to promote youth employment.

I call Mr Albers.

Mr Albers. — Mr President, I want to begin my speech by expressing great appreciation of the speech by Mr Vredeling who yesterday took the step of informing Parliament about the disappointing proceedings at the Council of Ministers of Social Affairs on 26 June last.

He spoke about the results of this meeting. Of course we are very pleased that decisions were taken regarding the proposals on safety and health at work and job protection. But surely for this kind of meeting of the Council of Ministers of Social Affairs the only one in a period of six months, that is a very meagre result, in view of the number of subjects with which we are dealing which are specifically connected with employment. And it is quite true that our pleasure at the actual results was quite overshadowed by the fact that the Council did not manage to reach a single decision on the programme to combat youth unemployment for which an amount of 110 million units of account is to be set aside in the coming year in order to help some 1.50 000 young people in the European Community to find jobs. The situation is aggravated by the fact that the Commission was fully supported on this point by all political currents of opinion in this Parliament and by the Economic and by Social Committee and that eight Member States agreed with the Commission's views and with the programme.

It is incomprehensible that one country, that can be named by name, for it has become known since that Council meeting that this country is France, should differ from the governments of the other Member States, and especially on the subject of increasing the number of jobs of social utility. That means, not seeking a solution by creating jobs in industry only, or exclusively in the services sector, such as tourism, but also where possible creating jobs wherever the authorities find it possible to employ young people usefully. The Commissioner mentioned granting aid to old people. The handicapped also need help. So much remains to be done in our society and when one finds that millions of young people are jobless and receive unemployment benefit, it becomes clear that we must think less in terms of productivity alone.

It is precisely a form of higher productivity that we achieve by making these young people useful in our society for the money they receive. Moreover, this has the great advantage that in many cases the training these people have received can be adapted more productively to their later work, which can thus become more easier. We must think specifically of this factor too. And Mr Vredeling has said that the cost is low. Of course, unemployment benefits which will have to be included in the calculations.

Albers

Then of course there is the question — at first I considered whether we should incorporate it in our resolution — whether we should not try to implement this programme in the eight Member States, and leave France out. But since the statement we have just heard by Mr Vredeling, the question arises whether one can force people to do something. For he himself said that no one can be forced., no government can be forced. Of course not. But if the French Government has objections to this part of the programme, why did France not consider allocating the money available for this to the industrial sector where possible? Then France could follow a different strategy or policy. But in any case let us not allow the French to prevent this programme from being implemented in the other Member States which fully agree with the plans. For otherwise the French productivity ideas will be counter-productive for the European Community.

The European Council in London and the European Council in Copenhagen discussed this question and now the European Council is meeting in Bremen. Think of all the publicity there has been and all the articles that have been written. At last the European Community is showing its face. At last what was being talked about in the nine Member States is really happening. The young unemployed will be able to work because the European Community has drawn up a programme for them. This is a very tempting picture, and for us too since we must now begin to awaken the voter's interest in direct elections to Parliament next year.

At last we have a subject which appeals to people — and then it is blocked by the attitude of one Member State! The Commissioner has said so. It is not a question here of the wing-mirrors of cars. No, it is a question here of the mirror which the European Community is holding up to itself, of whether it will succeed in showing its face to the citizens next year. That is the question. And one may also ask what is happening at this moment to the hundreds of thousands of school-leavers. Can they find their way? The Commissioner rightly said that unless something is done, there will be not six million unemployed in the European Community in a few years time but nine million! That is of course an estimate.

That is why we urgently request the European Council to correct this situation at the Council of Ministers as quickly as possible so that this programme which has been greeted so enthusiastically in Parliament can be implemented. After the Commissioner's statement, I felt I should make an amendment to our resolution. Paragraph 2 can be deleted. It reads: Demands a full explanation of the reasoning behind the French Government's opposition. I think the Commissioner explained clearly what the French Government's complaints hitherto have been. So this paragraph can be deleted, especially since in para-

graph 4 we ask for a full report on the outcome of the discussion of the report which the Council will put before the European Council in Bremen. So we can expect that matters will be put right in that report.

Mr President, I make an urgent appeal to Parliament. Unfortunately it was not possible to consult the Committee on Social Affairs, Employment and Education on this matter.

Otherwise we would probably have had a resolution on behalf of the Committee on Social Affairs, Employment and Education. Instead it was the Socialist Group that quickly put forward this resolution. I hope this resolution will be fully supported by Parliament, although I noticed yesterday that not everyone agreed that it should be dealt with by urgent procedure. I was rather surprised at this, since the object of it was to emphasize once again our enthusiasm for the Commission's plan to combat youth unemployment.

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

Mr Osborn. — Mr President, I can assure Mr Albers that if my colleague Mrs Kellett-Bowman was here she would be the first to endorse an explanation from the Commission, because she was with me when we heard the statement from Mr Vredeling, and would wish me to intervene on her behalf and on behalf of the Conservatives.

The hard fact is that this month throughout the Community there will be many young people leaving school. The transition from school to employment is bad enough, and I have met many young people, and been involved in courses to ease this transition, but the transition from school to unemployment is a tragedy and a tragedy facing far too many people in the Community. The rate of unemployment amongst the under-20s in the Community is three times greater than the overall unemployment rate, and to hold unemployment at its present level the Community would have to achieve an annual rate of growth of 5 to 6 %; this too is impossible. Now obviously, I have not had the benefit of the work of the Committee on Social Affairs, Employment and Education on this, but in Britain there have been many documents, comments in the *Financial Times* in April, *European Youth on the Dole* by Reginald Dale, and there has been the OECD survey. In my city, Sheffield, every time I attend an industrial advisory meeting this is likely to be the first item on the agenda, and those who are looking after youth employment welcome any assistance.

Now of course there are a number of reasons why younger people are suffering from this. Obviously the general level of unemployment is one factor, and it is easier to cut down on young people when laying off. It is easier to cut recruitment. Young people have a higher propensity to register as unemployed and there-

Osborn

fore they are more conspicuous, and of course in Britain young female workers and ethnic minorities are the first to suffer. In my city, the Industrial Welfare Society and many heads of business in the 1920s had to set up allotment schemes and other schemes to provide any form of gainful employment. Today there are the job creation schemes. Now, Mr Vredeling obviously had in mind a proposal of 110 million units of account, or £75 million which would help job creation schemes as a matter of urgency.

The Conservative Group and Parliament support the urgency of this issue but there will be three more months before Parliament can do anything about it, and therefore I urge the Council of Ministers to reconcile their differences. Ironically, I shall be in Paris this afternoon and may find from first hand at the Quai d'Orsay the full reasons for the French reservations. Ironically, I should record that a proposal that sixth-formers should be paid an allowance as students in Britain, possibly costing £200 million a year, is one that I would have reservations about, although many of my Conservative colleagues would support it. In my city, young people are being offered £7 a week to stay at school and in terms of youth unemployment this may be attractive; but where are we getting to when we pay people to stay at school, when in reality people should want to pay to acquire more learning? There are many undercurrents and ironies and therefore I appreciate that the French have their attitude and their problems, but this is a problem that must be resolved quickly. To have young people without jobs, frustrated and uninterested, could cause a breakdown in law and order in our Communities, and in some cities has done so already. Therefore this must be treated by the Council as a matter of urgency and I blame them rather than the Commission.

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

Mr Porcu — (*F*) Mr President, ladies and gentlemen, the results of the last sessions of Council on youth unemployment were pathetic. My colleague Mr Lemoine made this clear in the May debate on the proposals of the Commission.

Unemployment in general and youth unemployment in particular are growing at an alarming rate in the Community. It is becoming a permanent, structural phenomenon. It stems directly from policies carried out by various governments with the support of the Community institutions. Yes, young people are the privileged victims of these policies, whose sole aim is profit, resulting in austerity, misery and unemployment for the great mass of the working people.

I can only point to the insufficiency, for want of a better word, of the Commission's proposals to deal with the disturbing problems of growing unemployment. All the Commission is doing is reposing

measures implemented in most of the Member States with unspectacular success, it must be said, all of which only serves to cover up the extent of the underlying human drama.

How could I refrain from mentioning here the measures adopted in France in the last year? Naturally, young people, in their eagerness to be useful, to take part in economic and social life, accept any precarious temporary work offered them. But the only ones to benefit from such under-employment training schemes are the management. They get government subsidies, pay no social security contributions and pay their young workers 450 FF a month. Quite a good business proposition for employers!

Unemployment cannot be combated with such measures. It is like 'putting a dressing on a wooden leg', as we say in my country. Unemployment is not a sad fact of life, nor a necessary social evil, nor even the price we have to pay for scientific and technological progress. No, unemployment is one of the most revealing features of capitalist countries. Its continuous worsening stems from the austerity policies for workers, and profit-making policies for the multinationals. It is the result of the almighty mess caused by this big capital policy backed and financed by the countries which are pushing for a new division of labour putting even more profits in to the coffers of the multinationals.

We cannot hope to check this social plague without attacking its fundamental causes. To cure youth unemployment, we must cure unemployment in general. To do this, we must implement a reflationary policy, which stimulates consumer demand. If we want to create enough jobs corresponding to the skills, qualifications and abilities of the young people arriving on the labour market, we must also create favourable conditions for lasting growth. This is certainly not the line followed up till now, nor is it that to be pursued following the Bremen and Bonn Summits. All we can expect is new measures accelerating the liquidation process of many of our concerns, part of a policy which will favour capital exports more than ever, together with the movement towards ever-higher profit margins through the increased use of cheap overseas labour and the sacking of overseas natural resources.

Young people need quite another kind of policy. To save jobs we need to take measures recommended unanimously by the trade unions: we must move towards a working week of 35 hours, lower the age of retirement and increase paid leave. Some will say this is impossible, that we want to wreck the economy, Management have always found plausible reasons to counter the workers demands. But can we afford to forget the cost of unemployment to the community, in social security and unemployment benefits as well as the monumental waste of abilities involved? Can

Porcu

you put a figure on the despair which seizes some of our youngsters who opt out altogether sometimes even taking their despair to the extreme limit by cutting short their wasted young lives?

We must change this state of affairs not by adopting temporary measures, but specific ones which actually create jobs rather than subsidizing industry. Are we to rejoice at the Commission's proposals, when these only concern 150 000 young persons, that is less than 10 %, which would not even stop the numbers increasing over one year? Is it true, Mr Commissioner, that a Commission study has shown that in order to keep unemployment down at its present level we need to create 4 million jobs in the Community every year? This is another reason why the French Communist Party is opposed, under the present circumstances, to the enlargement of the Community to Spain, Portugal and Greece, as such an enlargement could only aggravate the crisis and add 2 million unemployed to the 7 million the Nine already have.

I would like to add, Mr President, that we must also, in the immediate future, look after the interests of our young unemployed. The vast majority of them have no personal funds at all. In France we have proposed benefits equivalent to at least half the minimum wage. They must also be protected against the exploitation of temporary work and part-time work, and we must lay down conditions giving them the same rights as other workers as soon as they enter the world of work.

To conclude, I hope you will allow a new member of your Assembly to tell you what the young people, what the workers think of the construction of Europe, as they are experiencing it. It is a Europe which, year after year, is encouraging factories to close down, cutting jobs and dragging whole regions into decline and decay. It is no wonder if the younger generation is losing interest in such a Europe and thinks that it has nothing to offer them. Next year will see the first direct elections by universal suffrage. We have eleven months left in which to win their confidence. Let us use these months to carry out a vigorous social progress policy which, while it may displease those who seek to use the European idea as a way of safeguarding their own privileges, it will, on the other hand, provide a fresh impetus and upsurge of popular confidence without which there can be no true construction of Europe.

President. I call Mr Laurain.

Mr Laurin. — (F) Mr President, ladies and gentlemen, I would like to make some comments on youth unemployment off my own bat and comment on the motion for a resolution before us.

First of all, I think we must define the problem before we can find any suitable solutions.

What is the problem? The situation in Europe is very serious.

There are at present 6 million unemployed, of whom 2 million are under 25. Often, a young person is unemployed without ever having had a job, that is, at the end of his professional training. The situation is going to worsen with population trends and the arrival of more and more young people on the labour market. There is also the problem of military service. When a young man returns from military service, he is not sure of getting his old job back, at least in France. Whence the need to harmonize legislation on this point in all the Member States of the Community.

In France, one unemployed person out of two is under 25, and of these, two-thirds are women and girls. Out of 1 060 000 unemployed — the official figure; the trade unions say nearer 1 500 000 — there are 500 000 young unemployed. France has the sorriest youth unemployment record, with the number of unemployed young people having risen nine-fold in ten years.

I shall not dwell on the disastrous economic, social and cultural effects of youth unemployment. While unemployment is an evil in itself, youth unemployment is particularly detrimental. From a financial point of view, it is expensive for the Community; from the social point of view, young people, who are the future of their nations are without a job and feel rejected by society: from a cultural and moral point of view — there is a proverb that says idleness is the mother of all vices — youth unemployment inhibits self-expression and self-fulfilment. It is an affront to the human dignity and sociologists have been quick to point to a link between youth unemployment and juvenile delinquency. This is where we condemn the callous calculations of the capitalist system which finds a pool of unemployed necessary in a free economy as a lever against wage and other workers' demands.

This is the problem, then, How are we going to solve it?

Let us first examine the Commission's proposals.

What is being proposed is the granting of new Community subsidies from the new European Social Fund in favour of young persons. Two kinds of aid are envisaged.

Firstly, subsidies to concerns employing young workers and, secondly, to programmes to employ young people in the public services sector.

According to the Commission's calculations, 150 000 young people will benefit from this aid.

Now for my comments on the proposals. Recruitment premiums have already been tried out in most of the Member States with little success to date. In France, as you may know, we have a national agreement on youth employment, and only 50 % of young people recruited under such practical training schemes are

Laurin

sure of being kept on. So this is a short-term measure serving more to camouflage unemployment than to cure it.

As for the public, social and socio-cultural sector, the proposal is interesting but does not go far enough. The French Left, in its election programme, had planned 150 000 jobs in this sector out of a total of 500 000 new jobs a year. It was an absurdity for the French Government to reject this measure.

Which proposals do I think will best solve this problem? The real solution is to create jobs in the various sectors, and especially in productive industry for economic reasons. Then there are two other kinds of measures. Social measures could create jobs while at the same time improving working conditions: at first, a 40-hour working week without loss of earnings, then 35; retirement at 60 and at 55 for women and people doing heavy work; fifth shift on a permanent basis. In reply to any objection on grounds of expense, I would ask this: is it better to pay people for doing nothing or to help create proper jobs? Here too I would like to see labour legislation harmonized. Let me quote a concrete example. In Lorraine it has been calculated that if the social measures I have just mentioned were carried out, 18 000 new jobs could be created, that is, half the present total of local unemployed. In other words, nearly all young people could find a job by means of this first series of measures.

As for the second series of measures, well, obviously an overall industrial policy which is dynamic planned and orientated towards industrial diversification and aid to small and medium-sized businesses and craft industries. Lastly, we must clearly review professional training policy and tailor it to the number and nature of the jobs provided by this type of planning.

I would like to conclude by saying that youth unemployment is not a tragic fact of life any more than unemployment in general. It can be gradually cured if we want it to be, but the political will is still lacking. We possess the means to do it, but we need the courage and imagination to use them. Youth unemployment is a crucial problem which puts the very future of our civilization at stake.

President. — I call Lord Murray of Gravesend.

Lord Murray of Gravesend. — Mr President, like many of the other speakers, I do not intend to say a lot about this today, but to reinforce what has been said by them. I think the first thing to note, Mr President, is the unanimity of all parties and nationalities on this problem, and I think this particularly goes for the Committee on Social Affairs, Employment and Education, which has all along agreed wholeheartedly with any measures to be taken to eradicate the very serious problem of youth unemployment. We face a

situation where we have the highest unemployment ever known in the Community, and a very large number of young people is involved. It is something that, if we do not act with expedition and urgency, is going to get worse because over the next ten years it is anticipated that the labour market will increase by something like 4 million young people a year. It seems ironic that we on the Committee on Social Affairs, Employment and Education, where we also have the problem of dealing with education, as well as members of individual parliaments, are pressing continually for higher educational standards throughout the Community, while on the other hand we have this very serious problem of youth unemployment. It almost seems, without being too cynical, that perhaps we shall have the best-educated dole queues that the Community has ever seen.

Certainly what worries me is the lack of urgency that appears to be felt by the Council in this matter. When the President of Parliament received a letter dated 20 April from Mr Hommel, the Secretary-General of the Council, he asked

that this be dealt with with some urgency, because the Commission had suggested that the Council should take a decision on these proposals by the end of June 1978. The Council would appreciate it if the European Parliament could deliver its opinion as soon as possible,

and certainly I am sure that Mr Vredeling, when he comes to speak in this debate, will agree that the Committee on Social Affairs, Employment and Education and the Parliament acted as urgently and as quickly as possible in the circumstances.

I think, like one or two others who have spoken, that we face a very serious problem with the credibility of the Community, particularly in the matter of youth unemployment. Here we have very many people at every level, whether they are Members of Parliament, whether they are working for the Commission, whether they are working for the Council, or in their individual parliaments, attempting to put across the European ideal, that the European Community, that the Nine, is a credible possibility in a very difficult world. And yet we have one of the most serious problems that has hit the Community since its inception being treated, in my view, and I think in the view of many others, in a very casual manner. I think it would not come amiss if the Council met next week to take some decision, and viewed it with the same urgency as this Parliament views it, because again we are going to have a situation where this is going to drag on and on. And, as my colleague Mr Albers mentioned, the original proposals received a great deal of publicity. Those proposals came in like a lion and seem to be going out like a lamb, and it is up to the Council to act with great urgency in the matter and not let this drag on.

Lord Murray

I think, Mr President, that it is very difficult for all of us to transmit to the Council the way we feel about youth unemployment and why we feel something must be done urgently. But I hope that today Mr Vredeling will get a feeling coming from this Parliament that he will present to his colleagues and to the Council with as great urgency and speed as possible.

President. — I call Mr Kavanagh.

Mr Kavanagh. — Mr President, I would like to begin by thanking Vice-President Vredeling for his clarification of the background to the Council's difficulties in arriving at a decision on the proposals concerning youth unemployment. I can only add my support to the remarks made by my colleagues in the Socialist Group, who have already spoken of their dismay at the delay caused by this difficulty.

The press statement issued after the 526th meeting of the Council on Social Affairs on 29 June last dismissed the problem of youth unemployment in a mere eight lines. I think it is interesting to read what was contained in that statement. It said the Council held a detailed discussion on the proposals for Community aid to promote the employment of young people, during which it identified the last problems remaining to be solved in this area. The discussions enabled a broad degree of agreement to be reached on many aspects of these proposals. However, opposition by one delegation meant that it was not possible to conclude the matter that day, and the Council agreed to report to the European Council in Bremen.

It was that press statement that prompted the Socialist Group, particularly the Socialist Members on the Committee on Social Affairs, Employment and Education, to move that this matter be dealt with by urgent procedure. And I must say — I am afraid my two colleagues from Ireland have left the Chamber — that it came as a great surprise to me to find that, as Mr Albers has already said, this vote or urgent procedure was actually opposed by some Members in this House. It is even more extraordinary, when youth employment is such a huge problem in Ireland, that the Irish Members in the EPD Group should actually oppose it. I am sure the young people of Ireland will be interested to read of the stance taken by these gentlemen in this House. I can only conclude that this vote is one result of that most extraordinary alliance between French Gaullists and Irish Fianna Fáil Members in that particular group. It was made even more extraordinary by the fact that when it came to the next motion on iron and steel, those same Members could turn round and vote in favour of an urgent debate.

The press statement is interesting, and, as the Vice-President has given an explanation of the second paragraph, I hope that, when he comes to reply to us, he will say a few words on the first paragraph, and especially its last sentence which reads: 'during which it

identified the last problems remaining to be resolved on this subject'.

I assume that this can only mean the actual financial problems, because if the Council thinks it has resolved the main problems regarding youth unemployment and that there are only a few remaining items to be tied up, it would be interesting to hear what these last few problems are. They should tell the people of Europe, and particularly the young people, that they have got so far, because nobody is aware that such progress has been made at this stage.

Our Members who have already spoken have expressed their amazement at the French stance. In previous debates on this matter we learned from Mr Vredeling that there are 350 000 young people out of work in France. We could go through the whole Community and give figures, but his estimate on that previous occasion was that people under the age of 25 account for about 40 % of all unemployed. Now that is indeed a very serious situation. It is not merely a problem for the Community; it is a problem also for the national governments which are, in their own way, attempting to solve it. However, the Community can do a great deal more on a broader basis to help in this area.

The aid in the 1977 budget amounted to 172 million units of account, and I think the level of that aid is put in its true perspective when one realizes that this, as Mr Vredeling himself said, amounts to a mere 86 units of account per young person unemployed throughout the Community. Now really can we claim that this level of aid can make any great impact on the situation? Nevertheless, we welcome the new proposals from the Commission, particularly the proposal to open up the Social Fund for two new areas of aid for young people, namely premiums for undertaking which employ young people and subsidies for programmes designed to place young people in jobs of public interest. An amount of 110 million units of account is proposed for this, and the Commission has entered this in the preliminary draft budget for 1979 under the Social Fund.

The European Parliament has supported the Commission's proposals and in the Lezzi report on Tuesday 9 May 1978 the Socialist Group was in entire agreement with the proposals. If, during the discussion on the budget, the Council tries to remove any or all of that money from their budget, then we can assure the Commissioner that this group will fight to re-enter the full amount in the budget. I could not imagine that it would ever take that step, but should it happen, we can give that assurance to the Commissioner.

As has been said, the number of unemployed youth is rising each year. The most urgent and daunting task facing Europe is to deal with that problem. All speakers today have mentioned the traumatic effect of unemployment on young students particularly, after

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years of study geared towards achieving useful and gainful employment. Certainly it is not a new feature of the Irish scene, but in the past in my country we had the safety-valve for young people of emigration to Britain and elsewhere. I do not think that safety-valve exists any more. It was an unsatisfactory way of dealing with the problem, but it did mean at least that young people could look for work in a country not too distant from them. That problem is now almost as great in the United Kingdom as it is in Ireland and Ireland, with the help, I hope, of the Community, will have to solve its own problems.

Mr President, I can best conclude by repeating the remarks made in a previous debate on this subject by Mrs Dunwoody. She said that we, as elected representatives, cannot pretend to have fulfilled our role if we can still look at the huge numbers of unemployed young people of the Community and say, 'We have no answer for you, we have only words of comfort.' The words of comfort come too late, are too few and should no longer be necessary. We must find an answer, and I ask the Commission to do that and to do it now on behalf of all of us.

President. — I call Mr Fitch.

Mr Fitch. — Mr President, youth unemployment, like unemployment in general, is a world problem and many of the solutions to unemployment in the Community can only come about by world action, but that, of course, does not mean that we in the Community should do nothing at all. We have reached a stage, in my opinion, an intolerable stage, in the high rate of unemployment, particularly youth unemployment, which would not have been tolerated 25 years ago. It is being tolerated now, I think, due very largely, at least in the Community, to the fact that we have some very fine social welfare schemes which do indeed cushion the worst effects of unemployment. In fact they have taken, shall I say, the cutting edge off unemployment in many respects. But it would be wrong to assume that this state of mind is going to exist forever and I think we should be very complacent if we did so.

Now, unemployment, and in particular youth unemployment, in individual countries, is not only due to a lack of demand but also due to structural factors. For example, unemployment varies from region to region. It certainly does in the United Kingdom. It is high, as has already been stated, amongst female workers. It is high amongst unskilled manual workers and certainly these are problems which I think the Commission, I am sure, have taken and will take into consideration. I think possibly part of the answer is how we, in fact, invest in new industries. But this, of course, can be to a certain degree itself counter-productive because I have a feeling, and I hope I am wrong, that much new

investment will mean rationalization of industry. That may be a necessity, I agree, but rationalization, of course, can bring with it additional unemployment.

In my opinion smaller firms which are labour-intensive should indeed be helped much more than they are at the moment and I would ask the Commission to consider certain aspects, including, of course, the schemes for job creation, the early retirement of elderly workers, although again I utter a word of caution here, because early retirement to some people just over 60 can indeed be cruel because they feel, quite rightly, even at that age, and particularly if they are healthy, they still have a lot to contribute. So these problems are not easy ones to face and any solution which we think we may have brings in its own train certain problems, but certainly early retirement is something we have to give some serious consideration to.

Another thing, of course, which probably would not find agreement in his House, but I hope would find agreement in the Socialist Group — for whom I am not speaking, incidentally — and that is the creation of more State factories, either State-aided factories or State-owned factories.

But I feel that the fundamental answer to this is an expanding world economy and I feel it is those nations within the Community whose economies fortunately are better founded at the moment than others which should perhaps give a more positive lead than they are doing. Certainly the growth of world trade in the 1970s has been roughly 10 % of that during the 1960s and this I think is a factor which must be borne in mind.

Finally, may I finish with a quotation from Shakespeare? Some people think the most tragic words that Shakespeare ever wrote were Othello's 'occupation gone'. Now today we are not discussing people whose occupations have gone; unfortunately we are discussing young people who have never had an occupation at all.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, I can understand Parliament using my statement on what happened in the Council of Ministers of Social Affairs as an occasion for expressing its disquiet and dissatisfaction with the present situation.

Mr President, this is exactly what I was saying yesterday in my statement. I too am disappointed by the fact that this matter has been held up because of an objection which we feel to be mistaken, which makes it so difficult. Sometimes there are interests at stake which quite understandably prevent the Council from reaching a decision. That does not mean we

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approve but at least we can understand what is happening. But the situation here is different. In this very specific case, an objection of principle was raised by one of the Member States, France, against the creation of jobs with Government funds.

And when Mr Kavanagh and others ask what the problems were, what this opposition of principle was, I can only say that action of this sort was held to be non-productive. This was a curious and very narrow definition of productivity which made me think of the old, outdated arguments of the physiocratic school: what in fact is productive? And indeed, I still have the feeling, Mr President, that it must be possible to change the views of those who oppose it. I do not know how this is to be done; there will undoubtedly be a discussion on this in the European Council — I can't imagine there not being one — and we must wait for the result. We shall find that out today. I too can only hope that the European Council will invite the Council and Commission to continue its activities. We must find a solution, Mr President. It is not possible for the campaign against unemployment amongst young people, after these two express invitations from the European Council itself, to continue to be blocked. I have to tell you, Mr President, that the Commission and myself will not rest until this situation is rectified.

Turning to Mr Porcu's specific questions on the Commission's study and the 4 million new young unemployed every year, this is of course a figure from which one must subtract the number of older employees leaving the labour market.

The net effect of the young people now coming on to the labour market in large numbers as a result of the baby boom between 1950 and 1960 and the fact that the number of older people giving up work is for various reasons now lower than normal, is a surplus for which approximately 9 million jobs must be created between now and 1985.

This figure takes account of the fact that more and more women are wishing to enter paid employment. It is thus a net figure pointing to the need for an extra effort to create 9 million extra jobs irrespective of the fact that there are already now 6 million people out of work. You must naturally count these people in as well to see the total size of the problem with which we are confronted.

I do not need to comment further on the other remarks. There is one thing I would like to say and that is that there must be no misunderstanding that these proposals lead us to neglect other matters. We shall see this shortly when we deal with the steel industry. But here we have the measures to combat unemployment amongst young people, for example premiums to firms taking on young people. This point has been received with mixed feelings in some

quarters; I am thinking for example of Mr Porcu. But on the other hand there is the opinion of the Economic and Social Committee, our advisory body, that came to the conclusion that the creation of employment with Government funds was the most interesting proposal. That is also the case in the United States where 80 % of measures to deal with matters of general interest are aimed at urban renewal, rural areas, conservation programmes and all that type of thing. 80 % of Federal resources are devoted to these measures — and in America they are doing an awful lot, more than we think — as against only 20 % for direct premiums to firms. This is the other side of America. I just mention that as an example in view of this incomprehensible opposition against these projects in the public interest by one of the governments of the Member States. These misunderstandings — I said — must be avoided. I also said that we must not be misinterpreted as being not in favour of doing other things. This was also put forward as an argument in the Council — I think I can say this — where for example it was also said that the introduction of a fifth shift in the steel industry was much more important.

Of course that is important Mr President, but this type of work-sharing is something we are working on and our work is taking its normal course. This is one of the topics for the Tripartite Conference. But these employment programmes do not take the place of work-sharing for young people, nor that of other measures whose importance I would like to emphasize such as early retirement, the granting of a sabbatical year and that sort of thing. These sorts of measure aimed at spreading work over more people is something completely different from the creation of employment for young people in the context of social objectives of general interest. I had the impression that misunderstandings could arise in some quarters. We have both the premiums to firms taking on young people and the projects aiming to finance the improvement of social conditions from Government funds, and we have the measures to do with work-sharing such as early retirement, raising of the school-leaving age and so on. These are three types of measure, Mr President, which do not and cannot replace each other.

These were the remarks which I wanted to make. I think it is right to thank Parliament for the support it has given to the Commission. There is a real danger that whenever there is a complex situation in the Community, there should also be a division within Parliament. I am pleased to note that this is not the case here. All the members who have spoken, have unanimously deplored what has happened and have said they are unable to understand the reasons for the opposition to our proposal, why there should be objections to employment programmes for young people, just as the other eight Member States have done. I hope, Mr President, that we can continue in this vein

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and I conclude with the same phrase that I used yesterday to wind up my speech: 'the Commission is maintaining its proposals!'

President. — I call Mr Albers.

Mr Albers. — (NL) Mr President, in my opinion Mr Porcu's amendment does not contribute to the clarity of the resolution. The resolution is about unemployment amongst young people and this addition weakens the text. What Mr Porcu proposes has greater relevance to this morning's debate on preparations for the Tripartite Conference.

President. — I call Mr Porcu.

Mr Porcu. — (F) I am surprised to hear my colleague speaking in these terms, as I believe he is a member of the Socialist Group, and another speaker, a member of the French Socialist Party, was making the same demands just now as those I am proposing in my draft amendment. It is true that my friend and compatriot took the precaution of stating that he was speaking personally, but I do not understand refinements of this sort when we are drawing up demands in a debate. In short, I do not see why it should weaken the text to include them in the resolution. I therefore maintain my amendment so that it may duly be put to the vote.

President. — Does anyone else wish to speak? The motion for a resolution will be put to the vote together with the amendment which has been tabled at the end of the sitting. The debate is closed.

14. *Situation in the iron and steel industry*

President. — The next item is the motion for a resolution (Doc. 233/78) tabled by Mr Porcu, Mr Eberhard and Mr Soury on behalf of the Communist and Allies Group on the situation in the iron and steel industry.

I call Mr Porcu.

Mr Porcu. — (F) Mr President, colleagues, we cannot debate matters concerning the iron and steel industry without referring to the Treaty establishing the European Coal and Steel Community. Article 2 of that Treaty lays down in particular that

the European Coal and Steel Community shall have as its task to contribute, in harmony with the general economy of the Member States and through the establishment of the common market (...), to growth of employment and a rising standard of living in the Member States.

I should also like to read (d) of Article 3 which states that the Community

shall ensure the maintenance of conditions which will encourage undertakings to expand and improve their

production potential and to promote a policy of using natural resources rationally and avoiding their unconsidered exhaustion.

How do these declared intentions look today? As far as the standard of living of iron-ore miners and steelworkers is concerned, it is in steady decline. Not only are wages continually lagging behind price increases, but they are seriously handicapped by the partial unemployment which has been affecting thousands of miners and steelworkers for several years. What about those who lose their jobs and the thousands of young people — whom we have just been discussing — whose first steps in the adult world, as it were, take them to swell the ranks of the unemployed? As regards the conditions encouraging undertakings to maintain their production potential and promote a policy of using natural resources naturally, the record is just as disastrous.

Since 1962 a production capacity of more than 4 million tonnes of steel has been closed down in Lorraine, to mention only the region for which I was elected. That means 31 iron-ore mines, with a production capacity of 25 million tonnes of iron-ore have been closed.

In total, 32 000 jobs (24 800 in the iron and steel industry and 7 200 in the iron-ore mines) have disappeared in this industry for which the ECSC promised such a brilliant future.

Quite recently, since 1976, this liquidation of the iron and steel industry has been going on at an unprecedented pace. Statistics published lately by the Commission in Brussels show that between January 1976 and May 1978, 16 800 jobs were lost in the French iron and steel industry, an 11 % reduction in 24 months. At the same time the Lorraine iron-ore mines have shown a loss of 1 787 jobs, and three iron-ore mines have closed or will be closing during 1978 alone.

The steel plan of 1976, launched by the French Government, has thus been fully implemented in 24 months. It has received extensive political and financial support from the Community. It has been financed out of contributions from the Member States. Quite recently, on 15 June, we were informed that the European Community had decided to grant loans amounting to 70 million French francs to the Société des Acières et Laminoirs de Lorraine (Sacilor). These 70 million francs are in addition to the 325 millions provided since 1975. Sacilor duly pocketed this handout and immediately called a meeting of the company's central committee, on 27 and 28 June. You might well think that this was to tell them the good news. But no, it was to announce 2 500 redundancies between now and 1980, in addition to 7 500 already made redundant since 1975.

Porcu

So the more money the iron and steel companies receive, the more jobs they make redundant. In this way Sacilor is pocketing 39 500 French francs for every job it takes away. Do you expect workers in the iron and steel industry to support a Europe which is so generous to management and so stingy to themselves? But the accelerated implementation of the French 'steel plan' is not enough for my country's monopolies. To them, and to the financial groups controlling them — the Banque de l'Union européenne, the Banque Bruxelles-Lambert, the Société générale de Belgique, the Banque de Suez et d'Indochine — the 1976 French 'steel plan' was a sort of admission fee which they paid to join the supranational club that EUROFER constitutes. This was the first stage in a much larger, supranational restructuring operation throughout the Europe of the Nine which is being hammered out by the Commission and Viscount Davignon.

Some new General Objectives for Steel 1980 — 1985 — 1990 were presented by Mr Davignon to the ECSC Consultative Committee. They are to be submitted for the approval of the Council of Ministers on 23 July. These General Objectives are very clear: between now and 1980, more than 20 million tonnes of rolled steel production capacity, mainly of long products the production of which must be discouraged, as Mr Davignon says himself, must be cut out, while giving full rein to the competition — from non-member countries, and also presumably from the new members of Europe.

And perhaps Mr Davignon was thinking of Spain, whose iron and steel industry, also undergoing reorganization, is likely to become the main supplier of certain sections and special steels.

These 20 million tonnes of capacity to be closed down will cost at least 100 000 jobs in the iron and steel industry of the Nine, according to a statement by one of Mr Davignon's colleagues on 9 June. The iron and steel industry of the Nine has already lost almost 65 000 jobs between January 1976 and May 1978, representing 9 % of total manpower in 1976, and is now to lose another 100 000 or 14 % of total manpower in the next two years.

As regards the Lorraine iron-ore mines, the plan is to make 2 500 jobs redundant out of the remaining 6 800 and to reduce the production level to 30 million tonnes of steel, while continuing, let me make this clear, to import iron-ore from outside the Community countries. Which just goes to show that those who preach about austerity, economy, hard work and the need for savings, like Mr Ceyrac and Mr Raymond Barre, are quite prepared to sacrifice France's most important natural resource, its iron-ore, of which the Lorraine deposits still contain 5 000 million tonnes,

on the altar of profit; they are prepared to sacrifice several rolling mills in the Orne and Fensch valleys and to sacrifice the Usinor-Longwy coking plant, just as they have already sacrificed five blast-furnaces reconditioned by Sacilor, as they have already sacrificed the a Chiers blast-furnaces at Longwy, the Trith-St-Leger plant and the Sudacier mini-steelworks at Toulon.

In short, they are prepared to sacrifice the entire Lorraine iron and steel industry, contravening the ECSC Treaty.

The closure of a whole series of plants is proposed on the pretext that the iron and steel industry will not long be able to take on foreign competition, and in Lorraine it will have to fight to protect flat products based on phosphorous ores.

If the policy of supranational integration and the exporting of capital equipment is stepped up, if increasing use is made of Brazilian ore or Australian and American coal and coke, if the Sollac mills are replaced by the rolling mills in Sagunto or the Republic of South Africa, there can be no doubt that steel production in Lorraine is doomed in the medium term, and the iron-ore mines and the coalfields will be doomed with it.

And all these restructuring measures, whether proposed or under way, form part of a much larger plan.

There are plans to introduce a definitive European supranational policy for the iron and steel industry in the near future, defining the essential investment production, manpower and marketing targets for each Member State and for each region. It is in Brussels, in the Commission's offices, that Mr Davignon's department and representatives of the EUROFER cartel will determine once and for all the fate of the Lorraine iron and steel industry, the fate of the French iron and steel industry. That is clear from the statement made by Mr Davignon in the Belgian newspaper *Le Soir* on 18 and 19 May.

Well then, we say that France must remain in command of its iron and steel industry, and it has a number of assets available for its modernization and development, in its natural resources. It would not take long to build some coking plants to make full use of Lorraine coal, and it would not take long to build some iron-ore processing plants to make the best economic use of the 4 to 5 000 million tonnes of ore in the Lorraine deposits and the 2 to 3 000 million tonnes of iron-ore deposits in the west of France.

The honourable Members of this Assembly may verify this description of a drastic situation with their own eyes.

Porcu

I hereby invite a delegation of members to come and take a look at the Longwy-Villerupt ore field, only a few miles from Luxembourg, one of the fields affected most by capitalist restructuring. There you will see how much damage has been done, and the efforts of the local authorities which, not being informed of the restructuring and redundancy plans, have for the last few years been carrying out a programme to make up for the acute housing shortage affecting working people in this area.

It is high time the Community stopped concerning itself solely with helping the iron and steel companies to improve their profits. Why should the workers be considered as appendages of the machinery? Their demands must be heard and they must be satisfied.

The iron-ore miners are calling for early retirement to be granted to workers with 30 years' service in the mine, including 20 years at the face, for a working week of no more than 35 hours and for the system applying to workers in reconverted coal-mines to be applied to workers in ore-mines as well.

The steelworkers are demanding, amongst other things, the establishment of a fifth shift in continuous services for a working week of 33 1/2 hours, a 35 — hour week for discontinuous services and a 40 — hour week for general services, retirement at 55 and the opportunity to negotiate early retirement before that age in the case of workers in companies with organized reductions in manpower, and a fifth week of paid holidays. These are not excessive claims.

Do you know that steelworkers who are 55 today joined the works at the age of 14 or 15? Having been a steelworker myself, I can tell you this at first hand. Forty years in the blast-furnaces, steelworks and rolling mills, where you're roasted in front and frozen behind is enough to wear out any man, however tough he may be.

It should not be forgotten that for most of their lives these men have worked a 50 to 60 hour week, and have been obliged to do 16 hours at a stretch every three Sundays. What is now to become of these men thrown out in the street today at the age of 50 to 55? They will never get another job. That is why they must be given their retirement.

On the eve of the 21st century, they still have to work seven days a week, eight hours a day, day and night, in order to be entitled to a so-called compensatory rest period. They find it difficult to sleep and eat, particularly since they have to live on rough housing estates, where soundproofing has scarcely even been heard of.

So a fifth shift needs to be introduced, not just for economic reasons but also on human and social grounds.

Those, Mr President, ladies and gentlemen, are some of the ideas which should be taken into account when giving the workers their answer.

The Communists do not claim to be the only ones to be putting forward social proposals which do full justice to the word humane. I know that Commissioner Vredeling has also recommended that a whole series of social measures should be taken on behalf of workers in the iron and steel industry, but I also know that these proposals are running into management opposition.

Our Assembly, whose election by universal suffrage is to take place in less than a year's time, should be backing the workers if it really wants to contribute to the building of a Europe of progress and economic and social democracy.

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

Mr Glinne. — (*F*) Mr President, it so happens that in my own country's Parliament I represent the iron and steel area of Charleroi; so I too can comment on the basis of personal experience.

I should like to start by saying that we are very anxious to see the Community's achievements in the field of the iron and steel policy preserved and consolidated. The Coal and Steel Community dates, as everyone knows, from 1951. In the present circumstances, when the Community is rightly being criticized for dragging its feet over the definition and establishment of new common policies, it would in our view be exceedingly regrettable if a joint responsibility, set up by the Treaty of Paris five years before the economic community was even created, were now to be unravelled, downgraded and dismantled.

In other words, the general crisis and the difficulties which have been affecting the iron and steel sector in particular for more than three years could not, in our view, in any way justify falling back on sham solutions of a national nature. The Community framework of the iron and steel policy must remain tightly knit, it must retain its predominant character, though of course this does not exclude supplementary national measures, even quite important ones, provided that they are integrated into a completely decisive Community design. It is of course easy to blame the ECSC for the trouble caused by the crisis. The real question now is how great a crisis would there be if the Coal and Steel Community did not exist!

Next I should like to recall the fact that the Treaty of Paris which established the Coal and Steel Community has, unlike the Treaty of Rome, a strongly dirigiste character. Without wishing to bandy ideological slogans of the kind sometimes used by right-wingers on the Committee on Economic and Monetary Affairs, I should like Members to bear in mind that all

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the clauses of the ECSC Treaty should be applied, not because this is the way to put some people in the ideological right compared with others, but because the Treaty is precisely worded, it is precise in its intentions, it constitutes a political commitment and it must therefore be honoured.

We take the view that even the most dirigiste clauses of the ECSC Treaty should be carried out. Thus, to speak personally, I think it is rather paradoxical that in the present situation there has been no declaration of a manifest state of crisis as explicitly provided for in one article of the Treaty.

My third comment concerns public aid, whether this takes the form of loans or, for the most part, intervention of different kinds. Mr President, my country has had to live with the scandal of the coal policy for some years: non-returnable subsidies have been granted to the coal industry, without any change in the status of ownership, and without any intervention by the State in the management of this important sector.

In the light of this disastrous experience, I hope very much that it will not be repeated in the iron and steel sector, whether at Community or national level. That is why, just as we are demanding for my own country, we are calling for public aid in the iron and steel sector, especially that granted to private companies, to take the form of a controlled interest in the undertaking. We reject non-returnable subsidies in favour of taking an interest in capital, and when I say 'controlled interest', I mean not just getting representatives of the State to intervene, but also organizations representing workers in the regions concerned and in the companies involved.

I will now turn to the guidelines and measures adopted by the Commission in a number of areas. First, the Commission has followed a line of moderate protectionism, not just with regard to the well-known exporting countries (Japan, Brazil, and the new Third World producers) but also Czechoslovakia. The Commission recommends reorganization of this sector, and is right to do so because the sector must be made viable. It is recommending regional redeployment, which is vital for economic, social and human reasons and of course the operation of restructuring the iron and steel industry must be accompanied by the creation of new jobs by way of compensation. We also appreciate the measures taken in the field of social readjustment, and in this regard, I should like to stress that it is not enough simply to make generous arrangements for early retirement. Occupational training schemes, linked to the industrial redeployment operations, must be introduced. For if all

workers over a certain age in the iron and steel industry were given early retirement, the regional economic problem would remain unsolved and we should be faced with industrial wastelands which would be politically, socially and humanly unacceptable.

So we appreciate in principle the Commission guidelines which I have just summarized, but they seem to us to be inadequate. Having said that, we should like to place the responsibility in the right quarter: for the Commission is not to blame for shortcomings which should be laid at the Council's door. When the resources of the Regional Development Fund and the Social Fund happen to be inadequate for certain operations, it is not the Commission, whose proposals were generous enough, which should take the blame, but the Council, which has often rejected the proposals put before it.

Moreover, the Member States have certain responsibilities themselves. There can, for instance, be no doubt that Belgium could stimulate domestic consumption of steel by incorporating more steel in its housing programmes, promoting central heating, modernizing our railway network and so on. I now want to come to the motion for a resolution which we are discussing here in order to put the case for the two amendments which we have tabled.

Mr President, I must ask you to pardon the improvised nature of these amendments, which are not quite in their correct form. I do not know whether it is usual to correct tabled amendments, but I should like to say that Amendment No 1 is justified by the fact that in our view the Commission's estimated reduction of jobs in the iron and steel industry are for the period to 1985 and not just to 1980, and that these estimates do not take account of corrective action which is still possible. So our amendment should read:

Having regard to the revision of the General Objectives for Steel 1980-1985-1990, and to certain estimates by the Commission providing for the phasing out of at least 100 000 jobs by 1980, unless remedial action is taken ...

Mr Porcu. — (F) The Objectives state '1980' and not '1985'.

Mr Glinne. — (F) ... Before coming here I had a talk with some trade unionists who are members of the Committee on Employment and the Economic and Social Committee, and they said that in their view the proposed reductions were for the period to 1985. Commissioner Vredeling will tell me exactly what the position is; in any case, these are reductions which could be tempered by remedial action.

Glinne

As to Amendment No 2, I should like to read out the first indent as I originally drafted it :

Whereas, since the entry into force of its measures to combat the serious difficulties facing the iron and steel industry, the Commission has put into action its determination to proceed simultaneously with the restructuring of the iron and steel industry, regional reconversion and social readjustment projects, in order to counter the effects of the world steel crisis on the workers.

I should like this text, as here amended, after being twisted by successive translations and rendered politically unintelligible, to serve as the official reference text.

With regard to the amendment by Mr Müller, may I briefly say that in principle we accept his amendment, the aim of which is to allocate *steel customs duties to supplement the social and regional policy funds in the iron and steel sector*, as we have already said in the context of the budgetary debates for 1978. However, we feel that this rather incomplete and improvised debate is not the right occasion on which to adopt a position on the matter. When it comes to the allocation of customs duties these should be considered in a more detailed debate. Our colleague Mr Lange, chairman of the Committee on Budgets, has emphatically asked that this should be done. So we welcome the principle of this amendment, whilst calling for its detailed examination to be deferred until September. Our group will then take the initiative of calling for a full debate.

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

Mr Hans-Werner Müller. — (D) Mr President, like the last two speakers I also have the honour to represent a steel-producing region of the European Community. I come from neighbouring Saarland and the gloomy picture which Mr Porcu has painted here certainly applies equally to other areas. The crisis in the steel industry is becoming a permanent subject of debate in this House, so I do not think we always need to start from scratch, as you, Mr Porcu, just did by complaining, *inter alia*, that the Community is importing an awful lot of coal. This is something we discussed two days ago when we debated the Ibrügger report. If you complain that we are having to face competition from Brazilian, Australian or South African coal, well, we also have to face competition from Polish coal, for example. I just want to put that on record for the sake of completeness. The problem is not going to be solved by a lot of fine speeches — on the contrary, we shall have to get down to some detailed work in tackling this extremely complex crisis.

I think it is quite right that this question should come up again and again, since the consequences of jobs

being lost in this sector simply cannot be underestimated. In the Saarland, which is also not far from here — if we go to Longwy, we could just as well send a delegation of this Parliament to the Saarland — a very significant survey has been carried out which shows that, for every job in the steel industry, there are two other dependent jobs in ancillary industries, and that means — to look at it in a negative sense — that for every redundancy in the steel industry there will, after a certain time lag, be two redundancies in other sectors unless action is taken.

There is much often heated political discussion in all regions affected by the steel crisis. Of course, the public is concerned. Aid and restructuring measures, both at national and Community level, have been introduced. I might recall in this connection that, the day before yesterday, we referred the Ansquer report on one aspect of this whole issue back to the Committee on Economic and Monetary Affairs with a view to achieving a degree of harmonization in the introduction of Community aids. My group — and I myself, speaking in a personal capacity — therefore fully support the request made in the motion for a resolution before us today, paragraph 1, of which :

Asks the Commission for prompt and comprehensive information concerning its proposals for restructuration projects and for social measures to accompany the projects ;

Well, a certain amount of information has already been given. We are all familiar with Article 56 (2) (b) of the ECSC Treaty. We know about the tideover allowances, the plans for early retirement pensions — to mention just some of these social measures — and the restructuration projects have also been made known to us and, through us, to the general public. On the other hand, however, the concern expressed by the motion for a resolution and Amendments Nos 1 and 2, as tabled and explained by Mr Glinne, should certainly be recognized here, and I am perfectly prepared, Mr Glinne, to do as you suggest and withdraw my own Amendment No 3, possibly referring it back to committee, so as to take account of the concern felt and the procedure you have proposed, if that will help us to move ahead. I accept, in other words, that these are technical budgetary matters which do not necessarily belong in the preamble of this type of resolution. I am grateful, however, that you fully accept and understand the concern expressed in my amendment. I simply believe that we should all make a combined effort to see that decisions of both the European and national authorities are made somewhat more transparent for the European public at large and, in particular, for those directly affected, so as to help to psychologically lessen the anxiety of those concerned wherever possible.

H.-W. Müller

I should like in this connection to give my very special thanks to the Commission, particularly to the Commissioner responsible, Mr Davignon, for the extremely cooperative way in which he has made himself permanently available to Members of this House to talk about this complex issue, both in committee and in individual discussions.

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

Mr Osborn. — Mr President, I too come from a steel city, Sheffield, and have been involved in the steel industry all my life, and I may say to Mr Porcu that I have made steel and I have worked in a steel plant too but that is many years ago. Today, meetings of Heads of State and meetings of the Council are taking place in Bremen and Bonn, and whether we are dealing with this subject or the previous one, the most vital thing is to take the right economic and monetary decisions to achieve industrial expansion, an expansion which will percolate to the European and world steel industry.

May I dwell on Mr Porcu's argument about importing iron ore? To the east of Sheffield — and the Sheffield steel industry grew up because of this — there are low-grade iron ores, mainly in Lincolnshire and round the Nottingham, Grantham, Northampton area. The iron content is probably 23 to 28 %. In the reserves used in Canada and South America, Africa, one expects a natural iron content of 65 % and with sintering and other techniques, such as flotation methods, which I have seen, one could get up to the 85-90 % sinter product being shipped overseas. Therefore one comes to the question of the energy content of a high-energy material — steel — and therefore Mr Porcu's arguments rather oversimplify the issue. He has raised them and I hope he does not deceive his own citizens in Lorraine as to the nature of the problem.

Now, I hoped we would have had a major debate on this subject earlier this week on the Ansquer report (Doc. 180/78) when Commissioner Davignon was here. Why I hoped for this is because perhaps the worst news of all time came out of Britain, at the annual meeting of the British Steel Corporation — in fact, had I not been here I had been invited to be there with other interested Members of Parliament — when Sir Charles Villiers announced losses of £ 443 million. Now, obviously the steel industry of the Community, let alone elsewhere in the world, face a crisis of confidence. Under such circumstances national governments in the Community could work in isolation, particularly a British Government because the bulk steel industry is nationalized in Britain, or the national governments could work in concert with the Commission and both work with their own industries. Whether it is Sir Charles Villiers or the heads of

other companies facing difficulties in the Community, when there are reserve cash flows and when losses are being made against profits, each head and each board of that company tends to look at the survival of its own company: that is the nature of the industry in which they live. I would say that some private companies, particularly in my city, have not done so well this last six months, although the special steel industry may have survived slightly better. But what is certain is that in the 1930's it was respectable for the producers of steel to come together and form trade associations and avoid being exploited by a buyer's market. Commissioner Davignon has the most difficult challenge of his life to maintain price stability in the industry of the Community through Eurofer and other agencies, and this he stated quite clearly in the last debate on this subject. It is right that Parliament should know what is happening. It is right that the Committee on Economic and Monetary Affairs should examine the actions that Commissioner Davignon has taken, and we should support him at a very difficult time.

Some of the amendments deal with the outlook for 1985 to 1990, and these have been published, and it has been suggested that by 1980 capacity utilization in the EEC will vary between 65.5 %, with average economic activity, and 71.6 % at high economic activity. Steel production capacity could be 200 million tonnes by 1980, but actual production is expected to fluctuate between 138 and 143 million tonnes.

Production could reach 158 million tonnes in 1985, with capacity at 186, and by 1990 173 million with capacity 204 million tonnes. The point is that the capacity rose by 10.5 % between 1974 and 1976, whilst production fell by roughly 14 %. These are the figures that the industry has to look at and lean on.

In the *Financial Times*, just a day after reporting the annual meeting, a reporter, Mr Roy Hudson, dealt with the world steel crisis and the challenge to BSC.

He referred to a demand for steel in the non-Communist world of roughly 450 million tonnes and a capacity and output of nearly 550. He referred to the league table of losses per tonne: British Steel Corporation, £ 25 per tonne loss, Usinor £ 29 and Sacilor, again in France, £ 42 per tonne. And therefore one comes back to the debate we should have had. Now obviously the difficulty, as I see it, is that the implications of the Ansquer report and the Commission proposal 175/78 go beyond the steel industry. As the proposal is under the ECSC Treaty, legally the European Parliament need not be consulted. What is even a little unfortunate was that the Committee on Economic and Monetary Affairs did not give this proposal much time. Perhaps the fault is Parliament's.

Osborn

This committee has far too much work to do and for a long time I have advocated an economic and finance committee on the one hand, and a trade and industry committee on the other, so that this work would be split, and I very much hope that after direct elections the Bureau will put less of a burden on one committee, so that the committee will have time to look at these issues. Governments have become more and more interventionist and Mr Glinne referred to this. Nationalized industries have been accustomed to having their deficits made up by the State and private industry is lapsing into the same way of thinking. It would help the Committee on Economic and Monetary Affairs in its consideration of the proposals if the Commission could give full details of the aids and amounts involved.

This was requested in an oral question by Mr Normanton and Mr Van der Mei, on behalf of the European Conservative Group and the Christian-Democratic Group, last year. The Commission must have the information, and it is very much to be hoped that it will make that information available to the committee and this Parliament. Now, obviously, throughout the Community there is a problem of closures. Some closures have not been handled too well. Bilston is the latest BSC closure and the subject was commented on in the British press. It is a difficult decision, whether for a state industry or a private company, to close a plant that has poor productivity figures, poor performance figures, although I gather that in two months Bilston, for instance, lost £1.3 million. What is important — and this has already been mentioned in the debate — is that, if we are to retain steel plant of high productivity and high efficiency, then other businesses should be brought in. I am thinking of the Notenboom report; I remember attending a debate on small businesses, and I very much hope that alternative labour intensive businesses will be given every encouragement possible.

Mr President, may I turn to the various amendments? I think my group would most certainly support this time the two amendments No 1 and No 2, particularly with reference to regional reconversion and social readjustment, because this is what I have been talking about. What we have to discuss amongst ourselves is whether steel's customs duties — and this is a hardy annual in this matter — should specifically go to social and regional policy in so far as it affects the iron and steel sector. However, my group would go along with the compromise reached by Mr Müller and Mr Glinne. I regret that we have to have a major debate on a Friday with a Commissioner who has not responsibility for this, but it is extremely important and the appropriate committees of the Parliament should watch the very difficult period that those running the industry and the Commission will have to face, because there is no visible upturn in demand

for steel and all those working in the industry feel as insecure and uncertain as they did 40 to 45 years ago.

President. — I call Mr Laurain.

Mr Laurain. — *(F)* Mr President, ladies and gentlemen, as Socialist member for the Moselle I would like to place the case of the Lorraine against the background of aid to the Community iron and steel industry which is the subject of the motion for a resolution we are about to vote on, and which I personally support in spirit if not to the letter.

What is the situation in the Lorraine iron and steel industry? A first 'steel plan' determined the number of jobs that would have to be phased out to ensure that this industry was competitive with world markets. This figure was 13 200 for the Lorraine. Now people are talking about a second 'steel plan' bringing with it new job cuts estimated at 10 000 up to 1980-1981. In all, 23 000 Lorraine workers will have lost their jobs by 1981.

Apart from the human aspect of the problem, namely the anguish of thousands of families waiting to know their fate, the steel crisis also has harmful consequences, well known to all, on small and medium-sized undertakings, especially in metallurgy, the building trade, public works and commerce. There are 36 000 unemployed in Lorraine, and 16 000 of these are in the Moselle region. The situation here is especially dramatic because half the unemployed are under 25.

To understand this situation and its causes, you must know that the Lorraine iron and steel industry has not only suffered from the international economic crisis like all the European and international steel industries, but it is also heir to a heavy heritage of mono-industry which is a peculiar feature of the Lorraine and one on which I would like to elaborate. It is a region possessing extraordinary natural resources and is perhaps the only region in the world to possess such concentrated resources. For in Lorraine we have iron, coal, salt, wood etc. This region whose working population is legendary for its capacity for hard work, was in the 19th century when the first forges were being built, the ideal place for capitalist development. This is where heavy industry was born and where people have tried to keep heavy industry plants as long as possible while discouraging the setting up of processing industries which could, of course, have introduced dangerous competition for wages. The Lorraine iron and steel industry has two characteristics which make it more vulnerable than other comparable industries: it is a heavy mono-industry and has not kept up with the times.

How can we remedy the situation? We French Socialists have never stopped proposing constructive solutions which take the economic realities of the situation into account. We have always been well aware

Laurain

that we cannot work any economic miracles. On the other hand, we must not be content with technical considerations which have absolutely no effect unless there is the political will to apply them in a social context.

How can the European Community really help the Lorraine iron and steel industry to get out of its crisis? This is the question which all the Lorraine steel workers are asking through me and my colleague Mr Porcu.

We must not, be content with talking about restructuring, and I cannot stress this enough. This notion of restructuring is not enough. Restructuring, i.e. modernization is of course necessary to get back our international competitiveness, but if we really want to solve the basic human problem of unemployment, this restructuring must be accompanied by a conversion of the Lorraine iron and steel industry into processing industries which would have the double advantage of creating new jobs and producing manufactured goods with high added value suitable for exportation. Up until now restructuring aid has only served to swell the ranks of the unemployed. On this subject I would like the Commissioner to tell us what has become of the fabulous sums given to the management of the Lorraine iron and steel industry by the French State and by the ECSC. How has this been used? The French Government has already received many requests for an enquiry into the subject. So far all these requests have been ignored; perhaps we shall have more success if we go to the European Commission! It is not enough to provide financial aid; we must also provide the means efficiently to monitor how this aid is used.

Furthermore, it is a little ambiguous to say that the aid coordination procedure should make an effective contribution to making structural improvements in the iron and steel sector without jeopardizing a return to free competition. Aid is never completely without strings; it can never entirely escape from being dirigiste. How can this be compatible with free competition? What we should say rather is that in practice this sacrosanct freedom of competition is applied nowhere and is made a mockery of daily by the system of agreements and capitalist concentrations, especially by the multinationals.

It is the job of the States and the European Community, the defenders of the general interest of our peoples, to redress and make up for such injustices and inequalities by helping industries in temporary or structural difficulties.

The biggest favour that the European Community can do the Lorraine iron and steel industry is therefore to help it, I would even say to oblige it, to build up its own processing industries while the French Government — at least this is what the Left is proposing in

France — would assure the full internal development of the iron and steel industry by nationalizing it and orientating it towards objectives defined by democratic planning. This is where a sense of common purpose, to echo Robert Schuman's declaration can come into play.

Helping the Lorraine iron and steel industry to modernize may mean, giving up over-facile plans and ready formulas. In particular it may also mean giving up a status quo which would like Lorraine to confine itself to heavy industry while other European regions hold on to the benefits of processing and the added value which it brings.

For the Lorraine workers who want to live and work in their region, one thing is clear: European Aid should show itself in new jobs and improved wages and working conditions. Anything else is just hot air and waffle. The confidence of the Lorraine workers in the construction of Europe depends on the efficiency of this aid.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, I should like to begin by saying that I am rather sorry that this debate had to take place today and that, as a consequence, I have to deputize for Mr Davignon, which of course in this case is not an easy task, because Mr Porcu in particular has attacked Mr Davignon in a way which is unacceptable. This is something I have to say. I have to stand up for my colleague. As to your remark, Mr Porcu, that Mr Davignon is hand and glove with Eurofer etc. — and all the things you said — I find it objectionable. Mr Davignon carries out the Commission's policy and nothing else. He does that capably, but he does not do things off his own bat. Like every person he would probably like to, I would like to myself sometimes, but if he were to do that, the Commission would bring him back into line.

So if you want to say something about Mr Davignon I would ask you to do that in his presence, since he can defend himself much better than I can. I just wanted to say that because, if I said nothing I would, in my opinion, have done less than my duty.

The fact is that the general objectives in question are constantly being discussed in the Committee, the consultative body which meets in Luxembourg. Is Mr Porcu not aware that the whole trade union movement is represented on it, including all the French trade unions? My impression was that he conveniently forgot that fact. I myself occasionally attend its meetings. All the trade unions in the steel industry are there as large as life when the '*objectifs généraux*' and their consequences are discussed. Whatever that sounds like to you, we call that participation including the trade unions. If you think that Mr Davignon can do what he likes without giving an account of himself

Vredeling

to anyone, that is completely untrue. You yourself are a living example of this in this European Parliament. Is that not so? In this European Community that you praise so much, we have something called the European Parliament, Mr Porcu, and in that European Parliament you can call members of the Commission to order, even Mr Davignon if you like.

Mr President, I feel that it would be better if I did not attempt to replace Mr Davignon in a debate like this on the extremely important problem of the restructuring of the steel sector. Mr Osborn rightly said that employers and employees in the steel industry are feeling insecure. He referred to the situation 40 to 45 years ago. I noticed this during my talks, particularly those which I had with the trade unions in connection with my sphere of responsibilities, but also with employers. There is a feeling of insecurity. We in the European Community must do as much as we can to remove this insecurity.

I shall not attempt to explain the restructuring policy which Mr Davignon has to draw up. That is an extremely difficult thing. I think he must do that himself. He can do that much better than I can and I would just like to say a word about the measures which are an integral part of restructuring, measures of a social nature. Indeed, Mr Davignon and I are fully agreed about the need for social measures to be an integral part of his restructuring plan. The social chapter must be an indissoluble part of it.

Mr Müller has said that we are all familiar with the measures coming under Article 56 of the ECSC Treaty. Now, you are familiar with them in the form they have so far been implemented, Mr Müller, but we in the Commission are engaged in adapting them to the dimensions of the present problem. Article 56 of the ECSC Treaty has been applied in the past, particularly to mine closures. The amount of money paid out for social purposes in 1977 pursuant to Article 56 has now, probably for the first time, exceeded the amount which was ever paid out on mines. It has now been increased still further.

For social measures in the steel sector, 44 million units of account have so far been provided for 1978 from the current budget for expenditure connected with the application of Article 56 and this amount will be increased. We are, for example, receiving enquiries from all the Member States regarding early retirement, a new measure which we can subsidize up to 50 %. We are considering various other things. Just recently a document has been drawn up by the Commission which will be sent to the Consultative Committee and then to the Council. It will undoubtedly also be discussed here in Parliament. This document includes a number of proposals, a number of suggestions for measures. I have only the French text before me, the Dutch translation is not yet available:

Abaissement de l'âge de départ à la retraite, aménagement du travail posté ou en équipe, organisation du travail hebdomadaire à durée réduite, limitation des heures supplémentaires.

Discussions on these measures are under way. We intend to discuss them with members of the Consultative Committee at a meeting on 13 July. Taking into account the views of that committee, the Commission will then finalize this document entitled '*Volet Social de la Politique Sidérurgique*'. We shall then take it to the Council and it should then be possible to draw up a coherent social policy in all the countries of the Community.

What the Commission is trying to do and what I am trying to do is to extend political interdependence to the social sphere, on the principle that if decisions are due at Community level which are crucial to and will have a considerable effect on the steel industry, the social consequences, the effects on employment, must no longer be left to the responsibility of the individual Member States. That would not be sensible. It therefore requires the acceptance of responsibility and financial involvement on the part of the Community since these effects stem directly from the economic and trade measures which are taken at Community level.

It is on this basis, a very general one, but very important politically, that the Commission wishes to proceed when proposing further measures for restructuring the steel sector. It is the same basis which we will adopt, as Mr Davignon said here this week, when restructuring the shipbuilding industry and all other issues of similar importance when adjustments need to be made in order to cope with evident economic difficulties.

Mr President, I should like to leave it there. I can promise Parliament that I shall forward the social sections of the document to be sent to the Consultative Committee subsequently to the Social Committee for its information. After it has been discussed by the Consultative Committee, it will come back to the Commission and the Commission will decide its final stance on the social chapter. Then it will go to Parliament and I can hardly believe that Parliament will not concern itself with this extremely fascinating and politically very important matter, that it will not devote a debate to it during a plenary sitting. I therefore use this interpellation, if I may use the word, to explain how we envisage things. I wanted to leave it there since the debate is not sufficiently prepared. You are not familiar with our document. You are, indeed, not yet in a position to be familiar with it.

If I started improvising here and announce its contents, that would not be fair to the Committee which has still to receive the document.

Vredeling

The Social Committee will also receive it for its information but the Commission has not yet decided on its final position. It first wants to hear the Consultative Committee. And then will come the moment when Parliament can give its opinion on the basis of the actual document which we will produce. I thank Parliament for enabling us to have this matter on the agenda. I can tell you that the Commission has no objection whatsoever against the resolution that has been submitted.

This resolution would be considerably improved by the amendments which have been tabled particularly the oral improvement which Mr Glinne made to the amendment which he and his colleagues have drawn up. One of the things which I really ought to say is that the 100 000 jobs which have been mentioned on various sides are in fact based on figures on developments which will take place between 1977 and 1980. These are based on certain expectations concerning the rise of productivity and naturally the rate of economic growth on the basis of forecasts of economic activity between now and 1980. These forecasts show that if we do not take any measures, if we do nothing at all, if we carry on as we are, between 100 000 and 140 000 jobs will be lost. That is an objective scientific forecast based on the figures we have.

Let there be no misunderstanding. Let Mr Porcu hear me well : if no further measures are taken, this will be the result. Of course, this loss of jobs must be cushioned and absorbed. You cannot just sit back because otherwise you get problems like those in Lorraine, Sheffield and now in Belgium and the Saarland and various other places. Then all these problems descend upon us. But anyway, to prevent a commotion and wild rumours, I want to state plainly that in this document that I have just spoken to you about prematurely, we have suggested ways of absorbing these numbers, and taking complementary social measures so as to be able to cope with the difficulties sprung on us in a socially responsible way.

Alternative employment must be created. Social measures must be taken, such as early retirement, the introduction of a fifth shift, some means of shortening working hours, either by longer holidays or by granting study leave or whatever and by limiting overtime. These measures need to be taken because otherwise the number of jobs I have said will be lost. Our social policy must include these measures as a matter of priority.

It will not be easy, since there is always an argument about these matters between employers and employees, as you know. I hope nevertheless that it will be possible to bring the employers and employees together — the Commission has a bridging function to fulfill — so as to prepare for it. The restructuring of

the steel industry is a necessary process which cannot be avoided. But it must be possible to carry out this process in a way to which Parliament and the Commission can give their assent. We are dealing with people who live and work in conditions which Mr Porcu and others here have described, people who live in areas which have to struggle with this and that make it obligatory to have this restructuring process take place in a socially responsible manner.

President. — I call Mr Porcu.

Mr Porcu. — (*F*) Mr President, first of all I would like to point out that all these speakers have backed my report and confirmed that the measures taken by the Commission will have heavy consequences for the employment rate in the iron and steel industry. This, then, reflects a real situation. It is difficult to deny the evidence and to ignore the feelings of the workers in the regions concerned. I willingly put on record for Mr Müller's benefit that when one job is cut in the iron and steel industry another two are cut in other industries. I would also like to mention, ladies and gentlemen, the sizeable number of workers employed by temporary employment agencies which have proliferated in the iron and steel industry using workers who can be laid off at a moment's notice without any redundancy pay and this helps to camouflage the number of jobs cut which is much higher than the figures given by the iron and steel industry itself.

Should we then encourage a certain degree of protectionism? I say yes, in all directions. It is not my practice to take the political system of a country into account in taking up my position. The United States and Japan themselves use certain protectionist measures. Why should not we use them too? Of course protectionism does not have all the virtues, but neither does it have all the vices, and we must know how to use it properly. Of course early retirement and golden handshakes are not enough. All the same they are indispensable and should be continued. I won't say anything about iron ore here because that would take too long, but I hope that we shall have a debate in this House on the use of Community resources, for iron ore can be enriched and have its iron content brought up to way above the 27, 28 and 30 % iron ore content of the Lorraine ore. I would also like to add that in Canada and Japan they are using pyrites with an iron content of 17 % which are widely used in blast furnaces; this is also happening in the Soviet Union.

If a delegation from our Parliament visits Longwy or Villerupt then I would not mind making a slight detour via Sarrebruck, because it is not all that far and then we could see for ourselves how the monopolist policy of capitalism is harmful wherever it is and not only in Lorraine.

Porcu

Mr Commissioner, I can tell you that if the Commission's decisions correspond exactly to what EUROFER wants it is no coincidence. I am not saying that EUROFER is guiding Mr Davignon's pen, but it does so happen that the Commission's decisions reflect what EUROFER wants much more than what the iron and steel workers' unions want and demand; I regret this state of affairs. If Mr Davignon's report had a different slant I would stress this more forcibly. You yourselves say that jobs cut have reached the figure of 100 000 or even 140 000. I had heard this estimate of 140 000. I had not wanted to say anything: I was waiting for you to say it. I would like to thank you for your honesty in stating this figure. Will it be reached? Most probably, if we let the management of the iron and steel industry do as it pleases, but it will not be reached if steelworkers and the countries concerned take matters into their own hands and fight to defend their jobs as they are being asked to by their trade unions and, by the French Communist Party. I am no Don Quixote and I would not have the audacity to see Mr Davignon as a windmill. This is why I hope we shall have a full debate in this House in the presence of Mr Davignon on the crucial problem of the iron and steel industry and I perfectly understand, Mr Vredeling, that you did not want to take full responsibility for Mr Davignon's report on behalf of the committee as you are more especially concerned with the social implications which I stressed a few minutes ago, and we would like to back you in this.

President. — I call Mr Glinne.

Mr Glinne. — (F) Mr President, I have now received confirmation straight from the horse's mouth that the estimated number of job cuts — at least 100 000 jobs — was for now until 1980 and not 1985 as I had believed in all good faith. Accordingly — and I too would like to thank the Commissioner for his great intellectual and political integrity — the first amendment proposed by the members of the Socialist Group should read as follows:

Certain estimates by the Commission providing for, unless remedial action is taken — and I insist on this — the phasing out of at least 100 000 jobs by 1980.

This is the exact text of the amendment which we are putting forward for the second time.

President. — Does anyone else wish to speak?

The motion for a resolution will be put to the vote together with the amendments which have been tabled at the end of the sitting.

The debate is closed.

15. Votes

President. — The next item is the votes on the motions for resolutions contained in reports on which the debate is closed. We shall begin with the *Hughes report (Doc. 206/78): Regulation on herring fishing.*

I put the preamble and paragraphs 1 and 2 to the vote.

The preamble and paragraphs 1 and 2 are adopted.

After paragraph 2, I have Amendment No 1, tabled by Mr Hughes, seeking to insert the following new paragraph:

'2a. is greatly disturbed by the imprecise wording of the regulation and the possibility of difficulties for both fishermen and lawyers in implementing it.'

I put amendment No 1 to the vote.

Amendment No 1 is adopted.

I put paragraphs 3 to 12 to the vote.

Paragraphs 3 to 12 are adopted.

I call Mr Kavanagh for an explanation of vote.

Mr Kavanagh. — Mr President, in my speech last night I pointed out that I accepted the principle of the Commission endeavouring to preserve the fish stocks around the coasts of Ireland, but in making that speech I pointed out that the application of the quotas for these waters will bring very grave hardship to people engaged in the fishing industry, not merely the fishermen themselves but the people who are otherwise engaged in the onshore activities such as processors, transporters and people in packaging etc. It is because of the lack of any specific proposals in the report to bring some compensation and aid to these people following the application of the quotas or to bring some measure of relief for them as a result of the total ban on herring fishing on at least half the coast of Ireland that I want to bring it home to Parliament, and particularly to members of my own group, that this is causing a very serious hardship in my country, so I intend to oppose the resolution on that basis.

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

The resolution is adopted.¹

I now put to the vote the motion for a resolution contained in the *Hughes report (Doc. 227/78): Regulation on fisheries: vessels flying the flag of Canada.*

The resolution is adopted.¹

We now consider the *Hughes report (Doc. 228/78): Regulations on fisheries: catch quotas for herring stocks — vessels fishing in the Norwegian economic zone — catch quotas for vessels fishing in the waters of the Faeroe Islands.*

¹ OJ C 182 of 31. 7. 1978.

President

On Article 2 of the proposal for a regulation, I have Amendment No 2, tabled by Mr Hughes, seeking to word this article as follows :

'2. direct fishing for herring shall be prohibited (*three words deleted*) until 31 December 1978 in division VI(a) as defined by the International Council for the Exploration of the Sea.'

I put Amendment No 2 to the vote.

Amendment No 2 is adopted.

We now turn to the motion for a resolution.

I put the preamble and paragraphs 1, 2 and 3 to the vote.

The preamble and paragraphs 1, 2 and 3 are adopted.

After paragraph 3, I have Amendment No 1, tabled by Mr Hughes, seeking to insert the following new paragraph :

'3a. Considers that the ban on herring fishing off West Scotland should apply to all fishermen and not merely to Community fishermen ;'

I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

I put paragraphs 4 to 12 to the vote.

Paragraphs 4 to 12 are adopted.

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

The resolution is adopted.¹

I put to the vote the motion for a resolution contained in the *Hughes report (Doc. 232/78): Regulation on fisheries: agreements between the Community, Sweden, Denmark and the Home Government of the Faeroe Islands.*

The resolution is adopted.¹

I put to the vote the motion for a resolution contained in the *Lemp report (Doc. 231/78): Regulation on fisheries: agreement on fisheries between the Community and Norway.*

The resolution is adopted.¹

I put to the vote the motion for a resolution contained in the *Liogier report (Doc. 229/78): Market in wine.*

The resolution is adopted.¹

We now consider the *Ligos report (Doc. 201/78): A common measure for forestry.*

I shall ask you to vote first on several amendments to the proposal for a regulation.

On article 15, paragraph 3, I have Amendment No 1, tabled by Mr Hansen on behalf of the Committee on Budgets, seeking to modify the paragraph as follows :

'3. The Commission shall adopt measures which shall apply immediately. However, if these measures are not in accordance with the Opinion of the Committee, the Commission shall forthwith notify them to the Council and the European Parliament. In that event the Commission may defer application for not more than one month from the date of such communication.'

The Council, acting by a qualified majority may take a different decision within one month. *However, if the measure has significant budgetary consequences, the Council shall act only in agreement with the European Parliament.'*

I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

On article 16, I have Amendment No 2, tabled by Mr Hansen, on behalf of the Committee on Budgets, seeking to word the article as follows :

'16. The Council, *after consulting the European Parliament*, is accordance with the procedure of article 43 of the Treaty, may amend or add to the conditions set out in articles 2 and 11 (2).'

I put Amendment No 2 to the vote.

Amendment No 2 is adopted.

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

The resolution is adopted.¹

I put to the vote the motion for a resolution contained in the *Howell report (Doc. 225/78): Market in milk products and butter at reduced prices.*

The resolution is adopted.¹

I put to the vote the motion for a resolution contained in the *Howell report (Doc. 226/78): Aid to milk producers in Northern Ireland.*

The resolution is adopted.¹

I now put to the vote the motion for a resolution contained in the *Cifarelli report (Doc. 208/78): Fruits and vegetables.*

The resolution is adopted.¹

I put to the vote the motion for a resolution contained in the *Lamberts report (Doc. 181/78): Dangerous preparations.*

The resolution is adopted.¹

I put to the vote the motion for a resolution contained in the *Albers interim report (Doc. 179/78): 1978 Tripartite Conference.*

The resolution is adopted.¹

I put to the vote the motion for a resolution tabled by Mr Kofoed (Doc. 234/78): *Competition in the air transport sector.*

The resolution is adopted.¹

We now consider the motion for a resolution tabled by Mr Albers, Mrs Dunwoody and Mr Lezzi (Doc. 230/78): *Youth employment.*

I put the preamble and paragraph 1 to the vote.

The preamble and paragraph 1 are adopted.

¹ OJ C 182 of 31. 7. 1978.

President

On paragraph 2, I have amendment No 1, tabled by Mr Albers, seeking to delete this paragraph.

I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

I put paragraph 3 to the vote.

Paragraph 3 is adopted.

After paragraph 3, I have Amendment No 2 tabled by Mr Porcu, seeking to insert the following new paragraph :

'3a Requests the Council and the Commission, in order to help resolve the human drama of unemployment, especially that of young people, to take account of the claims for the reduction of work time expressed with increasing vigour by the trade unions, particularly :

- the reduction of the working week towards 35 hours ;
- the lengthening of paid holidays ;
- lowering of the retirement age'

I put the amendment to the vote.

Amendment No 2 is rejected.

I put paragraphs 4 and 5 to the vote.

Paragraphs 4 and 5 are adopted.

I call Mr Porcu for an explanation of vote.

Mr Porcu. — (F) I am extremely sorry that my amendment has not been passed, especially as a speaker from the Socialist Party only recently proposed in his speech the measures envisaged in this amendment but did not see fit to vote for it ! I am amazed by this lack of consistency and shall therefore abstain in the final vote !

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

The resolution is adopted.¹

We now consider the *Motion for a resolution tabled by Mr Porcu, Mr Eberhard and Mr Soury (Doc. 233/78): Situation in the iron and steel industry.*

I put the first recital of the preamble to the vote.

The first recital of the preamble is adopted.

On the second recital of the preamble, I have amendment No 1, tabled by Mr Glinne, Mr Laurain, Mrs Dahlerup, Mr Ellis, Lord Ardwick, seeking to modify this recital as follows :

- having regard to the revision of the General Objectives for Steel 1980-1985-1990, and to certain estimates by the Commission providing for the phasing out of at least 100,000 jobs by 1980, unless corrective measures are taken.'

Are there any objections to the amendment being put to the vote in this version, as modified by Mr Glinne during the debate ?

That is agreed.

¹ OJ C 182 of 31. 7. 1978.

I put amendment No 1 to the vote.

Amendment No 1 is adopted.

On the third recital of the preamble, I have amendment No 2, tabled by Mr Glinne, Mr Laurain, Mrs Dahlerup, Mr Ellis, and Lord Ardwick, seeking to replace this recital by the following text, which I shall read to you with the stylistic modifications made by Mr Glinne :

- whereas, since the entry to force of its measures to combat the serious difficulties facing the iron and steel industry, the Commission has proved its determination to proceed simultaneously with the restructuring of the iron and steel industry, regional reconversion and social readjustment projects, in order to counter the effects of the world steel crisis on the workers,
- in view, however, of the inadequacy of these measures and of the need to strengthen considerably the Commission's activities in respect of the application of all the articles of the ECSC Treaty.'

What is the opinion of Mr Porcu ?

Mr Porcu. — (F) I am surprised by such a paragraph, especially when I see that Mr Laurain is one of the signatories.

Once again in his speech he lamented the fact that the necessary, serious conversion measures had not been taken, yet here the emphasis is put on positive aspects of the Commission's conversion measures.

I do not understand. I cannot accept such an amendment.

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

Amendment No 2 is adopted.

After the third indent of the preamble, I have amendment No 3, tabled by Mr Hans-Werner Müller, seeking to insert the following new indent :

- taking into account the need to increase the financial resources of the ECSC by the attribution of steel customs duties in order to reinforce the social and regional credits of steel policy ;'

I call Mr H.- W. Müller.

Mr Hans-Werner Müller. — (D) Mr President, I more or less accepted Mr Glinne's suggestion in the speech I made earlier. I should be grateful if we could refer this amendment to the appropriate committees. This should be possible under our rules of procedure, since the proposal has the support both of Mr Glinne, as chairman of the Committee on Economic and Monetary Affairs and — according to Mr Glinne — of Mr Lange as well. The amendment will thus have been technically tabled and then simply referred back. I should be grateful to the House if we could act in this way.

President. — Mr H.-W. Müller has asked for his amendment to be referred to committee.

Are there any objections?

That is agreed.

I put paragraphs 1 and 2 to the vote.

Paragraphs 1 and 2 are adopted.

I call Mr Porcu for an explanation of vote.

Mr Porcu. — (*F*) I am very sad that a motion for a resolution whose aim was to help the steelworkers by the amendments of Mr Glinne and others, when in their speeches they have expounded on the need to defend the interests of the workers in this industry. While criticizing the Commission's action they have introduced an amendment giving top marks to the Commission.

I cannot associate myself with the vote for this resolution and I shall abstain.

President. — I call Mr Glinne for an explanation of vote.

Mr Glinne. — (*F*) Mr President, I would like to stress that the amendments introduced by certain of my colleagues and myself are not intended to show unduly flattering complicity with the Commission.

The Commission's actions are recorded in a positive light, but there is an important addition and I would like to insist on the second indent of amendment No 2 which I quote :

— in view, however, of the inadequacy of these measures and of the need to strengthen considerably the Commission's actions in respect of the application of all the Articles of the Treaty of Paris.

There is here then a spur to further action and not just the intention of recording previous actions and clapping the Commission on the back.

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

The resolution is adopted.¹

16. *Dates for next part-session*

President. — There are no other items on the agenda. I thank the representatives of both Council and Commission for their contributions to our debates.

The enlarged Bureau proposes that our next sittings be held at Luxembourg during the week from 11 to 15 September 1978.

Are there any objections?

That is agreed.

17. *Approval of minutes*

President. — Rule 17 (2) of the Rules of Procedure requires me to lay before Parliament, for its approval, the minutes of proceedings of this sitting, which were written during the debate.

Are there any comments?

The minutes of proceedings are approved.

18. *Adjournment of session*

President. — I declare this session of the European Parliament adjourned.

The sitting is closed.

(The sitting was closed at 1.05 p.m.)

¹ OJ C 182 of 31. 7. 1978

